

# The Swedish Securities Markets Association's response to the Commission's open public consultation on the update of the rules on shareholder rights (SRD)

The Swedish Securities Markets Association (SSMA) is a trade association representing the interests of banks and investment firms conducting business on the Swedish securities market. The SSMA's response to the multiple-choice questions in the consultation are in **bold** letters and explanations in *italics*.

## 1. Shareholders

### Definition of shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

### **Question 1. To what extent does the lack of a common definition of 'shareholder' in the SRD lead to legal uncertainty?**

- To a very large extent
- To a large extent
- To a moderate extent**
- To a small extent
- Not at all
- Don't know/no opinion

### **If you would like to, please explain your answer:**

*The SSMA considers that a harmonised definition of shareholder would be beneficial for the EU. Since finding a general definition of shareholder may be difficult, due to differences in the member states' applicable national law, the SSMA suggests narrowing the scope to a harmonised definition of the term only for the purpose of shareholder identification disclosure within the context of SRD2. An end-investor definition would be in line with the definition for tax purposes.*

### **How should the EU tackle it?**

- By introducing a common definition of 'shareholder' applicable to the entire directive, including the exercise of shareholder rights
- By introducing a common definition of 'shareholder' only for the identification of shareholders**
- By publishing a list of different definitions of 'shareholder' applicable in different Member States
- By other means

**If you would like to, please explain your answer:**

*Please see our answer to question 1.*

**Question 2. In case a common definition of ‘shareholder’ was to be introduced, which of the following definitions would you advise?**

- The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)
- The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end-investor definition)**
- Other

**If you would like to, please explain your answer:**

*The end-investor definition is the most frequently used within the EU for shareholder identification disclosure.*

Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

**Question 3. To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?**

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all**  
Don't know/no opinion

**If you would like to, please explain your answer:**

*In Sweden the SRD right for companies to identify their shareholders has not facilitated (or hindered) the flow of information. There are other national provisions regarding nominee reporting which are used more frequently and provide the issuer with similar information, as well as other commercial services (including one provided by the CSD). The CSD fees applied for shareholder identification are high in comparison, which disincentivises SRD shareholder identification.*

**Question 4. Are you aware of any problems related to the identification of shareholders?**

- Companies cannot identify all shareholders they would like to identify
- Companies do not know who they can identify

- **Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (Please note that communication problems will be treated in-depth in the next section)**
  - The quality of shareholder information companies receive is insufficient
  - It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology
- **Other**
  - Don't know/no opinion

**Please specify the other problem(s):**

*In Sweden, the requirement for CSD participants to perform nominee reporting provides the issuer with some information on Swedish shareholders at low cost to issuers. The CSD fee for sending a shareholder identification request is high in comparison, which disincentivises use of SRD shareholder identification in accordance with the market standards. This in turn has led to more requests bypassing the CSD and chain of intermediaries, thus reducing efficiency and increasing costs for all parties.*

**Question 5. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies' right to identify shareholders without any threshold limiting this right						X
EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)						X
Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders)					X	
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)						X
Specific obligations regarding omnibus accounts, i.e., account enabling any participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant					X	

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody to process the information in the same manner					X	
Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders)					X	
Improving the possibility of companies to directly contact their shareholders					X	
Other						

**If you would like to, please explain your answer:**

*The SRD scope for identification should remain limited to shares listed on a regulated market and should not include e.g. bond holders. The EU rules should be implemented in the same way in the MS, without any gold plating. More improvements could be made if issuers were required to provide the issuer CSD with timely and correct corporate action information, in a format that allows the issuer CSD to automatically forward the information.*

**2. Interaction between Companies, Shareholders, and Intermediaries**

Transmission of information (Article 3b)

The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

**Question 6. To what extent have the following measures contributed to the smooth flow of information between shareholders and companies?** Please note that the details of the measures described are contained in [Commission Implementing Regulation \(EU\) 2018/1212](#).

