

2013 ANNUAL REPORT

European Issuers



CONTENTS

1. ABOUT US	1
2. MESSAGE FROM THE CHAIRMAN.....	3
3. REPORT FROM THE SECRETARY GENERAL.....	5
3.1. POLICY COMMITTEE	6
3.2. SMALLER ISSUERS COMMITTEE.....	7
4. POLICY PRIORITIES IN 2013	9
4.1. CORPORATE GOVERNANCE.....	10
4.2. AUDIT REGULATION	12
4.3. INVESTMENT CHAIN	15
4.4. COMPANY LAW	16
4.5. GREEN PAPER ON LONG-TERM INVESTMENT	17
4.6. ACCESS TO CAPITAL FOR SMALLER ISSUERS.....	19
4.7. CORPORATE REPORTING.....	21
4.8. REVIEW OF EUROPEAN SUPERVISORY AGENCIES (ESMA, EBA & EIOPA)	25
4.9. FINANCIAL TRANSACTION TAX	26
4.10. MARKET ABUSE.....	28
4.11. US REGULATION.....	31
4.12. PRIIPs/KID	32
5. EXTERNAL REPRESENTATION	34
5.1. ESMA	34
5.1.1. SECURITIES AND MARKETS STAKEHOLDER GROUP (SMSG)	34
5.1.2. THE SECONDARY MARKETS STANDING COMMITTEE CONSULTATIVE WORKING GROUP (SMSC CWG)	36
5.2. THE EUROPEAN CORPORATE GOVERNANCE CODES NETWORK	38
5.3. EUROPEAN POST TRADE GROUP.....	40
5.4. GENERAL MEETING MARKET STANDARDS.....	42
5.5. IFRS ADVISORY COUNCIL	45
5.6. IOSCO STAKEHOLDERS' MEETING	46

6.	CONFERENCES & OTHER EVENTS.....	49
7.	MEETINGS WITH EU OFFICIALS & OTHER STAKEHOLDERS	52
8.	SPEAKING ENGAGEMENTS.....	53
9.	EUROPEANISSUERS' TEAM IN 2013	54

1. ABOUT US

EuropeanIssuers is a not for profit membership association based in Brussels, which represents the interests of quoted companies across Europe.

Our aim is to persuade policymakers to create a favourable EU regulatory environment for financial markets that serves the needs of their end users, being companies and investors. We believe that the success of the EU regulatory environment should be judged on whether companies can deliver growth in shareholder value over the longer term, can raise capital through public markets, and can grow to create jobs for individuals, whilst stakeholders are informed and protected.

Our members consist of both national associations and of issuers themselves, being EU companies quoted on the stock exchange, from all different sectors – manufacturing, consumer services, utilities, finance, etc.

OUR CORE ACTIVITIES

Our representative office in Brussels is well placed to promote the interests of European issuers with the European institutions. Located at the heart of the EU, the Secretariat maintains regular contact with them and with other players, such as peer associations or think-tanks. The Secretariat provides updates on EU regulatory activities and represents the views of issuers at the various roundtable meetings, conferences and hearing organised by the EU institutions and others in Brussels.

We deal with EU regulation affecting companies in the following areas:

- Capital markets – central securities depositaries, credit rating agencies, investment banks, stock exchanges
- Company law – divisions, mergers, takeovers, transfer of seat
- Corporate governance – role of the board and of directors, dialogue with shareholders
- Listing rules – market abuse, prospectus, transparency obligations
- Investment chain – asset managers, custodian banks, registrars, proxy voting agencies

OUR STRENGTHS

Profound knowledge of both financial markets and companies

We have a network of national experts to analyse what financial market regulation may mean for the non-financial corporates. We have expertise in company law and corporate governance, and their interconnection with financial regulation. We are able to draw on views from different functions within companies; i.e. directors, company secretaries, investor relations, treasury, etc.

Our committees and working groups provide a platform for discussion, exchange of information and networking between companies and associations from different EU countries.

Representing the real economy

Our national member associations have a majority of their country's market capitalisation in their own membership and thus have a strong base in the real economy.

Practical knowledge of the EU structures

Through our representative office in Brussels, as well as our national member representatives with strong links to national governments in the European Council and to their national MEPs, we have established a wide network of contacts in Brussels. We follow EU legislative processes closely in order to provide timely briefings to the EU institutions.

External Representation

Our members represent the interests of issuers in the following external fora:

- European Securities and Market Authority's Securities and Markets Stakeholder Group
- European Securities and Market Authority's Secondary Markets Standing Committee Consultative Working Group
- European Corporate Governance Codes Network
- Joint Working Group for General Meetings and European Market Implementation Group on Common Standards for General Meetings and Corporate Actions
- European Post Trade Group
- Business and Advisory Committee to the Organisation for Economic Co-Operation & Development
- Advisory Council of the International Accounting Standards Board
- International Organisation of Securities Commissions' Technical Committee meetings with financial stakeholders

2. MESSAGE FROM THE CHAIRMAN



2013 has been a good year for EuropeanIssuers, with the development of the new Policy Committee chaired by Carmine Di Noia of Assonime, who has done a very good job in getting agreement among the members, and the recruitment of a new Policy Adviser in Aleksandra Palinska, who has greatly improved the visibility of EuropeanIssuers among the members.

2013 has nonetheless continued to be busy on the legislative front. As recounted by the various working group chairmen in this report, EuropeanIssuers has been active and has had some important successes in the debates on corporate governance, long-term investment, audit, corporate reporting, financial transaction tax, Key Information Documents, and market abuse.

The EU institutions have been hyperactive and are now rushing to finish off as many dossiers as possible before the upcoming European Parliamentary elections in May 2014 and the end of the Commission's mandate in October 2014. We are now waiting to see what will happen not just on the individual legislative files, but also in the Parliamentary elections and the nomination of the new Commissioners, given that the European Parliament has been granted more powers by the Lisbon Treaty and is now discussing possible candidates for the next President of the European Commission.

The current Commission has been very focussed on the banking and sovereign debt crisis and so most legislative proposals relating to financial regulation have been about financial stability and control. The next Commission will need to look to the creation of jobs and growth, and the impact of financial regulation on the end users of markets. So 2014 will be busy on the political front and on the legislative front until the elections, although we expect there to be an effective pause in the publication of new proposals until November.

At this time of change at European level, my three-year term as chairman is also coming to an end and EuropeanIssuers will choose a new chairman at the AGM in 2014. I wish my successor all the best of luck and I hope that you will all give him your full support. I would also like to thank the Board members for their support, to emphasize the importance of the work that you do bringing together the views of quoted companies from diverse regulatory, business and cultural backgrounds, and to remember the motto of the European Union: "let's unite in diversity".

I would also like to warmly thank all of EuropeanIssuers members as well as the team for their support and hard work over the years. Your work has consistently aimed to make European financial regulation serve two key purposes being:

- The creation of a regulatory environment which stimulates jobs and growth, and
- The creation of capital markets which genuinely serve the needs of their end users, being companies and investors.

I hope that European policymakers in the next Commission and Parliament will keep these two aims in mind also. Meanwhile I encourage all at EuropeanIssuers to keep up the regulatory fight; European companies need you!

Yours sincerely,

Didier Lombard

Chairman of EuropeanIssuers

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3. REPORT FROM THE SECRETARY GENERAL

I would like to warmly thank all of those who contributed to our work during 2013; particularly the chairmen of the committees and working groups, and also our sister associations with whom we held our joint events - ecoDa, ACCA, and FESE.

Highlights from 2013 for me are:

- Smaller issuers and access to capital – our award ceremony for small and mid-cap companies raised our profile in Brussels and provided a useful opportunity for EU officials to see some real life people from companies with stories of growth, not just some abstract economic figures about GDP. Our work on an [EU Guide to Going Public](#) also resulted in online information available in all EU languages.
- Long-term financing and the share of the markets that we want - the debate has started, but there is a long way to go. Europe needs to prepare itself for a move from bank finance now to more market finance in the future. So the questions we need to ask ourselves are: what are the factors needed for market finance to succeed? What ecosystems and supporting structures do countries with strong market finance systems have in place that others may not? Which countries are the best at supporting companies seeking to access the capital markets and what can we learn from their experience?
- Corporate governance: the debate is becoming better balanced between the needs of companies and investors, with discussion of stewardship as well as corporate codes. We have been working on the issue of shareholder identification and effective communication along the investment chain for many years and hope to see progress on these in 2014.
- Purpose of the corporation - I attended a debate in Brussels, where the issue being discussed was whether company law and corporate governance force companies to follow the maxim of maximising shareholder value. The answer from the company law academics present was no. Despite this, some of the debate then centred around how to improve corporate governance. My own feeling is that we were discussing the wrong question. Instead of looking to company law and corporate governance, we should rather look at the incentives created by financial regulation – such as our comments later in this report on how market abuse regulations should not force companies to focus only on the short-term share price.



3.1. Policy Committee

At the beginning of 2013, the former structure of the secretariat-led Legal Committee was replaced with a new member-led Policy Committee, chaired by Carmine Di Noia, Deputy Director General of Assonime. In an improvement upon the Legal Committee which preceded it, which was mostly made up of the member associations, the new Policy Committee is now attended by both member companies (43%) and associations (57%).

The better engagement of members in the new committee has meant that the work of the secretariat has become more effective and we have been able to organise more meetings with Commission officials and MEPs this year. Throughout the year, the committee held five meetings, three in Brussels and one in Dublin, Ireland, kindly hosted by Banco Santander and one by conference call; some with guest speakers from the European Commission on subjects such as company law and corporate governance.

The committee's work was supported by 11 working groups this year. After some discussion, terms of reference for the [committee](#) and the [working groups](#) were agreed and uploaded on the website. The working groups serve to exchange information on specific topics, but also to streamline members' expertise and produce position papers, which makes it possible for the Policy Committee to keep an overview of the streams of legislative proposals. Several Chairs of the Working Groups were also involved in lobbying actions, attending meetings in Brussels together with the secretariat. Their individual reports are set out below.

