

# ecoDa

a.s.b.l.

Confédération Européenne des Associations d'Administrateurs  
European Confederation of Directors' Associations

## **PRESS RELEASE**

### **EcoDa's reaction to Commissioner McCreevy's speech at the European Parliament's Legal Affairs Committee**

ecoDa welcomes the positions taken by Commissioner McCreevy in the area of company law.

Since 2006, ecoDa has taken part to all the consultations the Commission had launched on the EU's priorities for company law, and reminds that it is not in favour of a regulatory approach as this tends to provide for minimum standards to be applied, rather than to encourage increasing levels of good practice.

Concerning the Commission's intentions presented by Commissioner McCreevy, ecoDa is convinced that convergence on higher standards - on which ecoDa is actively working - is likely to be achieved more easily by implementing high-level principles rather than by systematic recourse to EU legislation. We are therefore satisfied that the European Commission stick to its "light touch" approach.

ecoDa supports Commissioner McCreevy's decision not to intervene in the European regulatory framework with measure which would be time-consuming and costly without necessarily providing significant benefits.

On the issue of one-share, one vote and Mr McCreevy's decision of not taking action, ecoDa has always insisted that such matters should be left to national legislation. Transparency and shareholders' participation are better solutions than imposing the one share one vote principle without accepting justifiable grounds for divergence.

On the rejection of a 14<sup>th</sup> Company Law Directive - directive stipulating the conditions for transfer of registered office in the EU to improve mobility - as the European Court of Justice had admitted the theory of real headquarters and because this issue is tax driven and linked to the variety of national systems of Company law, ecoDa considers that there is no real need for an EU action. That is why ecoDa privileges soft law and benchmarking of good practices. A European code would have indeed been burdensome for the time being.

Concerning the EU regulatory framework, ecoDa reminds that is in favour of soft law, rather than hard law to the maximum extent possible. Nevertheless, the specific case of SMEs merits careful consideration and should be evaluated thoroughly.

## **Notes for editors**

The European Confederation of Directors' Associations (ecoDa) is representing the views of its eight members the *Association Belge des administrateurs* (AB), the *Institut Français des Administrateurs* (IFA), the *Institute of Directors* (IoD), the *Institut Luxembourgeois des Administrateurs* (ILA), the *Finnish Association of Professional Board Members* (Hallitusammattilaiset ry), the *Instituto de Consejeros – Administradores* (IC-A), the *Czech Institute of Directors* (CloD) and the *Slovenian Association of Supervisory Board Members* on Corporate Governance and Company Law issues.

The next conference organised by ecoDa on new challenges for European boards "Who wants to be a Director?" is scheduled for November 13th 2007 in London.

ecoDa is sponsored by Euronext.

Further information is also available on the following websites:

ecoDa : <http://www.ecoda.org>

IFA : <http://www.ifa-asso.com/>

AB: <http://www.administrateurs.be/>

IoD : <http://www.iod.com>

ILA : <http://www.ila.lu/>

Hallitusammattilaiset ry: [www.hallitusammattilaiset.fi](http://www.hallitusammattilaiset.fi)

IC-A : <http://www.iconsejeros.com>

CloD : [www.ciod.cz](http://www.ciod.cz)

The Slovenian Association of Supervisory Board Members: [www.zdruzenje-ns.si](http://www.zdruzenje-ns.si)

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