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## ecoDa News

### ECODA ELECTS A NEW CHAIRMAN

On 17 April last, Miles Templeman was elected as the new chairman of ecoDa. He is the Director General of the Institute of Directors in London. Alongside his IoD role, Miles is non-executive Chairman of Shepherd Neame, the Kentish family brewer; non-executive at restaurant chain YO! Sushi; and a non-executive director of Melrose plc, the buy-out specialist. He then had a series of non-executive directorships and consultancy roles including Royal Mail, Ben Sherman and Accenture. Pierre Klees, our former chairman, was elected Honorary Chairman.

### CSR AND CG: CONFERENCE ABSTRACT SOON TO COME

Following our annual conference on "CSR: What's in it for directors", held on 17 April in Brussels, an abstract will be put online in the following weeks at the following page:  
<http://www.ecoda.org/conference.html>

A position paper from ecoDa on CSR and Corporate governance can already be found at the following URL:

<http://www.ecoda.org/docs/CSR%20-%2017%20April%202007%20-%20final%20version.pdf>



Photo: April 17<sup>th</sup> Conference  
Courtesy of Mrs. Clémence Decortiat

### MEDIA UPDATE

EcoDa will be interviewed on 15 June on the CSR and CG issue by El Observatorio de Responsabilidad Social Corporativa for a TV documentary.

### HR UPDATES

Béatrice Richez-Baum, Secretary General of ecoDa, will be on maternity leave from mid-June until the beginning of November. In the meantime, Mana Livardjani, European Affairs Adviser, will carry on the main policy tasks.

Marie-Hélène Haeck, Canadian, has been working for ecoDa as its new assistant since mid-May. She has graduated in communication.

## European Union News

### PROJECT OF A NEW RECOMMENDATION ON SHAREHOLDERS' RIGHTS COMPLETING THE DIRECTIVE

The European Commission has launched a questionnaire to complete the data for setting up the impact assessment of the expected recommendation on shareholders' rights. A public consultation on the planned recommendation is also online. The deadline for replies has been set to 27 July 2007. The role of financial intermediaries in the voting process, stock lending and transparency on the part of investors will be addressed by this recommendation which should be adopted around the time when the directive comes into force (autumn 2007).

**For more information:**

[http://ec.europa.eu/internal\\_market/company/shareholders/indexa\\_en.htm](http://ec.europa.eu/internal_market/company/shareholders/indexa_en.htm)

### NEW DEVELOPMENTS ON HEDGE FUNDS: TOWARDS A CODE OF CONDUCT

Following the final publication of the IOSCO Technical Committee report entitled "The Regulatory Environment for Hedge Funds: a Survey and Comparison" (November 2006), the International Organization of Securities Commissions has acknowledged that it was necessary to update its previous work on funds of hedge funds and on the regulatory issues raised by these funds. Therefore they have launched a public consultation. They have also launched investigations into private equity by setting up a task force on this issue.

**For more information:**

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD244.pdf>

The implication of hedge funds and private equity for the current approach to corporate governance was also part of the agenda of the last meeting of the European Corporate Governance Forum on 12 April last.

**For more information:**

[http://ec.europa.eu/internal\\_market/company/docs/ecgforum/agenda-12-04-07\\_en.pdf](http://ec.europa.eu/internal_market/company/docs/ecgforum/agenda-12-04-07_en.pdf)

EU finance ministers have already called for a voluntary commitment to improve the hedge fund industry's transparency, while the German EU Presidency has called for a code of conduct.

**For more information:**

[http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ecofin/94019.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/94019.pdf)

The Alternative Investment Management Association (AIMA) has just published its revised Guide to Sound Practices for European Hedge Fund Managers.

<http://www.aima.org/uploads/GuidetoSoundPracticesforEuropeanHFMMay2007.pdf>

### EUROPEAN PRIVATE COMPANY: JUST AN IMPACT ASSESSMENT AT THIS STAGE

In February 2007, the Parliament adopted an own-initiative resolution calling on the Commission to come forward with a legislative proposal on a European Private Company Statute, but so far the calls have gone unanswered. However the European Commission is currently carrying out an impact assessment. For Business Europe and Eurochambres, it is now time to move this dossier forward.

**For more information:**

<http://212.3.246.117/docs/1/LOPAMEEDMBBCEADNCIPLOKLCPDB39DB3E19LI71KM/UNICE/docs/DLS/2007-00765-EN.pdf>

### ADVISORY GROUP ON CORPORATE GOVERNANCE AND COMPANY LAW: WHAT ISSUES ARE UNDER CONSIDERATION?

The minutes of the 6<sup>th</sup> Meeting of the Advisory Group on Corporate Governance and Company Law (with regard to the European Private Company, the 14<sup>th</sup> Company Law Directive, the shareholders' recommendation, and the report on one share one vote) can be found at the following page:

**For more information:**

[http://ec.europa.eu/internal\\_market/company/docs/advisory-committee/minutes6\\_en.pdf](http://ec.europa.eu/internal_market/company/docs/advisory-committee/minutes6_en.pdf)

### ONE SHARE, ONE VOTE

An ISS report on the proportionality principle in the EU has just come out:

[http://www.issproxy.com/pdf/EC\\_Study\\_ProportionalityFinalReport.pdf](http://www.issproxy.com/pdf/EC_Study_ProportionalityFinalReport.pdf)

## A DRAFT DIRECTIVE IN THE FINANCIAL SECTOR

The draft directive on the prudential assessment of acquisitions and increase of shareholdings in the financial sector was adopted by the European Parliament in March. It should make possible a quick approval by the Council.