We would like to warmly thank Carmine Di Noia and all the staff at Assonime who have worked with him and with ourselves on the European agenda, and all the chairs of the Working Groups for their commitment throughout 2013, which contributed to the positive policy outcomes reported below.

Susannah Haan
Secretary General
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3.2. *Smaller Issuers Committee*

Our Committee continued its work throughout 2013, meeting quarterly to discuss the different frameworks in each country and the issues of concern at EU level. The meetings took place in Paris (hosted by MiddleNext), in Lisbon (hosted by AEM), in London (hosted by QCA) and in Frankfurt (hosted by DAI). Among the speakers invited to the meetings were:



- Roberto Rivero from S&P who spoke about Mid-Market Evaluation aimed at mid-sized companies (< €1.5bn of revenue) who want to raise debt from institutional investors but who are too small to go to the public bond markets, or those who want to diversify their current sources of debt finance (see the [presentation](#) for more information);
- Pedro Braga da Cruz, Consultant of Companhia Portuguesa de Rating (the Portuguese Credit Rating Company) who is also Member of the Securities and Markets Stakeholder Group of ESMA;
- Susanne Plewan, Senior Vice President Listing and Issuer Services from Deutsche Börse AG, who made a presentation on Deutsche Börse's guide on "[Communicating Sustainability](#)"

During the meetings members, amongst others, discussed:

- EnterNext - new small and midcap exchange in Europe set up by NYSE Euronext. for companies below 1 million euro of market capitalisation. Our discussions revealed some scepticism among members as to whether this project would be able to achieve much for smaller companies, given the apparent lack of supporting infrastructure.
- Bonds:
 - Bundling of bonds for SMEs, e.g. MICADO in France;
 - New Professional Segment of ExtraMOT market started by Borsa Italiana and dedicated to listing of bonds, commercial paper, project bonds also for SMEs;
- Smaller and mid caps indexes, e.g. Gaja index in France launched by MiddleNext (the midcaps in this index have outperformed the CAC40 by 20%, and other mid caps by 10%);
- Regulatory development encouraging investment into UK growth markets, e.g. inclusion of growth market shares into Individual Savings Accounts (ISA) that shelters those shares from any

capital gains tax, as well as an exemption from stamp duty for shares quoted on growth markets such as AIM and ISDX (UK);

- Corporate Governance principles for Small and Mid-Size Quoted Companies;
- Interactions with IASB and IFRS for SMEs;
- Corporate Social Responsibility and non-financial reporting requirements and their burden on smaller and mid-sized companies.

EuropeanIssuers' Smaller Issuers' Committee was also engaged in the DG Enterprise initiatives to create an online [European guide to going public](#) and an [award ceremony for EU small and mid-cap companies](#) that was co-hosted by EuropeanIssuers and the Federation of European Stock Exchanges, in order to encourage companies to consider an Initial Public Offering on the EU capital markets. For more information about the award ceremony please see the 'conferences and other events section'.

The online guide to going public was published on 2 May 2013 on the DG Enterprise website, which is now available in all 22 languages. The guide was developed with EuropeanIssuers and the Federation of European Stock Exchanges and provides practical information about different exchanges and regulation in Europe and the Member States. It explains to companies some of the changes and challenges that they will face if they seek financing from the capital markets. The website also provides some quotes from companies who have already experienced the listing process.

Smaller issuers are looking forward to the creation of the IPO Task Force, which is a project initiated by EuropeanIssuers, the Federation of European Stock Exchanges and the European Venture Capital Association. Recommendations from an earlier US Taskforce led to the US Jobs Act, and so we hope that the members of the EU Taskforce will consider the regulatory burdens on smaller quoted companies and make recommendations to the new Commission and Parliament in the autumn.

Caroline Weber ([MiddleNext](#), France)
Chairwoman of the Smaller Issuers Committee

4. POLICY PRIORITIES IN 2013

In April 2013 the members approved the following policy priorities based on the recommendation of the Policy Committee:

Immediate priorities:

- Corporate governance
- Audit Regulation
- Investment chain (Securities law & General meeting standards)

Medium and long-term priorities:

- Company Law
- Green Paper on Long-Term Investment
- Access to capital for smaller issuers
- Corporate Reporting
- Review of European supervisory agencies (ESMA, EBA & EIOPA)

Other areas of interest:

- Financial transaction tax
- Level II measures: Market Abuse, Transparency, Prospectus
- US regulation

Following the approval of the priorities, a number of Working Groups was created in order to allow members to get engaged in the policy areas in which they are particularly interested in.

Activities of specific working groups in 2013 are further elaborated upon in this report.

4.1. Corporate Governance

Remuneration

In view of the publication of the revision to the Shareholder Rights Directive, that was initially foreseen for September 2013 but was subsequently delayed until April 2014, the Corporate Governance Working Group was particularly active on 'Say on pay', that is shareholder vote on directors' remuneration, as well as the structure of the remuneration report. In that respect, following a conference call on 29 April 2013, a [position paper](#) has been developed that was circulated to the European Commission and Parliament officials.

The key message was that EuropeanIssuers may support the introduction of a shareholders' vote on executive remunerations, provided the proposed regime remains flexible to accommodate the diversity of national regimes and corporate law principles. To this end, we emphasized that the vote should be "ex ante", non-binding (advisory) and limited to remuneration policy. Moreover, it should only take place in case of a change in the remuneration policy.

On 18 July EuropeanIssuers met with Jeroen Hooijer, Head of Corporate Governance and Social Responsibility Unit (DG MARKT) of the European Commission, to discuss the key points on this topic for the European quoted companies.



Given the postponement of the publication of the Commission proposal to 2014, we plan to intensify our lobbying actions on this topic in 2014. We understand that 'Say on pay' will be one of the key components of the amendments to the Shareholder Rights Directive and that it will include:

- Disclosure and mandatory shareholder vote ex ante on remuneration policy every three years (in case of a negative vote a company has to convene another AGM without delay and submit a revised remuneration policy to a vote);
- Disclosure and shareholder vote ex post on remuneration report (in case of a negative vote a company has to explain in the next remuneration report how the vote has been taken into account);
- Requirements regarding the content of the remuneration report.

European quoted companies are especially concerned about the obligation to be proposed to reconvene the AGM in case of a negative vote on remuneration policy. We would rather see it more feasible to

continue with the remaining policy until the next AGM to which approval the amended policy report would be submitted.

Odile de Brosses ([Afep](#), France)

Chair of the Corporate Governance I Working Group

Shareholders and Proxy Advisors

In 2013 we have seen a lot of discussions regarding shareholder engagement, stewardship codes, as well as the role and fiduciary duty of asset managers and proxy advisers. This was in anticipation of a legislative proposal from the European Commission, finally to be published in March 2014, which will tackle these issues.

Our main focus on proxy advisers was due to ESMA encouraging the proxy advisory industry to develop its own EU Code of Conduct. In order to facilitate that ESMA drafted a set of principles that offer guidance ([see more](#)). Subsequently, at the end of the year the Drafting Committee (proxy advisory industry) published the draft Best Practice Principles for Governance Research Providers for consultation. Following a number of discussions within the Working Group as well as on the forum of the Policy Committee, we have agreed upon a position that was submitted to the Drafting Committee, as well as shared with the European Commission officials and other relevant stakeholders.



The main message was that many companies find the current process and recommendations unclear and would like to see some more concrete disclosures to explain how and why the recommendations are reached, and to understand more about how the proxy advisers themselves operate, in order to be able to engage in dialogue and correct any misunderstandings. For more information see our [position](#).

Our views regarding engagement of shareholders, as well as of proxy advisers were also fed into [our reply](#) to the EC Green Paper on Long-term financing of the European economy, which was the primary focus of the Long-Term Investment Working Group (see below for more information).

Pierre Marsal ([ANSA](#), France)

Chair of the Corporate Governance II Working Group

4.2. *Audit Regulation*

EuropeanIssuers' Working Group on Audit is monitoring developments with respect to the proposals for an EU audit regulation and directive. Key elements of these proposals include the introduction of mandatory rotation rules, separation of audit and non-audit services, strengthening the composition and role of the audit committee, the content of the audit report and related disclosure requirements, and stricter requirements with respect to the supervision of audit firms.

Since the publication of the EU audit proposals at the end of 2011, EuropeanIssuers' Audit Working Group has been very active.

In 2013 the Audit Working Group prepared three position papers (on the European Parliament's Legal Affairs Committee compromise amendments, on the position of the Council in view of the current Council negotiations and in preparation for trialogue negotiations) with key messages on the Audit Regulation and Directive.

The main EuropeanIssuers' concern was that the audit proposals could adversely affect some 12,000 publicly quoted companies in Europe by adding considerable costs at a time when the European economy is in need of growth. EuropeanIssuers maintained that there was an undue spill-over of regulation aimed at the financial industry and the banking sector to the end users of capital markets, which are listed companies that produce goods and services for the real economy. The key points concerned:

- Rotation of audit firms;
- Linkage and role of the audit committee;
- Allocation of competences between the administrative/supervisory board (and thus, the audit committee) and the senior management / management board;
- Review and monitoring of the independence of the statutory auditors or audit firms;
- Auditors' reports.

All position papers were shared with all key policy makers including the Members of the European Parliament (especially the rapporteur and his shadows, but also with all Legal Affairs Economic and Monetary Affairs Committee Members) and financial attachés in the Permanent Representations of all Members States. A number of meetings was held with EU policy makers including Commission officials, MEPs and their assistants. Our intensive lobbying actions were fruitful as overall we are happy with the outcome of the final agreement that was endorsed by The Permanent Representatives Committee (COREPER) of the Council in December 2013 and by the responsible committee (JURI) at the European Parliament in January 2014.

The positive outcomes include:

Rotation (Regulation)

Member States' option to extend mandatory rotation from 10 years to 20 years, where a public tendering process is conducted, or to 24 years in case of joint audit (initial Commission proposal was 6 or 9 years). However, no accompanying measures to develop the audit offer were foreseen.

