



DG Markt G4
European Commission
B-1049 Brussels

NFU's comments on the Consultation Document "Fostering an appropriate regime for shareholders rights".

First of all, we would like to acknowledge the relevance of the present consultation. It is obvious, that the rapid increase in cross-border investments imply a challenge to the exercise of shareholder-influence. However, the cross-border mergers and investments mean a lot to the influence and working-conditions of the employees too, and we now look forward to a recommendation regarding "Employees rights".

Pp.6 One of the arguments of facilitating shareholders rights is that "shareholders focus on wealth creation and are therefore suited to act as watchdog on behalf of all stakeholders". We think that this is a theoretical point of view or even a naïve hope, and it is clearly not the case in real life. Our experience from the financial sector is that shareholders mainly focus on the share-price and the profit of the company, and other considerations are of minor importance.

Pp. 18 We acknowledge the problems connected to share blocking requirements. We would like to state however, that an alternative (record-date) system must be formed in a way, which protect the company against raids by speculative investors. This means, that the record date must be set well in advance of the GM. Otherwise, it will be possible for a speculative investor to buy sufficient shares a few days before the GM, and afterwards sell the company in pieces.

In general, we think that some of the suggestions of the consultation are very detailed and irrelevant. As an example, we certainly agree to the parties stating that the practice of securities lending is a matter of contract law, and shall be handled by market participants. Likewise we don't think that the issue of who has to pay for the authentication of the ultimate investor (p.13) is a matter of relevance to the forthcoming directive. Finally, we also think that it should be left to the issuers to decide, whether they want to publish relevant information regarding the GM on the website (pp.16).

What is NFU?

The Confederation of the Nordic Bank, Finance and Insurance Unions (NFU) is an organisation for co-operation between trade unions that organise employees in the banking, finance and insurance sectors in the five Nordic countries. NFU has a solid foundation and a long tradition on which to base trade union co-operation now and in the future.

At present, eight trade unions are affiliated to the NFU, two in Denmark, two in Sweden, two in Finland and one in each Iceland and Norway. Through these trade unions, the NFU represents 165 000 employees on the Nordic financial market. Some 135 000 of these employees belong to the banking sector, while the remaining 30 000 belong to the insurance sector.

Jan-Erik Lidström,
General Secretary