



Connection

Newsletter # 12

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Corporate Governance in Europe

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ecoDa News

MEMBERSHIP – NEW AFFILIATE

 Members of ecoDa are delighted to announce that the Croatian Association of certified supervisory board members has just joined the confederation as an affiliate member. It increases ecoDa's membership up to 9. <http://www.hucno.hr/konferencije.php>

European Union News

COMMENTS FOLLOWING THE NEW CONSULTATION ON SHAREHOLDERS' RIGHTS


 Summary of comments received by the European Commission to the public consultation on a possible shareholders' rights recommendation are available on-line. An

overwhelming majority of respondents are in favour of the proposal regarding depository receipts contained in the consultation document and many of them suggested that the Commission should go further. Responses to the consultation are positive with regard to the proposed recommendation on transparency (clients should know whether the intermediary provides voting services or not, etc) and with regard to the obligation for intermediary to cast votes on behalf or pass voting instructions on, and to keep record.


For more information:

http://ec.europa.eu/internal_market/company/docs/shareholders/consultation3_report_en.pdf

SIMPLIFICATION IN COMPANY LAW, ACCOUNTING AND AUDITING

 On 22 November, the Competitiveness Council calls upon the Commission to expedite consideration of responses to its Communication on a simplified business environment for companies in the areas of company law, accounting and auditing and, where appropriate and preferably before the end of 2008, bring forward proposals. The draft report of the European Parliament is being discussed at JURI.

ACCOUNTING – GOVERNANCE OF THE IASB

 On 7 November, the European Commission, the US SEC, the Japanese Financial Services Agency and the International Organisation of Securities Commissions (IOSCO) issued a statement calling for improvements to the IASB's governance. The Commission will soon issue a report on the governance of the IASB.

For more information:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/07/451&format=HTML&aged=0&language=EN&uiLanguage=en>

AUDIT – CONSEQUENCES OF OWNERSHIP RULES ON AUDIT MARKET CONCENTRATION



The Internal Market Directorate General has published an independent study on the ownership rules that apply to audit firms and their consequences on audit market concentration. The study analyses whether changes to the ownership rules of audit firms might help increase the number of international players in the audit market. At present, the European Statutory Audit Directive requires that auditors hold a majority of the voting rights in an audit firm and control the management board. The study will contribute to DG Internal Market's work on how to improve competition in the audit market.

For more information:

http://ec.europa.eu/internal_market/auditing/docs/market/oxera_report_en.pdf

MIFID CAME INTO FORCE



The cornerstone of the Financial Services Action Plan, MiFID came into force on 1st November.

News from abroad the EU

ONE SHARE, ONE VOTE - VIEWS FROM OCDE



As its meeting on 14 November 2007 the OECD Steering Group on Corporate Governance agreed on a common position based on its Principles of Corporate Governance about the issue of whether there should be proportionality between ownership and control (also known as one-share-one-vote) in listed companies.

There is nothing a priori onerous about separating ownership and control. The cost of regulating proportionality would be considerable. Strengthening corporate governance frameworks is a better alternative. Specific problems can be dealt with through carefully targeted regulation.

For more information:

http://www.oecd.org/document/32/0,3343,en_2649_37439_39671008_1_1_1_37439,00.html

INFLUENCE OF INSTITUTIONAL INVESTORS ON CG – LATIN AMERICAN PROSPECTIVE



The Latin American Roundtable on Corporate Governance reviewed institutional investors' experience and their influence on corporate governance when it met on 10-11 October, 2007 in Colombia. Finding some promising practice but significant shortcomings, they agreed to develop White Paper recommendations to encourage more engaged and informed ownership.

For more information:

http://www.oecd.org/document/32/0,3343,en_2649_37439_39634528_1_1_1_37439,00.html

A NEW CENTRE FOR FINANCIAL REPORTING REFORM



The World Bank opened the Vienna Centre for Financial Reporting Reform (CFRR) on 30 November in an effort to better assist countries in Europe and Central Asia in meeting the financial reporting standards needed for EU accession and to meet the emerging needs of middle income countries in the Region. The new office will provide advice and analysis on targeted accounting policy reforms, build capacity with civil servants from governments in the region, and provide cross support the Bank's other operations in the region.

IAASB - CONSULTATION PROCESS




In October, the International Auditing and Assurance Standards Board (IAASB) embarked on an extensive consultation process to obtain the widest possible input into determining its future strategy and to gauge the needs and concerns of the public and the profession.

For more information:

<http://www.ifac.org/MediaCenter/?q=node/view/504>

Related articles

 **Mediating Corporate Governance Conflicts and Disputes**, Global Corporate Governance Forum, November 2007: How mediation can help settle corporate governance-related disputes in ways that are far less costly and quicker to resolve than litigation.

[http://www.gcgf.org/ifcext/cgf.nsf/AttachmentsByTitle/Focus+Mediation/\\$FILE/Focus4_Mediation_12.pdf](http://www.gcgf.org/ifcext/cgf.nsf/AttachmentsByTitle/Focus+Mediation/$FILE/Focus4_Mediation_12.pdf)

 **Reform Realism and the Boardroom**, Global Corporate Governance Forum, November 2007

[http://www.gcgf.org/ifcext/cgf.nsf/AttachmentsByTitle/PSO+Issue+6/\\$FILE/Final+version+-+GCGF+PSO+issue+6.pdf](http://www.gcgf.org/ifcext/cgf.nsf/AttachmentsByTitle/PSO+Issue+6/$FILE/Final+version+-+GCGF+PSO+issue+6.pdf)

Events Calendar

**6th Annual European
Financial Services Conference
"Changing Financial Markets"**

January 29th 2008 BRUXELLES

<http://www.forum-europe.com/download/6AEFSC/6AEFSCPROG.pdf>



Contact information

European Confederation of Directors' Associations (ecoDa)

Rue de la Loi 42
B-1040 Brussels, Belgium
Phone: + 32 (0)2 231 58 11
Fax: + 32 (0) 231 58 31
Email: contact@ecoda.org
Website: www.ecoda.org