Audit Committee (Directive)

- Can be either a stand-alone committee or a committee of the administrative or supervisory body of the audited entity (the possibility of a committee of the administrative body had been deleted);
- The possibility to have Audit Committee members nominated directly by the General Meeting is not systematic, due to the transfer of this provision from the Regulation to the Directive;
- Audit Committee will not be systematically obliged to give authorisation for non-audit services and to approve the selection procedure of statutory auditors. This would allow for compatibility with existing company law;
- Further specialisation of Audit Committee members is no longer required;
- Audit Committee is not obliged to supervise the audit work and the draft audit reports.

Public audit report (Directive)

The content of the audit report has been extended, but now is relatively well defined. In particular, the statutory auditor is no longer required to:

- Assess the audited entity's internal control and financial situation;
- Identify and explain in certain circumstances any matters involving non-compliance with laws, regulations or articles of association;
- Report whether he/she/it was aware of key areas of risk of material misstatements in the financial statements.

Audit report to the audit committee (Regulation)

Any significant matters involving actual or suspected non-compliance with laws and regulations or articles of association which were identified during the course of the audit have to be reported to the audit committee only. More focus on *suspected* non-compliance.

Non-audit services / NAS (Regulation)

- No "pure audit firms";

- For other than prohibited NAS, a cap of 70% is determined, where applicable, on a group basis;
- It remains possible to have some corporate financial services carried out by the entity's statutory auditor (assurance services in relation to financial statements, including the provision of comfort letters in connection to prospectuses).

International Standards on Auditing (ISAs) (Directive)

Adoption of ISAs is subject to criteria and an EU adoption process.

Public oversight (Directive)

- No prohibition to have private stakeholders represented on the governance body of the national auditing oversight board (audit practitioners are excluded);
- At EU level, coordination of public oversight by a specific committee (European Committee of Auditing Oversight Bodies / ECAOB), not by ESMA. EMSA just plays a role in international cooperation.

Francis Desmarchelier ([Afep](#), France)

Chair of the Audit Regulation Working Group

4.3. *Investment Chain*

In 2013 the Working Group worked on the expected revision of the Securities Law Directive, which effectively has been postponed until the next Commission.

We have also worked on the response to the IOCV-IOSCO consultation on recommendations regarding the protection of client assets. The main message was that European issuers have a strong interest in the protection of client assets, since the reduction of intermediary risk, inter alia through stronger and clearer obligations put on intermediaries to



safeguard assets, contributes to increased trust in direct investment in shares and bonds, and thus to investment in listed companies. We see currently an adverse impact on end user confidence (both shareholders and companies) in markets, if cross-border votes and other forms of communication are not getting through the investment chain, due in part to problems with regulations regarding the protection of client assets. EuropeanIssuers has been involved in the negotiation of the Unidroit (Geneva) Securities Convention and has contributed to the debate on securities law in the European Union. The key points for European issuers that contribute to reinforcing the direct relation

between issuers and investors and therefore to the protection of investors' assets are:

- Securities should always be treated as property, not as cash;
- Investors should always have the option to hold securities in segregated accounts;
- Intermediaries should contribute to facilitating the casting of votes in General Meetings;
- Shareholder identification is an important part of the proper functioning of markets from the company perspective and should be recognised in cross-border situations.

For more information see the [full position](#).

Markus Kaum was also heavily involved in the work on General Meeting Standards chairing the Joint Working Group for General Meetings as well as European Marketing Implementation Group meetings with the support of EuropeanIssuers' secretariat (for more information on General Meeting Standards see the section External Representation).

Thiebald Cremers ([BNP Paribas](#), France) and **Markus Kaum** ([DAI](#), Germany)

Chairs of the Securities Law, Markets' Infrastructure and Standards for General Meetings Working Group

4.4. *Company Law*

Given the impossibility to get unanimity in the Council to proceed with the European private company new statutory regime, in 2013 the Commission was looking for alternatives – something smaller in scale e.g. measures harmonising existing rules in single member companies. In single member companies, a number of potentially controversial issues do not arise, like conflict of shareholders, protection of minority shareholders and distribution of shares, etc.

In spring the Commission informally consulted selected stakeholders (EuropeanIssuers, BusinessEurope), which was followed by a public consultation during the summer (see [the consultation website](#)). The purpose of the consultation was to get specific information on single-member companies, especially on the potential cost savings that harmonisation in that field could bring. The Commission wanted to have in-depth information on how to provide smaller companies with simple and harmonised rules. The main questions were on the need for harmonisation, the need to expand commercial activities, decrease of compliance costs, minimum capital, possible transfer of registered office of such companies. The consultation ended on 15 September and an impact assessment was planned to follow.



In order to provide members with more information and good understanding of the Commission's plans and intentions, we invited Bartłomiej Kurcz, Policy Officer Company Law and Corporate Governance, DG MARKT, EC to speak at our Policy Committee on 27 June. He explained that single member companies are not necessarily small companies; it can be fully owned subsidiaries of big entities (in any case only legal persons). He said that the proposal could be used by the groups of companies and that one of the aims of the consultation was to see how attractive the harmonisation could be for both small and big companies. Mr Kurcz also clarified that for harmonisation of existing rules, a qualified majority in the Council is sufficient, as opposed to creation of a 28th regime where unanimity would be required given that there is no specific foundation in the treaties.

Earlier during the year, the Working Group produced a position paper on the cross-border transfer of the registered office of companies as a reply to the [Commission consultation](#) ([see our position](#)). But given that Commissioner Bernier was not happy with having such a broad instrument and therefore not willing to move forward on the issue of cross-border transfer of seat for all companies, the Commission decided to explore possibilities of harmonisation on a smaller scale through the single-member companies' package.

Valentina Allotti ([Assonime](#), Italy)
Chair of the Company Law Working Group

4.5. *Green Paper on Long-Term Investment*

On 25 March 2013 the European Commission launched a [Green Paper on the long-term financing of the European economy](#). The purpose of this consultation was to debate how to stimulate and enhance long-term financing in Europe and help the Commission identify and decide how to overcome the barriers to long-term investment.

The consultation received great attention from various stakeholders (the Commission received 300 replies as well as many conferences and events organised on that topic).

Given the importance and breadth of the subject, four of EuropeanIssuers' Working Groups were involved in drafting EuropeanIssuers' position: Long-Term Investment, Corporate Reporting, Corporate Governance and FTT. The Policy and SMILEs Committee were also heavily involved.



Amongst others, our main messages were:



- Additional funding options such as private placement, securitisation, covered and project bonds, crowdfunding, fund of funds for venture capital, pooled investment vehicles, platforms, savings accounts;
- Promote stewardship codes, shareholder identification, analyst research and review factors which prevent reward for fundamental analysis;
- Create IPO Taskforce and reduce information requirements on quoted companies;
- Follow principles of better regulation, especially indirect impact of financial regulation on corporates - including market making and solvency requirements;
- Create maximum threshold for growth markets for smaller quoted companies, to be adjusted by Member States;
- Measure Europe's comparative position in terms of listing v US Jobs Act and measure statistics relevant to end users of markets;
- Empower companies to undertake shareholder identification.

In order to contribute to the debate, EuropeanIssuers invited Robert Specterman (Financial Services Policy Unit, DG MARKT, EC) to present the Green Paper to a member meeting following our AGM on 9 April 2013.

After submitting our response in July, we followed up in the autumn with the Commission; we attended a meeting with Alvaro Rubín de Cervin (Deputy Head of Unit, Financial Services Policy, Relations with the Council) and Robert Specterman (Financial Services Policy Unit, DG MARKT, EC) in order to highlight our priorities.

The Commission challenged us to set up an industry IPO task force, which was one of our top recommendations, following the success of the US Taskforce which led to the US Jobs Act. We therefore decided to look into promoting the debate further at EU level.

On 19 November 2013, we co-organised a Joint Roundtable with the Federation of European Stock Exchange entitled “The Future of Enterprise Funding in Europe – Can Europe grow as IPOs decline?” which was a good debate between policy makers, quoted companies and stock exchanges.¹

Given the popularity of the event, as well as the need for further discussion and actions, together with the Federation of European Stock Exchanges and the European Venture Capital Association, we started working intensively on the creation of an IPO Task Force, which should aim at

- Raising awareness in the EU institutions that there is an IPO crisis in Europe;
- Influencing the 2014-2019 EU Regulatory Agenda to encourage more IPOs;
- Making EU capital markets more attractive to small and mid-sized quoted companies;
- Making EU capital markets more competitive as against their peers in the US and Asia.

The EU Task Force members will represent the different parts of the ecosystem of IPOs. We plan to hold three Task Force meetings in Brussels, as well as a public IPO Roundtable in Zurich in June 2014, during which the initial findings will be presented. The final report with the recommendations is planned to be ready by November 2014, after which we hope to present the recommendations within to the new Commission and Parliament.

At the same time we are awaiting the publication of the Commission Communication on Long-Term Investment due in March 2014.

Werner Ruess ([Michelin](#), France), **Chair of the Long-Term Investment Working Group**

Susannah Haan, **Secretary General of EuropeanIssuers**

¹ [Read more about this event and summary of the debate](#)

4.6. *Access to Capital for Smaller Issuers*

This policy priority was being pursued by the Smaller Issuers' Committee, chaired by Caroline Weber, CEO of MiddleNext, France (see report above), as well by the various Working Groups. Amongst others we have taken into consideration interests and challenges faced by the smaller European quoted companies with regard to the Audit regulation, Long-Term Investment, Market Abuse Regulation and Non-Financial Information disclosure.

