

## Enhancing shareholder rights

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Improving corporate governance entails not only the implementation of better management rules but also ensuring that shareholders have effective means to exercise their rights (including the right to control management). Modern, electronic and transparent information systems must be adopted to achieve this goal. For example, information must be disseminated efficiently both before and after a general meeting and minimum standards must be adopted to ensure that all shareholders, irrespective of where they live, receive information in time (e.g., it should be possible to use electronic means to convey information to shareholders). Similarly, shareholders should be allowed to vote electronically.

Initiatives to strengthen shareholder rights and modernise company law have been taken at both the Community and national levels.

At the Community level, an action plan on "Modernising Company Law and Enhancing Corporate Governance in the European Union – A Plan to Move Forward" (the "Action Plan"), outlining the European Commission's integrated approach to company law and corporate governance, was adopted in May 2003.

Since the publication of the [Action Plan](#), a number of decisions have been taken, such as [Directive 2003/58/EC](#) of the European Parliament and of the Council of 15 July 2003, which contains measures aimed to facilitate access by the public to company information and simplify the disclosure formalities imposed on companies.

Other important initiatives are on the way, such as a proposed directive on shareholder rights, for which a [synthesis](#) of the comments on the preparatory consultation was recently published (April 2005). This working document covers issues such as stock lending, virtual shareholder meetings, multiple voting rights, and the right of ultimate investors to exercise voting rights. On 28 April 2005, the Commission issued a [press release](#) on the establishment of a new expert advisory group to advise it on how to strengthen shareholder rights and modernise company law. Moreover, on 13 May 2005, the Commission also launched a [public consultation](#) on the minimum standards that should apply to shareholder rights in listed companies (particularly voting rights) to facilitate the exercise of these rights in a cross-border context.

In Belgium, Directive 2003/58/EC has been transposed into national law by the [Act of 27 December 2004](#) to allow, companies to file information with the Crossroads Bank for Enterprises by electronic means and corporate documents to be filed in one or more official languages of the European Union. In addition, effective 10 January 2005, the rules regarding the convocation formalities for general meetings of shareholders and bondholders have been simplified to allow meetings to be called by electronic means.

Other examples of the efforts currently being made in Belgium to enhance shareholder rights by transposing Community initiatives are (i) [the law of 2 August 2002](#) on corporate governance, which allows shareholders to take decisions unanimously in writing (except for matters that require an extraordinary general meeting in the presence of a notary), and (ii) [a bill](#) to introduce multiple voting rights.