



European Commission
DG FISMA
Rue de Spa, 2
1000 Brussels

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Final report of the High-Level Forum on capital markets union

We refer to the European Commission's call for feedback on the final report published by the High-Level Forum on capital markets union on 10 June 2020. We welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global. We are globally diversified, with EUR 130 billion invested in equities in the European Union. NBIM is an active owner and aims to promote long-term value creation in the companies in which it invests.

We support the development of international standards that promote well-functioning markets and facilitate cross-border investments. In this letter, we share our views on one specific chapter of the High-Level Forum's report: its recommendations on shareholder identification, exercise of voting rights and corporate actions. Voting is one of the most important tools for investors to manage their responsibilities and exercise their rights as owners. Yet, investors sometimes encounter obstacles when exercising their voting rights. We outline some of these issues in a recent publication, an *Asset Manager Perspective on the Shareholder Voting Process*.¹

We note the High-Level Forum's recommendation to revise the Shareholder Rights Directive, in order to address issues of manual processes, lack of standardisation and fragmentation in the Single Market. We would welcome such revision and suggest the following measures:

- As a responsible investor, we find it important to receive confirmation from the issuers that resolutions have been voted in line with our instructions. While we welcome the introduction of a right to obtain confirmation in the revised Shareholder Rights Directive, we believe receiving confirmation should be automatic, not solely on request. This would increase transparency and accountability.
- It would be helpful to introduce a common approach regarding the deadline to cast votes. In some Member States, the cut-off date is too early and does not allow investors to make voting decisions based on the most recent information available.

¹ <https://www.nbim.no/en/publications/asset-manager-perspectives/2020/asset-manager-perspective-shareholder-voting-process/>





Investors also need adequate time between the receipt of the meeting's materials and the deadline to cast vote (15 days at least). This time is necessary to study the materials and make an informed decision ahead of the cut-off date.

- We believe the votes should be counted systematically; the vote tally should be published; and there should be transparency on voting outcome per agenda item. This is key to ensure the integrity and transparency of the voting process and encourage shareholders to vote. Currently, this is not the case in all Member States.
- To facilitate cross-border voting, there needs to be a straightforward administrative process regarding the power of attorney, which allows the custodian to vote on the investor's behalf without unnecessary delays or hurdles. Furthermore, the electronic tabulation of votes should always be permitted, rather than requiring physical attendance. Overall, we believe the voting process should be fully electronic. This would reduce operational risks and be less time consuming for all stakeholders in the voting chain.
- Finally, it would be helpful to have common definitions in EU legislation for concepts like 'record date' or 'shareholder'. Different definitions can lead to legislative fragmentation. Also, a common definition of 'shareholder' may facilitate shareowner identification, shedding light on the end investors, rather than intermediaries holding the shares on their behalf.

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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