- **Audit:** in our position and during the meetings with the EU officials we highlighted the potential effects of the proposals on small and mid-cap companies and we asked for an amendment to the Regulation ensuring that the legislation follows “Think Small First” principle, whereby EU small and mid-cap quoted companies (which we define as those under €1 billion market capitalisation) should not be subject to the legislation in the first 2 years, until a review has been carried out of the effects of the proposals on the largest companies (read [full position](#));
- **Long-Term Investment:** the EC Green Paper on Long-Term Funding of the European Economy launched in 2013 was the centrepiece of our work on the access to capital for companies: large, medium and small. In [our response](#) to this consultation, we made a number of recommendations including:
 - i. Think about business progression to allow companies to grow from one stage of development to the next (Q26);
 - ii. Create IPO Taskforce to facilitate listings and reduce the equity gap in Europe for companies (Q11): given that the European Commission officials saw it more as the industry driven initiative, we have started a co-operation with the European Federation of Stock Exchanges on the IPO Taskforce creation which will be comprised of representatives of all stakeholders. Both the launch, taskforce roundtables, report drafting and publication is foreseen for 2014;
 - iii. Review, and reduce wherever possible, information requirements on all companies, especially those on companies going public for the first time. This should include caution on the increased integration of financial and non-financial information in EU regulation, as well as strengthening EU influence towards reduced requirements in IFRS (Q10, 20, 24, 26);
 - iv. Review market for analyst research to see how better information on smaller companies could be provided (Q26);
 - v. Review best practice in Member State taxation for supporting long-term investments such as minimum holding periods, tax deductibility for IPO and notional capital and ongoing listing costs (Q17);

- vi. Create maximum threshold for Growth markets for the current alternative exchange-regulated markets, which can be lowered by the Member States (Q28);
 - vii. Create Growth companies directive / EU Jobs Act (Q29);
 - viii. Measure Europe's comparative position in terms of listings (Q30);
 - ix. Review the impact of recent regulation on market making for smaller quoted companies (short selling, CSDs) (Q10).
- **Market Abuse Regulation:** we requested an exemption of issuers on SME Growth Markets from the obligation to maintain insider lists (read [full position](#));
- **Non-Financial Information disclosure:** we asked for the longer transition periods for small and mid-cap companies, bearing in mind that the whole subject of non-financial reporting is still being adjusted to the needs of companies and investors (read [full position](#)).

4.7. Corporate Reporting

Non-financial reporting as well as country-by-country reporting (CBCR)

In 2013 non-financial reporting as well as country-by-country reporting (CBCR) were in the centre of attention due to the [Commission proposal](#) published on 16 April 2013 on Disclosure of non-financial and diversity information by certain large companies and groups revising the Fourth and Seventh Accounting Directives on Annual and Consolidated Accounts, 78/660/EEC and 83/349/EEC). The Commission's objective was to increase EU companies' transparency and performance on environmental and social matters, and therefore, to contribute effectively to long-term economic growth and employment.



Subsequently, during the initial discussions some socialist MEP suggested inclusion of country by country reporting obligations to large companies and groups which would be obliged to disclose their profits, taxes and subsidies in each member state and in the non-EU countries where they operate.



EuropeanIssuers' Corporate Report Working Group, as well as the Policy Committee discussed the proposal and agreed a position paper, which was circulated to the relevant policy makers. The main message was that we support the concept of corporate social responsibility and believe that sustainability is one of the key factors to rebuild trust and to foster long-term investments and thus economic growth which are in the core interests of listed companies. However, we stressed the importance of ensuring a level playing field for European companies in the international markets. We expressed our concern that some aspects of the proposal on non-financial and diversity reporting would not contribute to the overall objective of growth, but create an additional unnecessary burden for companies, especially smaller ones, and put them at a competitive disadvantage in comparison with companies incorporated outside the EU. At the same time EuropeanIssuers welcomed the fact that the Commission proposal did not require companies to refer to any national, EU based or international frameworks but rather suggested that companies may rely on them on a voluntary basis.

Some of our key concerns were:

- Regarding disclosure of information relating to environmental, social and employee matters, respect for Human Rights, anti-corruption and bribery matters, companies should be allowed to publish the information required by Article 46 par.1 b) in a separate report published either together with the annual report or by means of a reference in the annual report stating when and where such document will be publicly available on the company's website, consistent with article 5(1) of the Shareholder Rights Directive (2007/36/EC);
- On Country by Country Reporting we underlined that while we favour transparency towards the public authorities and introduction of measures to combat corruption and tax evasion at international level, we are opposed to the public disclosure of detailed sensitive information, which could clearly place companies at a competitive disadvantage to third-country companies. We therefore believe that tax issues should continue to be dealt within the framework of the OECD or other international organizations;
- Small and mid-cap companies will need longer transition periods, bearing in mind that the whole subject of non-financial reporting is still being adjusted to the needs of companies and investors. Such companies typically have only slim financial reporting units and will therefore need time to adjust to regulatory changes, in order to build up reporting processes, train personnel and recruit additional staff if necessary;
- Regarding Integrated Reporting we mentioned that while transparency and comparability of information provided to investors and other stakeholders is very important, the concept of integrated reporting should not be promoted at international or EU level as a mandatory public information framework. Non-financial information is often qualitative, and cannot reflect a non-financial performance.

See the [full position](#) for more information.

A number of meetings with EU official (including MEPs and their assistants as well as attachés at the Permanent Representation) was held in order to explain our key concerns.

In order to reinforce our lobbying actions, in November we published [a letter on CBCR](#) jointly with BusinessEurope and European Association of Corporate Treasurers that was sent to Commissioner Barnier, President of the European Council, MEP Baldassarre (rapporteur), MEP Bowles (ECON shadow), MEP Howitt (EMPL shadow), all JURI MEPs and Presidency.

Following the publication of the [draft report](#) of the leading Committee in the Parliament (Legal Affairs Committee) in October 2013, and subsequent amendments, on 17 December 2013, the Legal Affairs Committee adopted the their final report on the Commission proposal.

The main outcomes were:

- The threshold and scope remained the same: large undertakings which exceed at least two of the three following criteria: (a) balance sheet total: EUR 20 m; (b) net turnover: EUR 40 m; (c) average number of employees during the financial year: 500. But a new provision has been added allowing the Member States to adjust the number of employees during the transposition of the directive into the national law;
- According to our demands, on the country-by-country reporting on profits, taxes and subsidies received by companies where they operate, the Parliament settled for the review clause instructing the Commission to consider introducing such an obligation for large companies when reviewing the Accounting Directive in 2018;
- The annual report remains the instrument of disclosure despite our request, however trilogue compromise states that auditors need only to verify whether the information required is present (no consistency check);
- In addition to reporting obligations imposed by the Commission, the Parliament also requires large undertakings to report on the due diligence policies if any and significant incidents with regard to the reported matters.

The informal trilogue discussions started at the beginning of 2014 and the plenary vote in the Parliament is scheduled for 15 April 2014.

Transparency

Following the final approval by the Council on 17 October 2013, the [final text of the revised Transparency Directive](#) was published on 6 November 2013 in the Official Journal of the European Union.

This Directive (2013/50/EU) amends:

- Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market;
- Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading;
- Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC.

Changes which are important for listed companies include:

- EU regulation will no longer require listed companies to publish periodic financial information on a more frequent basis than annual financial reports and half-yearly financial reports (quarterly reporting), unless this requirement does not constitute a significant financial burden and is proportionate to the factors contributing to investment decisions;
- obligation for investors to notify major holdings of voting rights: investors will now need to notify all financial instruments that have the same economic effect as holdings of shares which should prevent them from secretly building up a controlling stake in a listed company ("hidden ownership");
- a cross-border and centralised access to regulated information on listed companies in the EU: a web portal serving as a European electronic access point will be created by 1 January 2018 (ESMA will be in charge of the development and operation of the access point);
- country-by-country reporting (CBCR): issuers active in the extractive or logging of primary forest industries will have to report on payments made to the host governments worldwide on an annual basis in accordance with the Accounting Directive (2013/34/EU). All payments, whether made a single or a series of payments, exceeding EUR 100 000 within a financial year will have to be disclosed.

Member States are required to transpose this Directive within a period of 24 months from the date of its entry into force (20th day following its publication in the Official Journal of the European Union).

Elisabeth Gambert ([AFEP](#), France) and **Dariusz Witkowski** ([SEG](#), Poland)

Chairs of the Corporate Reporting Working Group

4.8. Review of European Supervisory Agencies (ESMA, EBA & EIOPA)

The three ESAs (European Banking Authority, European Securities and Markets Authority and European Insurance and Occupational Pensions Authority) and European Systemic Risk Board (ESRB) were set up in 2011 to improve the quality and consistency of national supervision, to strengthen oversight of cross-border groups, to establish a European single rule book applicable to all financial institutions in the financial market as well as to prevent and mitigate systemic risks to the financial stability of the Union.

The legislation included a review clause which required the Commission to review their performance after 3 years. The [consultation](#) that was closed on 31 July 2013 focused on the following areas:

- The efficiency and effectiveness of the ESAs
- The Governance of the ESAs
- The mandate and efficiency of the ESRB
- The institutional framework and governance of the ESRB
- The external relations and communication of the ESRB
- The cooperation and interactions between the ESAs and ESRB
- The overall structure of the ESFS.

Two conference calls of the interested members were held. Given the abundance of other important dossiers to deal with, as well as not perfectly aligned views, it was decided not to reply to this consultation. Nevertheless, we continue to monitor the subject.

4.9. *Financial Transaction Tax*

The Financial Transaction Tax has been a very hot topic in 2013, as, following a decision of the EU Council of 22 January 2013, 11 EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia and Spain) were given the green light to go ahead with implementing a FTT through "enhanced" cooperation. The revised [Commission Proposal for a Council Directive](#) implementing enhanced cooperation in the area of financial transaction tax was published on 14 February 2013 and was initially targeted to be in place by January 2014.



The proposal is very similar to the one from 2011 (0.1% tax on equities and bonds, with 0.01% tax on derivatives, and already the object of deep concern by non-financial companies), although it can only apply to the Member States that would sign up for it. Non-participating Member States have been contributing to the discussion on the text of the proposal, but the final vote is restricted to participating Member States (unanimity is required).

Since the European Commission presentation, EuropeanIssuers, in an active way, has been presenting a number of arguments against the proposal, based on the available literature, the anticipated impact on the EU-11 and EU-27 financial markets and the (negative) experiences of other historical and contemporary national financial transaction taxes.

On 6 September, soon after a consultative vote of the European Parliament in favour of an FTT, the Legal Services of the Council gave an [opinion](#) saying that the Commission proposal of 14 February "exceeds Members States' jurisdiction for taxation under the norms of international customary law", is not compatible with the EU treaty as "it infringes upon taxing competences of non-participating Member States" and is "discriminatory and likely to lead to distortion of competition to the detriment of non-participating member states". In response to that, the legal services of the Commission issued an opinion that challenged the one of the Council, which is non-binding.

