

PRESS RELEASE

AN EARLY BLOW TO THE CMU INITIATIVE?

EU Parliament about to blatantly ignore the rights of European individual shareholders

Brussels, 8 June 2015 – The new EU Shareholders Rights’ Directive, as amended by the Parliament’s JURI committee, is to be put to plenary vote on June 10. As it stands the proposal grossly, ignores all the modest amendments repeatedly proposed for months by European individual shareholder representatives to lower the barriers to shareholder engagement within the EU, and thus to promote long term investment and better corporate governance.

“Effective consumer and investor protection will need to be at the heart of the Capital Markets Union”¹. Most unfortunately however, this piece of legislation, which is crucial for an EU single market in capital, is clearly heading in the opposite direction. Indeed, how could such a Union come about without the establishment of a single market for EU-wide shareholder engagement that does not discriminate against:

- individual cross-border shareholders (who often either cannot exercise their voting rights or have to pay fees for it);
- those shareholders whose shares are lodged in nominee accounts and who are thus also deprived of their voting rights,
- or the establishment and rights of individual shareholder associations?²

As a result Better Finance and the Dutch Investors’ Association (VEB) are left with no other choice but to call for a rejection of the report adopted by the JURI committee on the Shareholder Rights’ Directive, which in fact has started to look more like an *“Intermediaries Rights Directive”*, as it was recently nicknamed by the ECON Committee Vice-Chair, Markus Ferber.

“It is a real shame that we should find ourselves in this position”, says Guillaume Prache of Better Finance, “but it is impossible for us to accept that many European citizens as individual shareholders will still not be able to vote whilst others will still have to pay to vote in European companies Annual General Meetings.”

¹ EU Commissioner Hill at the Better Finance Conference on the CMU, 6 May 2015, [Video](#)

² Better Finance [Press Release](#), October 2014, “New EU legislation on shareholders rights: Many European shareholders will still not be able to vote whilst others will still have to pay to vote”



**BETTER FINANCE
FOR ALL**

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