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting)			X			
Companies' obligation to provide intermediaries with the relevant information in a standardised manner			X			
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay			X			
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay			X			
Intermediaries' obligation to transmit information in a standardised manner					X	
Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement of more than one intermediary (chain of intermediaries)					X	

**If you would like to, please explain your answer:**

*We have since SRD2 noted improvements for general meetings, but not for other corporate events. More improvements could be made if issuers would be required to provide their issuer CSD with timely and correct corporate action information in a format that would allow the issuer CSD to automatically forward the information as ISO 15022/20022 messages to CSD participants, for down-stream intermediaries to further increase STP of event information, as has been done for general meetings.*

**Question 7. Are you aware of any problems related to the transmission of information?**

- Information does not reach recipients
- Information is received late**
- Information quality is insufficient (e.g., the information is incomplete)**

- Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)
- High costs for information transmission services (please note that costs are also treated in a section below)
- Other
- Don't know/no opinion

**Question 8. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Facilitating direct communications between companies and shareholders					X	
Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention					X	
Facilitating communication through technical solutions which allow automatic and instantaneous access to information					X	
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication					X	
Other			X			

**Please specify the other measure:**

*More improvements could be made if issuers would be required to provide their issuer CSD with timely and correct corporate action information in a format that would allow the issuer CSD to automatically forward the information as ISO 15022/20022 messages to CSD participants, for down-stream intermediaries to further increase straight-through processing of event information, as has been done for general meetings.*

Facilitation of the exercise of shareholder rights (Article 3c)

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

**Question 9. To what extent have the following measures facilitated the exercise of shareholder rights?** Please note that the details of the measures described are contained in [Commission Implementing Regulation \(EU\) 2018/1212](#).

	To a very large extent	To a large extent	To moderate extent <sup>a</sup>	To a small extent	Not at all	Don't know/no opinion
Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records					X	
Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary					X	
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically						X
Requiring a confirmation that votes have						X

	To a very large extent	To a large extent	To moderate extent <sup>a</sup>	To a small extent	Not at all	Don't know/no opinion
been validly recorded and counted by the company to be sent upon request						
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein			X			

**If you would like to, please explain your answer:**

*The two measures that have been most important in facilitating the exercise of shareholder rights are the requirements on institutional investors to be active shareholders and the requirement on intermediaries to offer the possibility to exercise shareholder rights to all types of investors. We are not aware of any pre-SRD limitations on investors' ability to exercise their economical rights.*

**Question 10. Are you aware of any problems related to the facilitation of shareholder rights?**

- Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles
- **Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based**
- Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights
- Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of shareholder rights difficult
- Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information
- Convocation date may be too close to the date of the general meeting
- Meeting material may be provided too close to the date of the general meeting.
- **Lack of transparency in post-meeting confirmations and information**
- Other
- Don't know/no opinion

**Question 11. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Introducing a standardised proof of entitlement for the exercise of shareholder rights					X	
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions						X
Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business Wallet)					X	
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology					X	
Enabling automated functions in the shares and programmable shares to exercise shareholders rights						X
Introducing (more detailed) EU-wide deadlines/timelines for:					X	
a) Convocation of general meetings					X	
b) Publication of meeting materials					X	
c) Record dates					X	
d) Cut-off dates					X	
e) Updating shareholder registers					X	
Shortening the 15-day maximum deadline for publishing voting results					X	
Requiring publication of voting results for each class of shares					X	

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Enabling instantaneous and automated receipt of vote confirmation					X	
Other						

**If you would like to, please explain your answer:**

*Many investors are from non-EU countries, so introducing additional requirements in EU legislation only for EU investors will have limited effect. In the Swedish market, the main barrier for foreign investors to participate in general meetings is the requirement for a Power of Attorney in order to represent a shareholder at a meeting and the legal requirement (applicable to all types of PoAs) to be issued in physical form.*

Non-discrimination, proportionality and transparency of costs (Article 3d)

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

**Question 12. Are you aware of any problems related to the fees or charges imposed by intermediaries?**

- High costs in cross-border settings disincentivise the exercise of shareholder rights
- Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services
- Lack of transparency as to how intermediaries calculate their charges
- Other
- **Don't know/no opinion**

**Question 13. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Fixed charges for specific services					X	
Maximum ceilings for charges for specific services					X	
Clarification of who (company, intermediary,					X	

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
shareholder) pays for which request						
Standardised terminology for the types of charges and services					X	
Standardised format for disclosure of charges					X	
Central database or comparator of intermediaries' charges structures to ensure transparency					X	
Other						

**If you would like to, please explain your answer:**

*We consider the information about charges to be clear already today; no additional clarification or standardisation is needed.*

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

**Question 14. Are there any problems with the Directive's provision on third-country intermediaries?**

*It is our understanding that at least some third-country intermediaries do not believe they are required to comply with the Directive and Implementing Regulation. This primarily causes issues for companies that want to identify their shareholders, as not all intermediaries provide the information.*

**Question 15. If you see any problems, which measures would improve the situation?**

**3. Institutional Investors and Asset Managers (Articles 3g, 3h and 3i)**

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

**Question16 . To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?**

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

**If you would like to, please explain your answer:**

**Question17 . To what extent have the following measures increased the level of engagement of institutional investors and asset managers?**