At present, there is still lack of agreement among 11 Member States. We were told that FTT was not a priority for the Greek EU Presidency and that probably it would be in the hands of the Italian presidency to finish it off, also given the Italian experience with a similar tax at the national level. But some observers are foreseeing a completely new proposal by the Commission, given lack of agreement on the current one.

Legislators claim that the idea behind introduction of FTT is to discourage most speculative and risky transactions and restore the original role of the financial sector which is financing of the real economy. Some even say it is intended to secure growth and encourage long-term investment. The available evidence states otherwise.

A Swedish experiment with the financial transaction taxes in the 1980s, which was a political reaction said to punish bankers for the financial overheating, proved to be a negative one. More than half of Swedish equity trading moved to London by 1990 at the cost of many jobs. Moreover, tax income was lower than expected and offset by a drop in capital gains tax.²

Last year, France applied a 20 basis point tax to equities, which resulted in French investors switching to derivatives. Meanwhile UK stamp duty is in reality only paid by ordinary individuals and pension funds (one estimate calculated that it reduces people's pensions by £8,000 each), while most City institutions have switched to trading in alternative financial instruments, which are not taxed. More recently, the UK decided to abolish stamp duty on shares traded on its growth markets such as Aim and ISDX, as well as for the UK domiciled ETFs.

Experts point out that investment in Europe will suffer, while the traders will still find a way to avoid FTT by shifting to other asset classes or jurisdictions. Moreover, financial institutions will anyway pass the additional costs to the end users, i.e. issuers (non-financial companies responsible for the economic growth), savers and private investors.

In order to defend the interests of the European quoted companies, EuropeanIssuers' Working Group issued a [position paper](#), as well as a [letter to the President of the EconFin Council](#). The main message was that we firmly believe that the intention behind the initiative, i.e. to ensure that the financial sector makes a fair contribution to covering the costs of the financial crisis and to discourage certain financial activities that do not bring value to the overall economy, would not be achieved with the adoption of the current FTT proposal. Instead the proposed FTT, which lacks focus on the core sources of financial instability, will have a likely negative impact on GDP both for the EU-11 and the EU-27, and, as said, will be borne by the financial consumers of financial services rather than by the financial services providers themselves. Furthermore, the introduction of a Financial Transaction Tax in some European Union Member States would put them at a competitive disadvantage, and impact financial transactions with a genuine economic substance (which did not cause the financial crisis), thus, imposing considerable costs on non-financial companies and ultimately leading to a substantial drop in economic growth.

In order to present these arguments in detail, during the year EuropeanIssuers held a number of meetings with various stakeholders. We were also promoting findings of the [study done by DAI with Oliver Wyman](#) on the potential effects on German non-financial issuers, as well as of the [European-wide study](#) performed by Oliver Wyman and commissioned by AFME on the potential impact of the proposal on non-financial users. We will keep following and monitoring this matter, very closely, during 2014.

Abel Sequeira Ferreira ([AEM](#), Portugal)
Chair of the Financial Transaction Tax Working Group

² http://www.huffingtonpost.com/2013/01/24/eu-financial-trading-tax_n_2539913.html

4.10. Market Abuse

The Market Abuse Working Group under the chairmanship of Carmine Di Noia, that was very active in 2012 on the proposal for a Regulation, continued its lobbying actions at the beginning of 2013 during the trilogues. A [position paper](#) was produced and distributed to the policy makers. Our main concerns were:

- Maintaining accepted market practices;
- Providing a clear definition of inside information;
- Providing more clarity and flexibility as regards delayed information;
- Exemption of issuers on SME Growth Markets from obligation to maintain insider lists;
- Maintaining the original purpose of insider lists to ease investigation as opposed to report on suspicious transactions;
- Avoiding unnecessary burdens as regards managers' transactions.



This regulation, together with a proposed directive on criminal sanctions, was aimed at enhancing market integrity and the protection of investors through tackling insider dealing and market manipulation on securities markets, and amended and replaced an existing directive on market abuse (2003/6/EC).

The agreement in trilogue discussions on the text of the Regulation was reached on 20 June 2013, which was confirmed by COREPER on 26 June and voted by the Parliament in plenary on 10 September (see the [text agreed between EP and Council](#)). Subsequently the Level 1 MAR text has been undergoing a technical review to ensure drafting consistency.

The outcomes from the trilogues negotiations for issuers were:

- **Deletion of the article 6, paragraph 1, sub-paragraph**, which was unnecessarily extending the definition of inside information leading to a 'catch-all' definition introducing a grey area and raising uncertainty and massive compliance problems as to what has to be considered as inside information - great success;

➤ **Public disclosure of inside information (art.12)**

- i. Non-financial issuers cannot delay public disclosure of inside information in case this would be likely to mislead the public (art. 12 par. 3) - as this provision is in the regulation now, it cannot be accommodated by national competent authorities during the transposition, as was the case in many countries before. However, an improvement is the new paragraph (10) empowering ESMA to issue guidelines to establish a non-exhaustive indicative list of the legitimate interests of the issuer and of situations where the omitted disclosure is likely to mislead the public as referred to in paragraph 3;
 - ii. Only credit or other financial institutions can delay public disclosure of inside information, even if that would entail misleading the public, in order to preserve the stability of the financial system, provided that certain conditions are met, including consent of the competent authority (while the competent authority shall consult as appropriate the central bank and or the macro-prudential authority where instituted) (art. 12 par. 4);
 - iii. Extension of EU disclosure requirements to (small) issuers admitted to trade on their demand only on MTF;
- **Insider lists (art. 13)** - the regulation extends market abuse provisions to exchange regulated markets like MTFs or OTFs, but companies on SME Growth Markets are exempted under the condition that the issuer is able to provide the competent authority, upon request, with the insider list (which implies that some procedure has to be in place);
- **Managers' transactions (art. 14)** - direct notification, not only by a manager but also by persons closely associated with him/her, to the issuer and competent authority, within 3 business days after the transaction (too short deadline) of every transaction conducted on their own account relating to the shares or debt instruments of that issuer, or to derivatives or other financial instruments linked to them, or in emission allowances or related derivatives, once the total amount of the transactions has reached the threshold of 5 000 euro with possibility for the competent authority to raise the threshold to 20 000 euro (which we think is still too low). What is inconvenient to issuers is art. 14 paragraph 1 b which requires the issuer to make the information public promptly and no later than 3 business days after the transaction. Therefore, if a manager notifies the issuer after 3 days, the issuer has practically no time to disclose the information to the public. However, the regulation also stipulates that "national law may alternatively provide that a competent authority may itself make public the information."

- **Accepted market practices in place are still valid until the new processes are in place;**
- **Legitimate behaviour (art. 7a)** - Re-introduction of the former safe harbour for takeovers and mergers where the information will become public. It does not apply to stakebuilding.

A trilogue agreement on a Level 1 Market Abuse Directive was reached on 19 December 2013 and voted in plenary on 4 February 2014 ([see text agreed by the Parliament and the Council](#)). A number of provisions in both Regulation and Directive were dependent on the amended Directive and new Regulation on Markets in Financial Instruments (MiFIDII/MiFIR). Therefore, the formal adoption of MAR and MADII subject to an agreement on the MiFIDII/MiFIR (an agreement in trilogues was reached on 15 January 2014, but the final agreement is still to be endorsed by the Parliament plenary and the Council). Thus, we estimate publication of the MAR and MADII texts in the Official Journal of the European Union at the end of Q1 or during Q2 2014. MAR and MADII will enter into force in 2 years time from the entry into force of the regulation (20 days after the publication in the Official Journal). Some articles, where within two years EC and ESMA are to produce technical standards, are entering into force immediately after the entry into force of the regulation.

Following adoption of the Market Abuse Regulation, our Level II Measures Working Group looked into the ESMA's Discussion Paper, published on 14 November 2013. We found the paper well grounded, but encouraged ESMA to publish a detailed feedback statement, rather than only the draft implementing measures.

In our response, we outline solutions that we support, e.g. adopting the current solutions of the implementing measures of the directive 2003/6/EC like buy-back and stabilisation in which ESMA refers directly to Regulation n. 2273/2003, as well as commenting where we see the danger of unintended consequences. In particular, we are concerned that some of the proposals may adversely impact smaller quoted companies and MTF markets, and believe that some of the requirements would place an unduly heavy administrative burden on companies. Regarding public disclosure of inside information, we provided examples of other situations when legitimate interests for delaying disclosure of inside information may arise, as well pointing out that the approach proposed could appear to favour short-term trading interests rather than the long-term interests of European citizens by the emphasis on "current expectations". We believe that the company should consider market expectations over the longer term, rather than watching the share price by the minute. For more information see [our full position](#).

Carmine Di Noia ([Assonime](#), Italy)

Chair of the Market Abuse and Level II Measures Working Groups

4.11. *US Regulation*

Given that EuropeanIssuers mainly follows regulatory developments at the European level, while setting up the US Regulation Working Group, it was decided to hold annual meetings of this group to allow members to exchange views. The main aim is to look at the developments that could either have an impact in Europe (possible regulatory spill over) or that could be of interest for companies with dual listing.

For the first meeting of the group, held in Brussels on 13 November 2013, following the Policy Committee meeting, we invited Hendrike Kuehl, Policy Director at the Trans-Atlantic Business Council, who spoke about Transatlantic Trade and Investment Partnership (TTIP), which is a trade and investment agreement under negotiation between the EU and the US, including regulatory issues, also possibly those in the financial services sector. Amongst others conflict of minerals under Dodd-Frank was discussed.

We intend to continue looking at the financial services regulatory developments overseas in 2014 and we will invite a speaker for the next Working Group meeting.

Pasquale Fattorusso ([ENI](#), Italy)

Chair of the US regulation Working Group

4.12. PRIPs/KID

The Packaged Retail Investment Products (PRIPs) initiative of the European Commission, which aims at improving the European regulation of the retail investment, had originally limited the obligation to produce and provide a Key Information Document only to packaged products, as the name of the proposal suggests (e.g. investment funds, retail structured products and certain types of insurance contracts used for investment purposes). However, in December 2012 Pervenche Berès, rapporteur in the dossier in the European Parliament, suggested to extend the scope of the proposed regulation to include shares and bonds.



