



European Commission
Directorate General for Justice and Consumers
European Commission
1049 Brussels
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Consultation on minimum requirements in the transmission of information for the exercise of shareholder rights

We refer to the European Commission's *consultation on minimum requirements in the transmission of information for the exercise of shareholder rights*, published on 11 April 2018, and we welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with EUR 185 billion invested in equities in the EU.¹ Our equity portfolio consists of minority stakes in more than 9,000 listed companies, of which 1,806 are listed in the EU. NBIM is an active owner and aims to promote long-term value creation in the companies in which it invests.

As a participant in the EU market, we welcome the Commission's efforts towards more harmonised rules for the exercise of shareholder rights, with the revision of the Shareholder Rights Directive in 2017 and the draft Implementing Regulation. The Implementing Regulation addresses some of the operational complexities and inefficiencies in the voting chain that we highlighted in our response to the Commission's consultation on the post-trade reform.²

Voting is one of the most important tools for investors to exercise their ownership rights. Given the high number of shareholder meetings, large investors use the services of custodians (who hold securities on their behalf) and proxy advisors to exercise their rights. These intermediaries form a chain through which investors pass their voting instructions and receive information on corporate events and confirmations of votes cast. To facilitate the exercise of their voting rights, investors rely on an effective voting chain.

¹ As at end December 2017

² <https://www.nbim.no/en/responsibility/standard-setting/consultations/2017/consultation-on-post-trade-in-a-capital-markets-union/>



We agree with the Commission that the use of new technologies is beneficial to all stakeholders in the voting chain, as it reduces costs, delays and the risk of errors due to manual processing. New technologies can facilitate more efficient cross-border voting. We support the proposed standardised messages to allow automation in the voting chain.

We also agree that the exchange of information between issuers and investors, via intermediaries, should be machine-readable and standardised. This will facilitate the efficient processing of messages by the various stakeholders involved. As a result, investors will receive information pertinent to their decision-making on time, and the communication from companies to their owners will be easier.

Furthermore, it is important for us to receive confirmation that resolutions have been voted on in line with our instructions. This allows us to verify that intermediaries have respected our direction and that the company has taken our vote into account. We welcome the Implementing Regulation that will facilitate the transmission of confirmation information through the chain of intermediaries.

Finally, as a large investor, we support a harmonised approach to shareholder identification requests. A common format and content for identification requests will limit the compliance costs and complexities for investors who need to respond to a large number of requests. The Commission could also consider limiting the number of requests allowed in a certain period of time.

In addition to the elements contained in the Implementing Regulation, we believe there is a need for further harmonisation. Market participants would benefit from having common definitions at EU level for concepts such as 'shareholder'. We welcome the Commission's attempt to provide a definition of the 'record date' in the draft implementing acts, as different definitions can lead to legislative fragmentation.

Another important area of national divergence is the share registration process, which varies from country to country. This creates complexity in shareholder identification. We also believe that shareholder identification should be facilitated with public share registers. We understand that these issues are out of the scope of the present Implementing Regulation and encourage the European Commission to address them at the next appropriate opportunity.

We appreciate your willingness to consider our perspective, and we remain at your disposal should you wish to discuss these matters further.

Yours faithfully

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