

MALTA ASSOCIATION OF SMALL SHAREHOLDERS (MASS)
&
BETTER FINANCE (BRUSSELS)

INVITE YOU TO AN INTERNATIONAL CONFERENCE ON

THE NEW EU SHAREHOLDER RIGHTS DIRECTIVE

AT THE CARLSON SUITE, RADISSON BLU - ST JULIANS

13 OCTOBER 2017 - 15:00 – 18:00

PROGRAMME

- 15h00** WELCOME SPEECH – Alfred Portelli – President of MASS
- 15h15** ADDRESS by Prof. Edward Scicluna – Minister for Finance, Malta
- 15h30** KEYNOTE SPEECH by Joanna Sikora-Wittnebel - Team leader
for Corporate Governance, DG Justice, European Commission –
THE IMPLEMENTATION OF THE NEW SHAREHOLDER RIGHTS DIRECTIVE
- 16H10** Coffee Break
- 16H45** PRESENTATION by European Issuers - THE ISSUERS HUB
- 17h10** ADDRESS by Mr Joseph Portelli - Chairman – Malta Stock Exchange –
THE MALTESE STOCK MARKET
- 17h35** ADDRESS by Dr. Joe Banister – Chairman - Maltese Financial Services Authority
SHAREHOLDER EMPOWERMENT AND CORPORATE GOVERNANCE
- 18h00** CLOSING SPEECH – Jean Berthon – Chair of BETTER FINANCE



Supported by: **MALTA STOCK EXCHANGE plc**

Persons interested in European and Maltese Company Law and administration, or dealing in shares particularly in European markets are welcome.

The Malta Association of Small Shareholders and The European Federation of Investors and Financial Services Users, better known as Better Finance, with the support of the European Commission Representation in Malta, will be organising the above conference for their members and any person residing or present in Malta who may be interested to participate.

The New EU Shareholder Rights Directive. ((EU) 2017/828) was adopted by the EU Parliament on 14 March this year and by the European Council on 3 April.

This Directive which amends Directive 2007/36/EC on the same subject has been described “a milestone in the EU corporate governance framework” helping to bring up to date corporate governance in the EU.

The Malta Association of Small Shareholders (MASS) was organised as a local voluntary organisation in 2012 with the objective of increasing ‘financial literacy’ among local retail investors, thereby helping them to acquire sufficient knowledge to make wise choices for their investments.

Better Finance is an EU wide association of NGO's whose objectives are more or less similar to those of MASS i.e the education of shareholders, and the protection and promotion of their interests. Better Finance which is supported by the EU is based in Brussels and is often consulted by various EU directorates on issues related to company law and the rights of shareholders. Representatives of Better Finance sit on important EU committees.

Every year Better Finance holds its Annual General Assembly in one of its member states, with the choice for the hosting of this year’s assembly falling on Malta. As part of this assembly the host country is invited to organise a conference on a subject of its own choice for representatives of member institutions of Better Finance, members of the hosting institution in this case MASS, and for any other persons the hosting institution may wish to invite.

Participation in this conference is open to all interested persons; it would be appreciated if persons interested in participation register their interest by e-mail to Mr Saviour Buttigieg - treasurer of MASS who is in charge of the logistics of the conference – at saviour.btt@gmail.com

THE NEW EU SHAREHOLDERS RIGHTS

- The financial crisis of 2008 revealed significant deficiencies in corporate governance, partly due to insufficient shareholder engagement. To this day individual investors continue to face many obstacles in exercising their voting rights and actively engage in the governance of the companies they invest in, especially cross-border.
- Currently a significant part of transferable shares in companies are managed through intermediaries due to legal or technical reasons and direct interaction between shareholders and the investee company is often costly, ineffective or impossible, particularly cross-border.
- A revision of the Shareholders Rights Directive has been in the making for some time now. Finally, on 9 December 2016 the EU presidency (Malta) and the EU Parliament agreed on the final version of the new Shareholders Rights Directive (DIRECTIVE (EU) 2017/828 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2017).
- The new SRD may improve shareholder engagement depending on key delegated acts to be adopted by the EC.
- Now companies will be able to identify their shareholders and to obtain information on shareholder identity from any intermediary in the chain that holds the information.
 - But Member States will decide that companies within their borders are only allowed to request identification with respect to shareholders holding more than a certain percentage of shares or voting rights which will not exceed 0,5%. If such a high threshold of 0,5% is set by Member States, only a very small minority of shareholders of EU companies will be identified.
- An important barrier to cross-border shareholder engagement within the EU will virtually remain in place, since intermediaries will still be able to charge higher fees to shareholders wanting to exercise their cross-border voting rights, compared to domestic ones.
 - Admittedly subject to certain conditions: "*any differences in the charges levied between domestic and cross-border exercise of rights shall only be permitted where duly justified and shall reflect the variation in actual costs incurred for delivering the services*".
- No action is really taken against nominee and omnibus accounts where the economic /beneficial owner of shares still does not get the voting rights, but one can hope the EC will be able to address this issues by designing the delegated acts on shareholder identification and on transmission of information between issuing companies and shareholders (articles 3a and 3b of SRD II).
- The new SRD still does not recognize shareholder associations and their right to represent small shareholders in listed companies: this is a remaining significant barrier to the engagement of small shareholders.
- Joanna Sikora-Wittnebel, team leader for Corporate Governance at DG Justice at the European Commission will shed light on these issues and take us through the implementation of the new shareholders rights directive.
- As long as barriers to the actual exercise of shareholders rights remain high, important initiatives such as EuroVote by BETTER FINANCE, an online information platform facilitating cross-border proxy voting within the EU and making it easier for shareholders to exercise their voting rights at General Assembly Meetings held in another EU country, remain crucial

ISSUERS HUB

We recently had the visit of European Issuers at our office, who came to present to us their new Issuers Hub app. These see attached a presentation about this and please also see the YouTube video Presentation for IssuersHub <https://www.youtube.com/watch?v=b4lkYa0XOT8&t=5s> which includes a summary of the key features.

This is what European Issuers briefly say about the Issuers Hub (as a summary):

What does IssuersHub offer for listed companies in Europe?

IssuersHub is a digital innovation. More than 60% of the internet traffic is now through mobile devices and through new applications.

IssuersHub concentrates in a single Mobile App all the documents published by companies such as Regulatory and price sensitive information; Annual reports; videos and more

IssuersHub enables you to be in touch at any moment with journalists, analysts and investors through a real time "push" notification system and you don't miss mails anymore

IssuersHub is not a website and therefore guarantees the source of information for investors. To publish a Mobile App on App Store (Apple) and Google Play (Android) it requires the publishers to guarantee legal existence and copyright before authorising the publication of the Mobile App.

IssuersHub helps your company to comply with the Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 on the public disclosure of inside information.

IssuersHub offers you visibility on The App of European Issuers 'the voice of listed companies in Europe'

What benefits does IssuersHub bring for investors and other users?

IssuersHub is available for free for any user of smartphones or tablet. IssuersHub is available worldwide in real time. IssuersHub allows you to follow and get notifications in real time from your preferred companies for your investment decisions

We feel that Better Finance members, as well as persons in Malta, could be interested in this. We would therefore like to propose that European Issuers could come to Malta and present their Issuers Hub at the Malta conference on 13 October.