In 2013 we issued two position papers: at the beginning of May and July. The main message was that while European quoted companies share the Parliament's objectives of promoting investment into shares and corporate bonds and providing relevant information to investors, we fear that an extension of the scope of the proposed regulation to these instruments, which are of a different nature than packaged products, may result in several unintended consequences, for companies and investors alike.

EuropeanIssuers' distributed the positions (see positions from [July](#) and [May](#)) to the relevant stakeholders, as well as held a number of meetings.

On 21 October 2013 the Economic Affairs Committee of the Parliament voted in favour of taking shares out of scope of the regulation. Getting the shares taken out of scope is a big success for us. But given that corporate bonds remained within the scope, we have continued our lobbying actions.

Given the start of trilogue discussions at the beginning of 2014, we revised our position focusing it on corporate bonds (see [the revised position](#)).

The key points were:

- Having to provide a key information documents (KID) for corporate bonds which are traded on regulated markets is superfluous and redundant. Existing prospectus and transparency requirements are very detailed and provide the information the investor needs to draw a well informed investment decisions. In particular, it is the main function of the prospectus' summary to describe the key aspects of the financial instrument in a brief manner.
- In an environment where alternatives to bank financing are much needed, KID would undermine efforts to increase the attractiveness of capital markets and to improve issuers' (including SMEs') access to market funding:

- i. Adding disclosure obligations for non-financial companies would contradict recent efforts of the European Commission to reduce unnecessary regulatory burden and costs for companies;
 - ii. The potential to mislead investors, in particular retail investors, could lead to the opposite result than the intention of policy makers, who, as we understand, aim to promote plain vanilla bonds to retail investors;
- This would be a key obstacle in the achievement of the overall objectives to foster economic growth and long-term approaches, which are put forward by the European institutions.

Our more specific concerns related to the following points:

- A requirement on the issuer to measure and/or summarise the company's risk and reward, in particular using a synthetic (risk) indicator, which would be difficult for issuers to manage and could potentially result in misleading information;
- The status of the KID as a standalone document;
- A requirement on the issuer to keep the KID up to date;
- The liability regime attaching to the KID;
- A requirement on the issuer to establish a documented product approval process including review of the compatibility of the bond with the interests of the identified consumer group, stress testing, etc.

Given ongoing trilogue discussions, we continue our lobbying activities meeting with the relevant EU policy makers.

I would like to thank Francis Desmarchelier ([Afep](#), France) for his very useful input and great involvement on this file.

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5. EXTERNAL REPRESENTATION

5.1. ESMA

5.1.1. Securities and Markets Stakeholder Group (SMSG)

Report from Carmine Di Noia, Deputy Director General of Assonime and representative of issuers at ESMA's Stakeholder Group

I joined ESMA's Stakeholder Group during 2011 as representative of issuers and I was reappointed in December 2013 for the new term of two and a half years starting as of 1 January 2014. The group was created as foreseen in the Regulation creating ESMA in order to give advice regarding ESMA's work. It is therefore composed of several stakeholders – issuers, shareholders, stock exchanges, fund managers, etc.

The role of ESMA SMSG is to:

- “Facilitate” consultation with stakeholders through consultation (by ESMA and Commission) on draft technical standards and guidelines (obligation to act)
- Submit advice to ESMA on any issue related to the tasks of the Authority (“on demand” but at least 4 meetings per year)
- Ask ESMA to investigate alleged breaches / non-application of Union law by competent authorities, not by member states



ESMA SMSG is composed of 30 members including a chairman and 2 vice-chairmen who have to ensure that all views are reflected. Twelve balanced working groups were created: AIFMD, CRA, EMIR, Exchange-traded funds, High-Frequency Trading, Investor protection, MiFID investor protection and intermediaries, Short-selling, Prospectuses, Proxy voting, Shadow Banking, Small and Medium-sized Enterprises (SME).

ESMA's support to SMSG is based on providing early information, strategic more than technical involvement and identifying on the fields where SMSG can add particular value.

ESMA SMSG worked in 2013 on:

- MiFID/MiFIR Commission proposals
- MAD/MAR Commission proposals
- Transparency Directive Commission Proposal
- ESMA supervision of trade repositories; CCP colleges supervision
- Investment management: AIFMD, UCITS V, PRIPS, shadow banking
- Identification of investor protection concerns
- Implementation of EMIR
- CRA III, including CRA supervision issues
- SME's including the regulation of venture capital
- Support ESMA on the ESFS evaluation 2013
- Ensure capital markets and investment professionals are serving the interests of the real economy

Preliminary 2014 work programme is based on ESMA's medium term work programme and includes: MiFID, MAD, CRA3, Transparency Directive, Prospectus Directive, UCITS, EMIR, CSD Regulation/Directive and Securities Law legislation, Short selling, Audit Regulation, AIFMD, Venture Capital (VC) and Social Entrepreneurship Funds (SEFs) and Supervisory Convergence.

5.1.2. The Secondary Markets Standing Committee Consultative Working Group (SMSC CWG)

Report from Giuseppe Catalano, General Counsel & Company Secretary at Indesit and issuers' representative at ESMA's Secondary Markets Standing Committee Consultative Working Group

I became a member of [ESMA's Consultative Working Group \(CWG\) of the Secondary Markets Standing Committee \(SMSC\)](#) in May 2013, as representative of issuers. The CWG is actually formed by 21 members, representing intermediaries, stock exchanges, institutional investors and universities: its role is to advise and assist SMSC in all matters related to ESMA work on secondary markets, with a particular focus on issues in the context of the review of the Markets in Financial Instruments Directive.



In particular, CWG helps SMSC in assessing the impact of changes in the market structure to the transparency and efficiency of trading and in developing ESMA policy in relation to the issues identified. This applies not only to shares that are currently subject to the Markets in Financial Instruments Directive (MiFID) transparency requirements but also to non-equity financial instrument and commodity markets.

SMSC is actually chaired by Mr Martin Wheatley, Chief Executive Officer of the Financial Conduct Authority: the Committee undertakes ESMA's work in relation with the structure, transparency and efficiency of secondary markets for financial instruments, including trading platforms and OTC markets (regulated markets, MTFs, systematic internalisers, other organised trading platforms and activity of intermediaries in trading platforms).

In the meetings I attended, CWG has been constantly updated on the SMSC's work progress and state of MiFID II negotiations and has discussed new developments and trends by financial institutions and market infrastructure, including identifying potential risks, considering:

- Products
- Services
- Benchmarks
- At country/ regional level/ global level

In this context, the CWG has also supported SMSC in assessing recent regulatory developments in the US and other jurisdictions and their potential impact on the EU. We have also discussed other areas considered of interest or concern to regulators, outside of the issues likely to be covered in MiFID II.

More recently, CWG members have been invited to express their opinion on certain references contained both in MiFID II and in MiFIR, including matters related to the access to trading venues.

As the agreement on a final MiFID II text has been just recently reached, the CWG will be presumably asked to assist SMSC to further develop and refine a substantial number of documents implementing the new legislation.

5.2. *The European Corporate Governance Codes Network*

Report from Odile de Brosses, Afep, EuropeanIssuers representative at the European Corporate Governance Codes Network

The European Corporate Governance Codes Network is open to organisations responsible for writing and/or monitoring the implementation of national corporate governance codes within EU Member States. Several EuropeanIssuers' members are involved in the Network, whose purpose is to:

- Share information on code-related developments at the national level;
- Exchange views on matters of common interest;
- Provide a forum for similar discussions with organisations carrying out the same sort of functions in countries outside the EU;
- When requested, and where appropriate, providing factual advice and other input to European-level and international authorities on the implementation of corporate governance policies.



The Network meets about twice a year and invites representative of the European Commission.

Between these two meetings, members exchange views by e-mail on a continuous basis, on specific issues raised by any member (independence criteria, representation of female within the board, updates of the corporate governance codes, rules governing state owned companies...)

In 2013, the Network held two meeting in Dublin and in Vilnius ahead of the corporate governance conferences organized by the said countries.

The main discussions were about the non-financial reporting in the European Commission's published proposals and other elements of the Action Plan such as directors' remuneration, related party transactions, investors' disclosure on engagement, proxy voting and "comply or explain".

Members exchanged their views on the governance of state owned companies. In some countries, for example Bulgaria and Poland, there were concerns that these companies were not obliged to report on their governance practices in the same way as privately owned and listed companies.

As far as monitoring mechanisms are concerned, there was a discussion of different practices and methodologies in the various countries including how different ownership/legal structures influence the monitoring role played by shareholders, stock exchanges, regulators and others.

Say on pay and the structure of the remuneration report were also hot topics as the Commission intends to propose a modification of the shareholders' rights directive in March 2014 including these items.

Overall, each session ended by an update of national developments in the area of corporate governance.

In 2013 the network also launched its [website](#).

5.3. *European Post Trade Group*

Report from Markus Kaum, Deutsches Aktieninstitut, EuropeanIssuers representative at the European Post Trade Group

The European Post Trade Group (EPTG) is an advisory group to the European Commission, which is a joint initiative of the European Commission, the European Central Bank (ECB), European Securities and Markets Authority (ESMA) and industry. It was set up following recommendation of the European Group on Market Infrastructure (EGMI). The group is composed of experts representing main players in post-trade issues and meet approximately three times a year.



The key objectives of EPTG are:

- To dismantle the barriers to cross-border safety and efficiency, in particular to identify and manage issues that emerged since the Second Giovannini Report;
- To complement and coordinate the legal framework being constructed in line with the G20 agenda and the work of the ECB in TARGET2-Securities (T2S) project;
- Coordinate and share information on the on-going harmonisation initiatives. This includes developing monitoring procedures with clear implementation deadlines and appointing actors for each harmonisation activity.

Topics covered are general meetings, corporate actions, and everything around securities which is post-trade including fiscal aspects.