### For more information:

[http://www.europarl.europa.eu/sidesSearch/sipadeMapUrl.do?PROG=TA&L=EN&REF\\_P=P6\\_TA-2007-0061#](http://www.europarl.europa.eu/sidesSearch/sipadeMapUrl.do?PROG=TA&L=EN&REF_P=P6_TA-2007-0061#)

## CLASS ACTIONS: SUBSIDIARITY SHOULD PREVAIL

Concerning class actions, many opinions have been issued by the Legal Affairs Committee of the European Parliament, including among others the Parliament's report of 10 April 2007. The Committee considers that it belongs to the Member States to establish the appropriate proceedings, and any Commission's initiative in that direction should be governed by the principles of subsidiary European intervention and proportional European intervention.

## IMPROVEMENTS OF THE RETAIL INVESTMENT FUND MARKET

The European Commission has taken action to improve the efficiency of the EU single market for retail investment funds. The Commission has adopted legally binding guidance on whether financial instruments can be included in investment funds. It has also issued guidance on how host country authorities should exercise limited scrutiny powers when UCITS are notified for sale in their country.

### For more information:

[http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ecofin/94023.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/94023.pdf)

## FOREIGN PENSION FUNDS TOO HEAVILY TAXED IN SOME EU COUNTRIES?

The European Commission has decided to send requests for information in the form of letters of formal notice to the Czech Republic, Denmark, Spain, Lithuania, the Netherlands, Poland, Portugal, Slovenia and Sweden about their rules under which dividend and/or

interest payments to foreign pension funds (outbound payments) may be taxed more heavily than dividend and/or interest payments to domestic pension funds (domestic payments). The Commission doubts whether such higher taxation is compatible with the EC Treaty and with the EEA Agreement, as it may restrict the free movement of capital.

### For more information:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/616&format=HTML&aged=0&language=EN&language=fr>

## News from abroad the EU

## SARBANES-OXLEY COMPLIANCE EXERCISE: LESS BURDENS?

In April, the SEC's Commissioners endorsed the recommendations of the agency's professional staff to eliminate waste and duplication in the Sarbanes-Oxley compliance exercise, in a move that will particularly benefit smaller companies. The Commissioners urged the SEC staff to continue to work closely with the Public Company Accounting Oversight Board (PCAOB) to make the internal controls provisions of Section 404 of the Sarbanes-Oxley Act of 2002 more efficient and cost effective.

### For more information:

<http://www.sec.gov/news/press/2007/2007-62.htm>

## ✉ Contact information

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## Event Calendar

### *Seminar on the increasing duties of directors*

**13 November 2007**                      **LONDON**

Organised by ecoDa on the premises of the Institute of Directors, information will be online on ecoDa's website: <http://www.ecoda.org/>



### *"A Model for Change: Upward Harmonisation of OECD Guidelines Procedures"*

**15 June 2007**                              **BRUSSELS**

The Roundtable aims to discuss best practices in the implementation of the OECD Guidelines for Multinational Enterprises and to promote the exchange of experiences between stakeholders in EU Member States on Corporate Social Responsibility (CSR) initiatives. <http://www.oecdwatch.org/>

### *5th European Company Law and Corporate Governance Conference*

**27-28 June, 2007**                      **BERLIN**

Conference organised by Federation of German Industries (BDI) (by invitation only)



### *2007 ICGN Annual Conference*

**4-6 July 2007**                              **CAPETOWN**

<http://www.icgn.org/conferences/2007/index.php>



### *Conference organised by Centre for corporate Governance and the London Business school*


**3-4 September 2007**                      **LONDON**

<http://www.ecgi.de>

## Related Articles

 *Board independence of listed companies*, IOSCO, March 2007, <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD238.pdf>

 *Corporate governance in Europe: Raising the bar*, Heidrick & Struggles, 5th edition, 2007 Report, [http://www.heidrick.com/NR/rdonlyres/666FC928-1933-4F4B-B184-FBBE141313A9/0/HS\\_CorpGovEurope2007.pdf](http://www.heidrick.com/NR/rdonlyres/666FC928-1933-4F4B-B184-FBBE141313A9/0/HS_CorpGovEurope2007.pdf)

 *Corporate Governance reforms in continental Europe*, Journal of Economic Perspectives, vol.21, winter 2007, ECGI, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=970796#PaperDownload](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=970796#PaperDownload)