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NEWSLETTER

June 2005

NEWS FROM ECODA...

The launch event of ECODA has been held successfully in April in presence of Pervenche Berés, MEP, and Pierre Delsaux from DG Market.

<http://www.ecoda.org/lanchevent.html>

Daniel Lebègue has been interviewed by BFM Belgium.

http://www.ecoda.org/_private/interne.html

NEWS FROM EU...

➤ SEC (Securities and Exchange Commission) Chairman William Donaldson and EU Internal Market Commissioner Charles McCreevy has met in April to discuss a range of topics of mutual interest between the Commission and the European Union, including the importance of compatible approaches to furthering investor protection, and expanding the use of **high-quality global accounting standards**.

Chairman Donaldson reaffirmed his support for the convergence program being undertaken jointly by the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB). Chairman Donaldson also discussed with Commissioner McCreevy a "roadmap" developed by SEC staff that highlights the steps needed to eliminate the U.S. GAAP [Generally Accepted Accounting Principles] reconciliation requirement for foreign private issuers that use International Financial Reporting Standards, or IFRS. Chairman Donaldson also discussed ongoing work by the SEC staff to examine the issue of deregistration by foreign private issuers. He noted the goal of finding a solution that will preserve investor protections without

inappropriately designing the U.S. market as one without an exit. He further noted his expectation that the Commission would consider a rule proposal before the end of this year. Chairman Donaldson agreed to work closely with Commissioner McCreevy, monitor progress, and meet again during the coming year to review overall progress.

➤ The European Commission has set up an **expert advisory group** to provide detailed technical advice on preparing corporate governance and company law measures. The group comprises twenty non-governmental experts from various professional backgrounds (issuers, investors, employees' representatives, academics, regulated professions, etc.) with particular experience and knowledge of the subject. One Of ECODA's director, Patrick Zurstrassen, will take part in this group.

<http://europa.eu.int/eur-lex/lex/LexUriServ/LexUriServ.do?uri=OJ:L:2005:126:0040:0042:EN:PDF>

➤ The European Parliament has approved in May a proposal for a Directive to make **cross-border mergers** easier, by overcoming obstacles caused by different national laws. It would make such mergers simpler for all companies with share capital. However, it would be especially useful for small and medium-sized businesses who want to operate in more than one Member State, but not throughout Europe, and thus are not likely to seek incorporation under the European Company Statute. The proposed Directive would set up a cross-border merger procedure whereby mergers would be governed in each Member State by the principles and rules applicable to "domestic" mergers.

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/551&format=HTML&aged=0&language=EN&guiLanguage=en>

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➤ Commission consults on minimum standards that should apply to **shareholders' rights**.

http://europa.eu.int/comm/internal_market/company/shareholders/index_en.htm

➤ The UK will take over the **Presidency of the EU** from Luxembourg on 1 July 2005 until 31 December 2005. Further legislation that the UK Presidency may be required to push through includes the 4th and 7th Company Law Directives - covering disclosure of corporate governance codes and off balance-sheet transactions in companies' accounts.

governance. The Group will provide concrete examples and advice on how board members can put good corporate governance into practice, notably in the absence of detailed or prescriptive regulation.

http://www.oecd.org/document/30/0,2340,en_2649_34795_34724190_1_1_1_1,00.html

INTERNATIONAL NEWS ...

OECD

The OECD has launched a business sector group to give practical guidance to board members trying to improve corporate

ARTICLES:

See:

"The coming revolution in corporate governance", Richard Leblanc and James Gillies, Corporate governance, May 2005, <http://www.wcfcg.net/CG0505.pdf>

CALENDAR

- ▶ ILA's launch event will take place in Luxembourg, on the 28th of June.
- ▶ The Luxembourg Presidency is organising a conference on corporate governance that will be held on the 28th of June 2005.
- ▶ ICGN 2005 Annual Conference is scheduled on the 6 and 7 of July 2005.