AFME response to the EU Commission's Open Public Consultation on the Update of the Rules on Shareholder Rights

5 May 2026

The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on the **European Commission's Open Public Consultation on the Update of the Rules on Shareholder Rights.** The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives.

AFME is registered on the EU Transparency Register, registration number 65110063986-76. We summarise below our high-level response to the consultation, which is followed by answers to the individual questions raised.

1. Shareholders

Question 1. To what extent does the lack of a common definition of 'shareholder' in the SRD lead to legal uncertainty?

X	To a very large extent
	To a large extent
	To a moderate extent
	To a small extent
	Not at all
	Don't know/no opinion

The lack of a common EU definition of 'shareholder' means that participants must rely on the national corporate and securities laws of the country of issuance of the security. In practice, this results in different parties being recognised as the shareholder across Member States.

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This fragmentation is particularly problematic in cross-border investment scenarios, where custody chains are typically longer and more complex than in domestic markets, with multiple intermediaries separating issuers from end investors.

In these circumstances, national transpositions of SRD II and specific registration processes may result in the true end investor not being recognised as the shareholder. However, the objective of an issuer raising a shareholder identification request is typically to determine the identity of the end investor, i.e. the person or entity at the end of the custody chain.

Where national law recognises an entity other than the end investor as the shareholder, two main consequences arise:

- First, the issuer may not have a legal right to obtain information about persons or entities further down the custody chain, including the end investor. If intermediaries further down the chain were to disclose such information, they could risk doing so without the benefit of SRD II protections governing the disclosure of shareholder information, potentially exposing them to legal or contractual risks. As a result, shareholder identification requests may not achieve their intended objective of identifying the end investor.
- Second, from an investor perspective, SRD II rights and obligations may not apply to persons or entities further down the chain. This means that end investors may not always be able to fully exercise the rights associated with their securities.

The current process causes certain issuers in a number of Member States to be disadvantaged, where 'shareholder' is defined as the 'name on register' which is typically the local custody and the Issuer then has to rely on their Companies Act to try and obtain the information they are seeking, which can take many months.

A harmonised definition would contribute to a level playing field, addressing current inconsistencies across national frameworks which create operational complexity and inefficiencies for issuers and intermediaries. We consider that such a definition should apply consistently across the SRD framework, including shareholder identification, voting, and corporate actions.

For these reasons, a common pan-European definition of shareholder, for the purposes of SRD, that identifies the end investor (or "ultimate account holder") as the shareholder would help ensure that the party entitled to exercise rights attached to securities positions is properly identified on a harmonised basis. At the same time, any changes should consider potential interactions with other areas of legislation, including frameworks that protect end investors in cases of intermediary insolvency.

Nevertheless, we recommend that the definition should be applied for the purposes of SRD only. Careful consideration should be given to avoiding unintended impacts on national company law and investor protection frameworks.

Question 2. In case a common definition of 'shareholder' was to be introduced, which of the following definitions would you advise?

	The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)

X	The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end-investor definition)
	Other

Question 3. To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?

	To a very large extent
	To a large extent
	To a moderate extent
X	To a small extent
	Not at all
	Don't know/no opinion

The current right of companies to identify their shareholders under SRD II has contributed positively to the standardisation and transparency of shareholder identification processes.

However, its effectiveness remains dependent on the quality, consistency, and completeness of the data transmitted along the intermediary chain, as well as on prevailing market practices.

In particular, the quality of data is a critical factor. In a scenario where data quality is significantly improved – ensuring accuracy, completeness, and timeliness – the existing framework would be considerably more effective in facilitating the flow of information between companies, intermediaries, and shareholders.

Question 4. Are you aware of any problems related to the identification of shareholders?

	Companies cannot identify all shareholders they would like to identify
	Companies do not know who they can identify
X	Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (*Please note that communication problems will be treated in-depth in the next section*)
	The quality of shareholder information companies receive is insufficient
	It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology
X	Other
	Don't know/no opinion

AFME members note the following issues:

- The use of multiple issuer-appointed agents, creating duplication and inefficiencies.
- Instances where service providers claim compliance with SRD II standards without full alignment.
- Challenges in verifying authorised requests, particularly where documentation (e.g. letters of authorisation) is required
- Inefficiencies in communication flows between issuers and intermediaries.