The EPTG action list, in which the group has or will have a direct active role includes:

- Diversity of communication protocols (Barrier 1);
- Intraday settlement, operating hours/deadlines (Barriers 4, 7)
- Pre-settlement processes harmonisation;
- Cross border shareholder transparency and registration procedures;
- Withholding tax procedures;
- Transaction tax procedures (Giovannini Barrier 12);
- Exchange Traded Funds (ETFs).

A working group on shareholder identification and registration was created with the aim of identifying obstacles preventing cross-border disclosure of shareholders and ensuring that registration procedures

do not interrupt STP in cross border settlement. The group is led by me together with Alain Pochet and it focuses on practical solutions. During the first meeting member composition of the group was discussed (see agreed [member composition](#)). A fact finding exercise in seven big European markets was also discussed. It was decided that the group would take into consideration the 2011 report of the T2S group on shareholder identification. This time they involved SWIFT from the beginning and it was hoped SWIFT would not deny the group's request for message standardisation. Members of the group have the impression that the political landscape has changed and want to find a practical solution and means for shareholder identification.

The EPTG amongst others also looks into some practical aspects of procedures for collecting transactions taxes and follows developments around a European Financial Transaction Tax under enhanced cooperation procedure.

For more information on the activities and meetings of the EPTG please see its [website](#) including the list of actions, agendas and minutes from the meetings.

5.4. General Meeting Market Standards

Report from Markus Kaum, Deutsches Aktieninstitut and chairman of the Joint Working Group for General Meetings and European Market Implementation Group on behalf of EuropeanIssuers

The Joint Working Group for General Meetings (JWGGM) was established in 2005, initially as a European Commission sponsored working group (within the European Commission's Clearing and Settlement Advisory and Monitoring Expert Group CESAME), following identification of the obstacles on corporate actions and cross-border voting in the Giovannini Group reports. JWGGM is the industry working group composed of delegates from the main European associations representing issuers (EuropeanIssuers chairs the group), registrars, central securities depositories, intermediaries, stock exchanges and investors.



While foreign ownership of shares continues to grow, the exercise of corporate rights, in particular the right to vote at the general meeting, is too often hampered by technical and legal barriers. Difficulties in accessing information, for instance, are believed to be an important impediment. When an investor decides to buy and hold foreign shares, a chain of financial intermediaries intervenes in the process, each of them operating in different markets with different rules, customs and practices.

Therefore, the JWGGM developed [The Market Standards for General Meetings](#), which were endorsed in 2010 by all the participant European associations, and that bring a practical solution by harmonising and streamlining the way in which the parties in the chain communicate: Who should communicate What, When and How. Since in many cases where shares are held via nominees in the investment chain, the company has no means of knowing who the end investor is, it has to rely on the chain of intermediaries for communication purposes.

The standards are intended to enable the timely and efficient exchange of information related to general meetings and to allow all shareholders across Europe to exercise their shareholders rights in issuers domiciled and listed in Europe. They are built on three pillars:

1. Standardised messaging of the meeting notice from the issuer to the end investor;
2. Record date and proof of entitlement for the end investor to put them into a position to participate in general meetings;
3. Notification of participation in a general meeting, be it in person or by proxy.

After the endorsement of the standards in 2010, national markets have started a thought gap analysis to assess them against the market practices and the respective national legal and regulatory requirements.

The responsibility for the gap analysis and the actual implementation of the standards resides at national level with the Market Implementation Groups (MIGs) composed of market experts representing all parties involved in the securities' value chain. The MIGs meet twice a year at European level to exchange experience and undergo peer review. Those meetings are also chaired by EuropeanIssuers.

In 2013 one workshop of the European Market Implementation Group (EMIG) took place. The discussions have been based on progress reports assessing compliance with the standards collected from all European markets.

The main conclusions of the workshop were the following:

- All but one newly established MIGs in CEE countries have confirmed their engagement in the process by reporting to the E-MIG, for the first time for most of them;
- Individual progress reports have shown few changes compared to the previous workshop;
- Intermediaries from few countries insisted on more issuers' active involvement and cooperation;
- It was agreed to do a fact finding exercise in a standardised format that will allow for better understanding of systems in EU countries and remaining obstacles to the implementation of the standards. The results will be analysed by the JWGGM to find possible solutions.

The JWGGM also held a meeting in which it was decided that the JWGGM will work in close cooperation with the E-MIG discussing some of technical issues the MIGs face problems with. The JWGGM will be also in charge of assessing the outcome of the E-MIG meetings and help to prepare for the next one. It was also agreed to invite representatives of Nordic and Eastern European markets to the JWGGM (perhaps as an observer on an ad-hoc basis to present and discuss specific issues), as well as to encourage CSDs to participate more actively. The membership/observer status of ICGN was agreed.

Additional clarifications to the standards and proposed amendments to the Q&As were also discussed, as well as the content of the fact finding exercise, certain operational issues, direct holding markets/concept of reconciliation, proof of entitlement and record date.

The conclusion drawn was that more cooperation and commitment among all market participants across Europe is needed in order to improve the situation for the effective communication and exercise of shareholders rights cross-border within Europe. In that respect, in order to further promote the standards and increase awareness among all relevant stakeholders as well as the local public authorities, the Broad Stakeholder Group (BSG), which is a steering body monitoring progress on MIGs and reporting to the EC, agreed upon [high level principles](#) summarised in a two-page document designed as a communication tool.

In order to take advantage of the momentum and to achieve better progress, it was agreed for 2014 to adopt a step by step approach in identifying obstacles and addressing solutions to overcome them. During the first half of 2014 the main focus will be on the meeting notice (process 1 of the standards looking at end-to-end communication).

The first of two E-MIG workshops planned for 2014 was held on 24 January in Vienna, Austria, the second one is planned in September in Budapest or Amsterdam. A JWGGM meeting was conducted on 9 January and another one is planned for June/July in Brussels in order to prepare for the E-MIG.

At the same time, in the second half of 2013, jointly with the EuropeanIssuers secretariat I was actively engaged in promotion of the Standards for General Meetings among issuers, including reports and a presentation to the Policy Committee (see [the presentation](#)).

5.5. IFRS Advisory Council

Report from Christoph Hütten, Chief Accounting Officer SAP AG, Vice-Chairman of the IFRS Advisory Council representing EuropeanIssuers

I am representing EuropeanIssuers and the European Roundtable of Industrialist (ERT) on the IFRS Advisory Council in the capacity of one of the two vice chairmen of the Council. The IFRS Advisory Council is the formal advisory body to the IASB and the Trustees of the IFRS Foundation. It is comprised of a wide range of representatives from user groups, preparers, financial analysts, academics, auditors, regulators, professional accounting bodies and investor groups that are affected by and interested in the IASB's work. IFRS Advisory Council meets three times per year.



The most important items on the IFRS Advisory Council's agenda in 2013 were:

- The formation of the Accounting Standards Advisory Forum (ASAF);
- The IASB's involvement in XBRL
- The IASB's initiative to identify the extent of the use of IFRS around the world
- The IASB's initiatives to tackle disclosure overload and reduce complexity
- The IASB's plans for measures to support the implementation of the upcoming revenue recognition standard
- The IASB's IFRS for SME standard
- The IASB's activities around implementation and maintenance of new and existing standards
- The IASB's conceptual framework project

Additionally, the chairman of the IASB provided a status report in each of the three Council meetings to inform about the status of the IASB's activities (available on the IASB's website www.ifrs.org). Updates were also received from the Trustees and the Monitoring Board of the IFRS Foundation.

Key topics expected for the 2014 agenda of the Council include the IASB's efforts to develop a new lease accounting standard, the IASB's role in the broader corporate reporting context, particularly with regard to the Integrated Reporting and Digital Reporting trends and the IASB's relationship with other standard setting bodies.

My term at the IFRS Advisory Council will come to an end on 31 December 2014 and so I would encourage anyone interested in representing the EU corporate view on financial reporting in 2015 to contact EuropeanIssuers and the ERT.

5.6. IOSCO Stakeholders' Meeting

Report from Ramon Hernandez, Emisores Españoles, representing EuropeanIssuers at the high level stakeholders' meeting with members of the IOSCO Board in Madrid

On Friday 28 June 2013 a high level meeting with members of the IOSCO Board in Madrid took place at IOSCO's premises in Madrid, Spain. The purpose of the meeting was to exchange views on emerging securities risks and on the regulatory challenges facing the activity of financial markets. Attendance on the IOSCO side included representatives of the Board, Committees, Task Forces, IOSCO SRO Consultative Committee, and the Secretary General of IOSCO.



The meeting included a consultation on the strategic direction and the work program of IOSCO, emerging securities risks, as well as a specialized break-out session on Cross Border Issues (see [detailed agenda](#)).

Greg Medcraft, Chair of the Board, started the meeting by defining the role of IOSCO as the key global reference body for securities regulation that should be perceived by regulators and policy makers as effective, pro-active and forward looking. He mentioned the following key regulatory challenges to be faced by IOSCO:

- Structural change derived from the increasing importance of securities regulation vs. banking regulation;
- Complexity derived from financial innovation;
- Globalisation of financial markets and products, which implies the need to ensure consistent global regulation and a level playing field for securities markets. A special mention was made to the need to “think global, act locally” as a way to effectively fight against regulatory fragmentation.

IOSCO strategy was mentioned to be based on:

- Engagement: IOSCO must be a forum for regulators to exchange solutions about common issues and a reference point for policy makers and industry to develop global outcomes for global issues. As a result, many jurisdictions have already adopted the IOSCO global standards.
- Cooperation between regulators and supervisors ex-ante (mention of the Trade Repositories as an example of the need for them to “speak the same language”).
- Standard-setting: IOSCO will continue setting global standards for securities regulation and principles for harmonization on the basis of equivalence of regulatory outcomes.

- Chairman of the Board listed also IOSCO's main priorities:
- Retail structured products: suitability requirements must be improved with respect to the distribution of complex financial products;
- Role of behavioural economics;
- Investor education.

