



December 2006

**NEWS FROM ECO DA...**

➤ **A new member:** The Slovenian Association of Supervisory Board Members has just joined ecoDa since the 1st of December.

**See:** [www.zdruzenje-ns.si](http://www.zdruzenje-ns.si)

➤ **Reduced affiliation fees for directors:** Three members of ecoDa (ILA, AB and IFA) are about to sign a multipartite convention offering to their affiliates the right to join another institute of directors provided reduced fees. This convention will be extended to the other members of ecoDa willing to join.

➤ **A new assistant:** Adina Barbu-Delférière, Roumanian, has been working as an assistant for ecoDa since mid-November.

➤ **New office:** ecoDa moved on new offices still located at 42 rue de Loi.

➤ **Upcoming events:** ecoDa is planning a conference on Corporate Social Responsibility and Corporate Governance on 17 April 2007.

**NEWS FROM EU...**

➤ **Statement of Commissioner McCreevy at the European Parliament:** At the European Parliament, in front of JURI Committee, Commissioner McCreevy stated that the European Commission is about to start assessing the impact of a Directive enabling companies to move their registered office from one Member State to another. A proposal for a **14th Company Law Directive** could be submitted next spring. The draft proposal contains a simple framework allowing the transfer of the registered

office of a limited liability company without winding up in the Home Member State or formal re-incorporation in the Host Member State. The directive will ensure continuity of the company's legal personality. It will also contain specific provisions on employee participation. **A communication on a simplification scheme** to reduce unnecessary administrative burdens is also expected next summer. The Commissioner is not convinced about the ability of a European Foundation statute to respond to the specific needs of foundations.

**See:**

<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/06/720&format=HTML&aged=0&language=EN&guiLanguage=en>

➤ **Adoption of the initiative report of the European Parliament on a European Private Company state:** On 21 November, the JURI Committee has approved the initiative report taken by the European Parliament. By approving the report by Klaus-Heiner Lehne (EPP-ED, DE), the Legal Affairs Committee suggests that the Commission should put forward a legislative proposal to establish a European Private Company (EPC) statute, in accordance with detailed recommendations annexed to the text. Whereas the existing European Company (SE) statute is for large limited companies, the EPC statute would make it easier for small and medium-sized enterprises (SMEs) with a minimum capital of €10 000, to do business across borders. The EPC statute would guarantee that European firms can conduct cross-border business without needing to register themselves in each EU Member State. If the EPC statute is approved, a firm using it would need to be registered only in the country where

its head office is located. This would cut consultancy and legal costs, since the EPC would need to comply only with a single, EU-wide set of rules, rather than differing national rules in each country.

The European Commission has started working on a study of the feasibility of a European Private Company State.

➤ **Shareholders' rights:** the amendments proposed by Wolf Klinz, rapporteur for the ECON Committee, were voted on 22 November by this committee at the European Parliament. The JURI Committee of the European Parliament will vote in December.

➤ **CSR and CG:** the EMPL Committee is discussing on a report on CSR stating that "the CSR debate must not be separated from questions of corporate accountability, and that issues of the social and environmental impact of business, relations with stakeholders, the protection of minority shareholders' rights and the duties of company directors in this regard should be fully integrated in the Commission's Corporate Governance Action Plan".

**See:**

[http://www.europarl.europa.eu/meetdocs/2004\\_2009/documents/pr/638/638043/638043en.pdf](http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/638/638043/638043en.pdf)

*ecoDa is supporting this initiative.*

**See:** <http://www.ecoda.org/policy.html>

➤ **European Programme 2007:** The European Commission has published its Legislative and Work Programme 2007.

**See:**

[http://ec.europa.eu/atwork/programmes/docs/clwp2007\\_en.pdf](http://ec.europa.eu/atwork/programmes/docs/clwp2007_en.pdf)

➤ **White Paper on Enhancing the Single Market Framework for Investment Funds:** According to the White paper published on 15 November, the Commission seeks to modernise the 5.5 trillion euro strong market for investment funds by improving transparency for consumers and easing costs for the industry, but sees no need for action on hedge funds.

**See:**

[http://ec.europa.eu/internal\\_market/securities/docs/ucits/whitepaper/whitepaper\\_en.pdf](http://ec.europa.eu/internal_market/securities/docs/ucits/whitepaper/whitepaper_en.pdf)

➤ **European Resolution on financial services:** On 24 October, the European Parliament adopted two resolutions on financial services. Concerning the resolution on the accounting standards used by third country issuers and their equivalence to IFRS as mentioned in the draft implementing measures of the Prospectus Directive and the Transparency Directive, the EP considers that, in the absence of agreement on equivalence between the IFRS and the United States GAAPs on 1 January 2009, this equivalence being defined as stated in paragraph 9, American businesses established in Europe should use the IFRS standards in full. The other resolution concerns the 'bulk' implementing measures for the Transparency Directive.

**See:**

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2006-0436+0+DOC+XML+V0//EN>

## NEWS FROM ABROAD EU...

➤ **Role of shareholders in the board election process in USA:** Different investment associations and ICGN urged the SEC to allow shareholders access to the proxy for resolutions relating to the director election process. The current procedure is considered updated and detrimental to the maximization of long-term shareholder value.

**See:**

<http://www.ft.com/cms/173634d2-65eb-11db-a4fc-0000779e2340.pdf>

[http://www.icgn.org/organisation/documents/cbv/cox\\_letter\\_oct2006.pdf](http://www.icgn.org/organisation/documents/cbv/cox_letter_oct2006.pdf)

➤ **Methodology for Assessing Implementation of the OECD Principles:** OECD has released a Methodology for Assessing

Implementation of the OECD Principles. The ultimate purpose of an assessment is to identify the nature and extent of specific strengths and weaknesses in corporate governance, and thereby underpin policy dialogue that will identify reform priorities leading to the improvement of corporate governance and economic performance.

**See:**

<http://www.oecd.org/dataoecd/58/12/37776417.pdf>

## ARTICLES:

► *Returns to Shareholder Activism Evidence from a Clinical Study of the Hermes U.K. Focus Fund*, ECGI, December 2006,

[http://www.ecgi.org/wp/wp\\_id.php?id=213](http://www.ecgi.org/wp/wp_id.php?id=213)

► *Towards Enhanced Business Governance – causes and consequences for global investment*, KPMG November 2006

<http://www.kpmg.co.uk/pubs/beforepdf.cfm?PubID=1876#>

## CALENDAR

► *Corporate Social Responsibility and Corporate Governance*, ecoDa, 17 April 2006  
Information will be put on ecoDa's website:

**See:** [www.ecoda.org](http://www.ecoda.org)

► *5th Annual European Financial Services Conference Sustainable Financial Markets for European Citizens in a Global Era*, Brussels, Tuesday, 23rd January, 2007

**See:** <http://www.forum-europe.com/download/5AEFSC/5AEFSC-PROG.pdf>