	To a very large extent	To a large extent	To moderate extent <sup>a</sup>	To a small extent	Not at all	Don't know/no opinion
Institutional investors and asset managers must publicly disclose – on a “comply or explain” basis – a shareholder engagement policy						
Institutional investors and asset managers must publicly disclose each year – on a “comply or explain basis” – how their engagement policy has been implemented						
Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of						

	To a very large extent	To a large extent	To moderate extent <sup>a</sup>	To a small extent	Not at all	Don't know/no opinion
their investee companies						
Institutional investors must publicly disclose – on a “comply or explain” basis – details regarding their arrangements with their asset managers						
Asset managers must annually report to their institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds.						

**If you would like to, please explain your answer:**

**Question 18. Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting?**

**Question 19. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To moderate extent <sup>a</sup>	To small extent <sup>a</sup>	Not at all	Don't know/no opinion
Expanding public disclosure related to engagement policy and investment strategy of institutional investors and asset managers						

	To a very large extent	To a large extent	To moderate extent	To small extent	Not at all	Don't know/no opinion
Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers						
Clarifying the elements of the engagement policy and the equity investment strategy						
Turning certain reporting or "comply or explain" obligations into mandatory requirements						
Introducing an EU-wide stewardship code of best practices						
Other						

**If you would like to, please explain your answer:**

#### **4. Proxy Advisors (Article 3j)**

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.

**Question 20. To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?**

	To a very large extent	To a large extent	To moderate extent	To small extent	Not at all	Don't know/no opinion
Application of a code of conduct on a "comply-or-explain" basis						
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations						

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Disclosure to the client of conflicts of interests and actions taken to address them						

**If you would like to, please explain your answer:**

**Question 21. Are you aware of any problems related to proxy advisors?**

- Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently
- It is unclear which actors fall under the provisions on proxy advisors
- Proxy advisors' disclosure on dialogue with companies is not satisfactory
- Handling of company complaints is not satisfactory
- Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently
- Proxy advisors' adherence to a code of conduct is not transparent
- Accountability and transparency of proxy advisors are limited
- Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven
- Other
- Don't know/no opinion

**Question 22. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Clarifying the definition of proxy advisor under the SRD						
EU-wide code of conduct for proxy advisors						
Specifying key features an industry code of conduct should have						
Additional transparency and disclosure requirements for proxy advisors						
Reducing disclosure requirements for proxy advisors						
EU-wide basic registration of proxy advisors with activity in the EU						

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
EU-centralised supervision of proxy advisors						
National competent authority oversight of proxy advisors						
Other						

**If you would like to, please explain your answer:**

## 5. General Meetings of Shareholders

### General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

### **Question 23. What is the best format for the exercise of shareholder rights?**

- In-person general meeting
- Virtual only general meeting
- Hybrid general meeting
- Exercise of rights prior to (outside) general meetings
- Other
- Don't know/no opinion

**Question 24. Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
In-person only general meetings						
Virtual-only general meetings						
Hybrid general meetings (i.e., where each shareholder is able to choose between in-						

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
person and virtual attendance)						
Requiring shareholders to exercise certain rights prior to the general meeting						
Adopting shareholder resolutions outside general meetings						
Other						

**If you would like to, please explain your answer:**

**Question 25. To what extent is there a need for common EU rules on the format of general meetings?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings)						
Each shareholder must be able to exercise their rights during the general meeting						
Each shareholder must have the possibility to also exercise their rights prior to the general meeting						
There should be minimum standards to safeguard shareholder rights and legal certainty in the context of virtual participation						
Other						

**If you would like to, please explain your answer:**

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

**Question 26. To what extent were the following shareholder rights strengthened by the SRD?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Right to receive information prior to the general meeting						
Right to put items on the agenda						
Right to table draft resolutions						
Right to vote in the general meetings						
Right to vote by correspondence						
Right to ask questions						
Right to appoint a chosen proxy holder						

**If you would like to, please explain your answer:**

**Question 27. Are you aware of any problems related to the exercise of shareholder rights, among the following?**

- Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments
- Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment
- Existing shareholder rights are not sufficient to ensure sound corporate governance
- Delays and inefficiencies regarding the vote casting and counting infrastructures
- Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)
- Persisting practices impede split voting
- Other
- Don't know/no opinion

**Question 28. To what extent would the following measures lead to improvements?**

	To a very large extent	To a large extent	To moderate extent	To a small extent	Not at all	Don't know/no opinion
Enabling shareholders to speak at the general meeting or to submit opinions prior to it						
Enabling shareholders to challenge resolutions under certain common conditions						
EU-wide conditions for attendance of shareholders and proxy holders						
Standardised protocols for vote casting and counting						
EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions						
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions						
Other						

**If you would like to, please explain your answer:**

Link between directors' pay and companies' performance (Articles 9a and 9b)

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors' pay to the long-term performance of the company.