David Wright, Secretary General, and Tajinder Singh, Deputy Secretary General focused their speeches on:

- Recent IOSCO work, mainly in the areas of OTC derivatives (including margin requirements for non-cleared derivatives), Financial Market Infrastructures "FMI", Shadow Banking (IOSCO recommendations published in October 2012), Benchmarks (two new Consultative papers by IOSCO Task Force on Benchmarks), New Committee on Retail Investors (specifically targeting retail investor education and financial literacy) and new Task Force on Cross Border issues (reduction of regulatory arbitrage risks and mutual recognition and passporting of financial activities). For more see [Tajinder Singh's presentation](#), as well as [IOSCO's activity report](#).
- Importance of the IOSCO Foundation in the development of emerging markets as it will improve investor education and provide technical assistance to local regulators. No detailed information was given about the current situation of the IOSCO Foundation.

Jose Carlos Doherty, Chairman of the **IOSCO Self Regulatory Organization Consultative Committee** ("SROCC"), explained the increasing importance of such forum, which is addressed to enhance cooperation amongst its members, i.e. entities with an appropriate interest in securities regulation. He mentioned that the SROCC may be involved in market integrity (High Frequency Trading, SME financing, crowd funding, verification of rumors and follow up on public announcements and events post those announcements); banking resolution and recovery (shadow banking and non-banking systemically Important Financial Institutions "SIFIs"); and investor protection (clients' assets segregation). For more information see [Mr Doherty's presentation](#)

Werner Bijkerk, Head of the IOSCO Research Department, focused his presentation on the **Emerging Securities Risks**, namely low interest rate environment, collateral in a stressed funding environment, derivatives markets, capital flows in emerging markets and cyber-crime. For more information see [Mr Bijkerk's presentation](#)

The final part of the meeting was devoted to **Cross Border Issues**. This is an area where IOSCO is especially engaged with respect to the G-20 commitments. It was highlighted that consistency between EU and US legislation (for instance, EMIR and Dodd-Frank Act) should be assured.

Most of the question during the meeting referred to investor education, long-term financing, margin collateral requirements and its pressure on sovereign debt, implementation of IOSCO standards and new pieces of legislation (e.g. EMIR in terms of exemptions, calendar), resolution regimes for CCPs, engagement of institutional investors and the need to overcome fragmentation of regulation. Cross-border voting was also discussed.

6. CONFERENCES & OTHER EVENTS

The joint EuropeanIssuers, ecoDa and ACCA conference “The Action Plan on Corporate Governance and Company Law: What's in it and Why” on 4th February 2013

The conference was composed of the three panels:

- **Corporate governance: on the right road towards better functioning capital markets and economic recovery**
- **Will the Action Plan help boards and shareholders make companies valuable over the long term?**
- **Company law: paving the way towards real support for European business?**

The main conclusions were that corporate governance needs to be seen as a means to an end, and not as an end in itself. As such, the proposed measures of the Action Plan need to deliver real benefits to companies and investors, such as improved company performance and sustainable long term value creation, and not merely burden businesses.

The political agenda in the field of corporate governance is becoming higher and higher, while financial regulation is becoming ever more detailed, without taking account of the underlying changes to financial markets. Speakers questioned whether the EU's current focus is the right one to provide dynamic stock markets for companies. Mats Isaksson, Head of Corporate Affairs at OECD, presented statistics showing the decline in European IPOs over the past 10 years.



Susannah Haan, Secretary General of EuropeanIssuers, concluded that: *“Securities law and financial market regulation are being developed separately from company law and corporate governance, leaving companies struggling to make a coherent whole of the regulatory picture.”*

To read more see the [conference summary](#) and the [joint press release](#).

The Joint EuropeanIssuers and FESE Roundtable entitled “The Future of Enterprise Funding in Europe – Can Europe grow as IPOs decline?” held on 19th November 2013 in Brussels

A public listing is one of the most critical ways a company can secure the capital needed to grow independently. However, IPO activity in Europe has declined systematically over the last two decades. Smaller companies are finding it especially difficult to access public equity markets. EuropeanIssuers and FESE (Federation of European Stock Exchanges) share common concerns about these trends and took action to promote market finance in Europe.

The Roundtable covered the financing needs of enterprises, the benefits of public equity markets for companies and for the economy, and the structural problems leading to a decline in IPOs in Europe and around the world. There was a consensus that Europe must address these challenges to ensure a sustainable economic recovery with job creation.



Speakers included **Olivier Guersent**, Chef de Cabinet of Commissioner Barnier; **Mats Isaksson**, Head of Corporate Affairs of the OECD and Co-author of “Who Cares? Corporate Governance in Today's Equity Markets”; **George Lemonidis**, Deputy Head of Unit, SME Access to Finance (DG Enterprise); **Almorò Rubin de Cervin**, Deputy Head of Unit, Financial Services Policy, Relations with the

Council (DG Markt); as well as CEOs of exchanges and listed company officials.

Issuers were represented by **Tim Ward**, Chief Executive of Quoted Companies Alliance (UK), **Franz-Josef Leven**, Deutsches Aktieninstitut e.V. (Germany), **Abel Sequeira Ferreira**, Executive Director at AEM (Portugal), and **Susannah Haan**, Secretary General of EuropeanIssuers, who also co-chaired the meeting together with **Judith Hardt**, Secretary General of FESE.

For more information see the [full programme](#), [Mats Isaksson's slides \(OECD\)](#) and the [summary of EuropeanIssuers & FESE views](#).

1st European Small and Mid-Cap Awards held on 19th November 2013 in the Albert Hall in Brussels

With the aim to promote best practices and encourage more small and mid-sized companies to access capital markets via IPOs, EuropeanIssuers co-organised 1st European Small and Mid-cap Awards, which is joint initiative of the European Commission, leading European stock exchanges and EuropeanIssuers.

On the evening of 19th November, the two associations co-hosted a prestigious awards ceremony presided over by **Daniel Calleja Crespo, Director General of DG Enterprise and Industry and SME Envoy of the European Commission** to celebrate the winners of the 1st European Small and Mid-cap Awards. These aim to highlight the best European small and mid-sized companies who have gained access to capital markets via an Initial Public Offering and to encourage more companies to access public capital markets.



EuropeanIssuers Secretary General, Susannah Haan, said, *"Europe's overall competitiveness depends on the strength of its innovative small and mid-cap companies. These Awards highlight the role that market finance can play in the European economy and challenge Europe's political, business and financial leaders to support our small and mid-cap companies' IPO efforts."*



For more [details of the winners](#) and a [photo gallery](#)



7. MEETINGS WITH EU OFFICIALS & OTHER STAKEHOLDERS

EuropeanIssuers has organised regular meetings with other EU corporate associations in Brussels: BusinessEurope, EcoDa (the European Confederation of Directors' Associations), the European Roundtable of Industrialists, European Institute for Internal Audit, Federation of European Risk Managers; we also liaise with the corporate treasurers, company secretaries, investor relations associations and the European Federation of Stock Exchanges.

In addition to the public conference, awards ceremony, the roundtable discussion, and committee meetings, in mid November 2013 we organised a lunchtime discussion on investment chains with Jeroen Hooijer (head of Corporate Governance and Social Responsibility Unit) and various EU trade associations. We also organised two dinners for members around committee meetings in order to provide for more networking opportunities and increase membership value.



In order to contribute to the debate on long-term investment, we invited Robert Specterman (Financial Services Policy Unit, DG MARKT, EC) to present the Commissions' Green Paper to a member meeting following our AGM on 9 April 2013. After submitting our response in July, we followed up in the autumn with the Commission by organising a meeting with Almoró Rubin de Cervin (Deputy Head of Unit, Financial Services Policy, Relations with the Council) and Robert Specterman (Financial Services Policy Unit, DG MARKT, EC) in order to highlight our priorities.

In terms of speakers, we invited Bartłomiej Kurcz, Policy Officer Company Law and Corporate Governance, DG MARKT, EC to speak at our Policy Committee on 27 June 2013 on the single member company initiative of the European Commission, as well as Hendrike Kuehl, Policy Director at the Trans-Atlantic Business Council, who spoke at our US regulation Working Groups.

In 2013, EuropeanIssuers increased its intensity of lobbying actions and organised a number of meetings with the Commission, Parliament and Council officials on audit, non-financial information, PRIPs/KID, long-term investment, 'say on pay' and shareholder rights. We also created some coalitions with other trade associations on relevant subjects (e.g. on the FTT to exchange information and on Country by Country Reporting resulting in a [joint letter](#) with BusinessEurope to the policymakers). In 2014 we continue to build links with other stakeholders in Brussels.

8. SPEAKING ENGAGEMENTS

In 2013, EuropeanIssuers was actively working on increasing its public presence. Susannah Haan, Secretary General, spoke at a number of conferences and seminars including:

- 1st European Small and Mid-Cap Awards held on 19th November 2013 in the Albert Hall in Brussels to promote the importance of smaller companies coming to the public market for growth in the economy (see 'Conferences & Other Events' for more)
- The Joint EuropeanIssuers and FESE Roundtable entitled "The Future of Enterprise Funding in Europe – Can Europe grow as IPOs decline?" held on 19th November 2013 in Brussels (see 'Conferences & Other Events' for more)
- UNIDROIT Securities Convention in Istanbul, Turkey, on the interaction of corporate governance and securities law on 11-13 November ([see more](#))
- FMLC seminar with David Wright, IOSCO, on Future Challenges in Global Securities Regulation – the issuer perspective, in London on 5 November ([see more](#))
- BusinessEurope workshop on investment for growth – financial regulation and the impact on EU quoted



companies - on 7 June ([see more](#))

- European Commission SME Finance Forum in Dublin on 2 May ([see a note](#))
- High-level conference organised by the Financial Reporting Council "Enhancing trust in European companies, improving investor confidence and facilitating long-term shareholder engagement - the role of high quality corporate governance and financial reporting" on 22 April ([see a note](#))
- Hellenic Corporate Governance Council conference on 14 March in Athens, which debated the new code and the appropriate level of governance for smaller quoted companies ([see a note](#))
- Joint EuropeanIssuers, ecoDa and ACCA conference "The Action Plan on Corporate Governance and Company Law: What's in it and Why" on 4 February ([see a note](#))

9. EUROPEANISSUERS' TEAM IN 2013

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