



July 2006

NEWS FROM ECODA...

- ☑ The **Czech Institute of Directors** joined us in June.
<http://www.ciod.cz/project/>
- ☑ The acts of our **conference** untitled "Does ethics pay? The view of directors" held on 4 April can be found on our website: <http://www.ecoda.org/>

NEWS FROM EU...

- ☑ In May 2006, the European Commission took a formal draft implementing measures to the **Transparency Directive**,
http://ec.europa.eu/internal_market/secturities/docs/transparency/draft_formal_proposal_en.pdf
- ☑ An outside group of experts created by the European Commission published a report on **hedge funds**. Stakeholders are invited to send their comments by 20th September, 2006. An Open Hearing is organised by the European Commission in Brussels on 19th July 2006.

See

the report

http://ec.europa.eu/internal_market/secturities/docs/ucits/reports/hedgefunds_en.pdf

the on-line registration

http://ec.europa.eu/internal_market/secturities/ucits/index_en.htm#reports

- ☑ The Directorate General for Internal Market and Services has published a summary report on the consultation on future priorities for the **Action Plan on Company Law and Corporate Governance**. The results of the

consultation show clear support for the application of Better Regulation principles to the field of company law and corporate governance. The Commission received 266 contributions to the public consultation, and some 300 stakeholders actively participated in the debates at the public hearing. Overall respondents to the consultation considered the Action Plan to be useful, but they did not consider all measures scheduled for adoption in the medium to long term as priorities. Respondents called for the adoption of enabling legislation as well as of legislation favouring the increased mobility of capital and companies in the EU. The report is available at : http://ec.europa.eu/internal_market/company/docs/consultation/final_report_en.pdf

- ☑ On 4 July, the European Parliament adopted a resolution (after an initiative report) **on recent developments and prospects in relation to company law**. With its Communication on "*Modernising Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward*" of 21 May 2003, the launch of a consultation on future priorities for the Action plan on Modernising company law and enhancing corporate governance in the European Union in December 2005, the Communication of 25 October 2005 on "*Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment*", the Commission announced the complete codification or recasting of the company law directives for 2006/2007. The own-initiative report of the European Parliament on recent developments and prospects of company law aims, on one hand, to react to these activities of the European Commission

and, on the other hand, to develop a strategic perspective for Parliament for further actions in the field of company law. Considerable progress has been made in implementing the 2003 Action Plan. The original aims of the Action Plan of fostering efficiency and competitiveness of business and of strengthening shareholders' rights remain important. Nevertheless, the EP considers that further actions are necessary, which should be guided by the objectives set out in the renewed Lisbon strategy, the commitment to enhance growth and employment, to strengthen and increase industrial competitiveness and to improve the business environment, as well as by the commitment of promoting a Social Europe.

See

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2006-0295+0+DOC+XML+V0//EN&language=EN>

- ☑ On 22 June, the Committee on Legal Affairs Committee organised a hearing on the **European Private Company**.

See

http://www.europarl.europa.eu/hearings/default_en.htm. A draft text is expected by the end of 2006 and could be discussed at the European Parliament at the beginning of 2007.

- ☑ Companies ranked in the European Employee Ownership TOP 100 are setting up a strong European lobby group.

See

<http://www.efesonline.org/TOP%20CORPORATE%20GROUP/TOP%20100%20EN.htm>

INTERNATIONAL NEWS ...

- ☑ Foreign companies listed in New York whose financial years end on or after the July 15 must ensure their next annual filings comply with the **Sarbanes-Oxley** accounting and governance law, including its section 404. After two postponements, the July 15 activation date applies to companies capitalised at more than \$75m.

ARTICLES AND REPORTS

- ➔ Research Newsletters from ECGI on "Controlling Shareholders" and "Corporate Takeovers", http://www.ecgi.de/research/research_newsletter/vol2.pdf
http://www.ecgi.de/research/research_newsletter/vol1.pdf
- ➔ "European shareholders", EUROFI, 2006, http://www.eurofi.net/pdf/European_shareholder_en.pdf
- ➔ "Corporate Social Responsibility: encouraging best behaviour", European Commission, DG Enterprises, http://ec.europa.eu/enterprise/library/ee_online/art11_en.htm
- ➔ Survey by Mazars, on Sarbanes-Oxley Act, See: http://www.mazars.fr/presse/communiqu-presse-07_2006_sox.php
- ➔ IOSCO Releases Consultation Report on Hedge funds: <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD213.pdf>
- ➔ Hedge Funds and Independent Analysts: How Independent are Their Relationships? U.S. Senate – Committee on the Judiciary – Hearing - June 28, 2006 <http://judiciary.senate.gov/hearing.cfm?id=1972>

CALENDAR

- ☐ The European Federation of Accountants, Conference on audit Regulation, **12 October** 2006, in Brussels, <http://www.fee.be/fileupload/upload/FEE%20announces%20Conference%20on%20Audit%20Regulation%2012%20Oct146200650142.pdf>
- ☐ Global reporting initiative, Amsterdam, **4-6 October** 2006, release of the G3 Guidelines. <http://www.grig3.org/conference.html>
- ☐ « *European perspective on solidarity savings and finances – Advances & exchanges of good practices* », solidarity finances workshop (the third session of Discussions on Solidarity Finance), on 11 December 2006 in Paris.
- ☐ The Sixth European Meeting of Employee Ownership will be held in Brussels on December 14-15-16, 2006. The meeting will announce the rankings of all Europe's widest employee ownership companies: The European Employee Ownership Top 100 - 2006. <http://www.efesonline.org/TOP%20100/TOP%202006/TOP%202006%20EN.htm>