**Question 29. To what extent is the objective of the Shareholder Rights framework of increasing the link between directors' pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?**

- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

If you would like to, please explain your answer:

**Question 30. To what extent have the following measures contributed to the alignment between directors' pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies must publish a remuneration policy based on which remuneration to directors is paid						
Companies must publish a report on directors' remuneration for the most recent financial year						
Shareholder vote on the remuneration policy and reports						

If you would like to, please explain your answer:

**Question 31. Are you aware of any problems related to the existing rules on the long-term performance of the company and the link between directors' pay and companies' performance?**

- Current rules are too burdensome
- Member States can make the vote of shareholders on the remuneration policy only advisory
- Shareholders' vote on the remuneration report is only advisory
- Member States can replace the shareholders' vote on the remuneration report by a discussion requirement
- Executive remuneration is not comparable across companies
- The Directive is insufficiently applied/enforced
- Other
- Don't know/no opinion

**Question 32. To what extent would the following measures lead to an improvement?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Binding vote of shareholders on director remuneration						
Simplified rules on remuneration policy						

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Simplified rules on remuneration reports						
Other						

**If you would like to, please explain your answer:**

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

**Question 33. To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long-term performance of the company, still relevant today?**

- To a very large extent
- To a large extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/no opinion

**If you would like to, please explain your answer:**

**Question 34. To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?**

	To a very large extent	To a large extent	To moderate extent	To a small extent	Not at all	Don't know/no opinion
Public announcement of related party transactions (transparency)						
Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body						
Extension of transparency requirements to transactions between related parties of the						

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
company and its subsidiaries						
Report as to whether the related party transaction is fair and reasonable (optional for Member States)						

**If you would like to, please explain your answer:**

**Question 35. Are you aware of any problems with the provisions on related party transactions?**

- It is unclear which transactions qualify as material related party transactions
- Too many options for Member States, lead to fragmentation
- Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty
- Other
- Don't know/no opinion

**Question 36. To what extent would the following measures lead to improvements?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Specifying which transactions qualify as material related party transactions (including quantitative ratios)						
Providing fewer options for Member States and introducing more rules on related party transactions						
Other						

**If you would like to, please explain your answer:**

**6. Enforcement**

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive. This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

**Question 37. Are you aware of any problems regarding enforcement?**

- Insufficient supervision by Member States' competent authorities
- Unclear which Member State is competent for the enforcement of the Directive

- Legal uncertainty, especially on scope of the SRD and the definition of central concepts
- **Other**
- Don't know/no opinion

**Please specify the other problem(s):**

*It should be noted that while the intermediaries are subject to supervision by NCAs, few issuers are. Hence, shareholders that could not exercise their rights due to actions by the issuer find it difficult to request or receive any remedy.*

**Question 38. To what extent would the following measures lead to improvements?**

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Transferring certain SRD provisions into a regulation				<b>X</b>		
Codes of conduct developed by the private sector					<b>X</b>	
Peer review mechanisms					<b>X</b>	
EU guidelines					<b>X</b>	
Supervision by an EU authority, e.g., ESMA					<b>X</b>	
Other						

**If you would like to, please explain your answer:**

*There should be a clear list in a regulation of the corporate action events that are in scope of the SRDs, to avoid diverging implementation across MS. In all other cases, we believe the existing market standards and monitoring by AMI-SeCo are sufficient.*

**1. Additional information**

**Question 39. Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework?**

*The Commission should also consider the information that was gathered in the consultations, surveys and interviews that were conducted during and around 2022, including the ESMA call for evidence on the implementation of the Shareholders Rights Directive 2 in November 2022. Please find the SSMA response to that call for evidence attached.*

*If any amendments to the SRDs are proposed, the legislator should account for the time needed to implement the changes in the members states' national laws and for the market actors to adapt their processes. When determining the length of the implementation period,*

*consideration should also be given to other planned amendments, such as the transition to T+1.*

**Question 40. Feel free to attach any relevant documents to support or complement your replies. Please upload your file(s)**

*The SSMA response to the ESMA call for evidence on the implementation of the Shareholders Rights Directive 2 in November 2022: [SSMA Response to ESMA Call for Evidence on SRD2 – Svensk Värdepappersmarknad](#)*