

Multiple-vote share structures

2022/0406(COD) - 26/10/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Alfred SANT (S&D, MT) on the proposal for a directive of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Transparency

The report highlighted that the disclosure of accurate, comprehensive and timely information about issuers strengthens investor confidence and allows for informed investment decision-making. Such informed investment decision-making enhances both investor protection and market efficiency. Member States should therefore require companies with multiple-vote share structures to have a **stock name that ends with the marker 'WVR' (weighted voting rights)** in order to clearly indicate to the public that their shareholder structure and liquidity profile is different from that of traditional companies.

Member States should also require companies with multiple-vote share structures to publish **detailed information on their share structure and corporate governance system** at the moment of the admission to trading, as well as periodically in the annual financial report.

Furthermore, those companies should in accordance with existing transparency law, disclose the **identity** of holders of multiple-vote shares as well as of the natural persons entitled to exercise voting rights on their behalf and of persons exercising special control rights to provide investors, as members of general public, with transparency on ultimate ownership and de facto influence on the company. This would allow investors to make informed decisions and thereby strengthen their confidence in well-functioning capital markets.

National competent authorities, regulated markets, SME growth markets and MTFs, should promote investor understanding and awareness concerning the WVR marker and the impact on voting rights associated with investing in companies with multiple-vote share structures.

Review

To assess the implementation and impact of this Directive, in particular any negative impact on stakeholders, and to take account of market developments and developments in other areas of Union law or Member States' experiences with the implementation of this Directive, the Commission should review this Directive three years following the date of transposition and every three years thereafter.