These issues highlight the need for greater clarity on roles and responsibilities and stronger adherence to market standards and protocols.

Question 5. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a mode rate extent	To a small extent	Not at all	Don't know/no opinion
Companies' right to identify shareholders without any threshold limiting this right	X					
EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)					X	
Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders)		X				
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)						X
Specific obligations regarding omnibus accounts, i.e., account enabling any participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant					X	
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody	X					

	To a very large extent	To a large extent	To a mode rate extent	To a small extent	Not at all	Don't know/no opinion
to process the information in the same manner						
Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders)						X
Improving the possibility of companies to directly contact their shareholders						X
Other						

Threshold

We do not support the introduction of a minimum shareholding threshold limiting issuers' ability to identify shareholders under SRD. A no-threshold approach is operationally simpler and better supports straight-through processing (STP). Intermediaries can transmit shareholder information on a standardised, non-conditional basis, avoiding the need for complex calculations, filtering logic, and exception handling.

By contrast, thresholds introduce a risk of incomplete and potentially misleading outcomes. Intermediaries only have visibility over holdings within their own books and are therefore not well placed to assess whether a shareholder meets a given threshold. This creates a risk that investors holding below the threshold across multiple intermediaries are not identified, despite having a material aggregate position.

Allowing full transmission of shareholder data ensures that aggregation can take place centrally at issuer or agent level, where a complete view of holdings can be established. This improves accuracy and is more consistent with the objective of enhancing transparency.

Omnibus accounts

With regards to potential specific obligations relating to omnibus accounts, we note that account structure does not affect the ability of intermediaries to respond to shareholder identification requests, and additional obligations could create operational complexity without improving transparency. We note that CSDR enshrines rights of investors to choose omnibus or segregated accounts – the fact that so many choose omnibus accounts is instructive of their cost/efficiency benefits. We would be strongly opposed to any measures which restrict the ability of investors to choose the appropriate account structure for their needs.

Golden Operational Record

We note that the concept of a "golden operational record", whereby issuers provide complete operational information in a single machine-readable message, could significantly improve data quality and processing efficiency across the custody chain. Currently, issuers typically do not have continuous visibility over changes in share ownership and instead rely on information obtained at specific points in time, such as during payment events, account transactions, or

general meetings. A golden operational record could address this limitation by enabling a more continuous and structured flow of information over time, thereby enhancing transparency and reducing fragmentation.

While the primary benefits of such approach are likely to materialise in broader asset servicing functions - such as corporate actions processing, reconciliations, etc – it could also indirectly support more efficient and reliable disclosure processes by improving the overall quality, consistency, and timeliness of data.

Scope of securities

Regarding the scope of securities eligible for the shareholder identification process, we would generally be supportive of expanding this to include all assets deposited at a CSD. Our core request is for a clear and simple ruleset – or ideally, a public list of in-scope securities.

2. Interaction between Companies, Shareholders, and Intermediaries

Question 6. To what extent have the following measures contributed to the smooth flow of information between shareholders and companies? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting)					X	
Companies' obligation to provide intermediaries with the relevant information in a standardised manner					X	
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay					X	

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay					X	
Intermediaries' obligation to transmit information in a standardised manner					X	
Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement of more than one intermediary (chain of intermediaries)					X	

In practice, the main effect has been to encourage rapid transmission of information regardless of its completeness or quality. The underlying flow of information through the custody chain was generally already functioning effectively prior to SRD II, so these measures have not materially improved the process.

SRD II has allowed the end investors to receive information quickly, but they are receiving more information to the incomplete nature of the information announced by Issuers. This means the information needs to be compiled by the end investor, which is something they did not have to do prior to the implementation of SRD II.

Question 7. Are you aware of any problems related to the transmission of information?

	Information does not reach recipients
	Information is received late
X	Information quality is insufficient (e.g., the information is incomplete)
	Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)
	High costs for information transmission services (please note that costs are also treated in a section below)
X	Other
	Don't know/no opinion

We note that, while SRD II has improved the framework for the transmission of information, certain operational challenges remain.

In particular, issues arise in relation to:

- The role of issuer-appointed agents, including a lack of clarity in their responsibilities.
- The need for clearer definition of roles and responsibilities across the intermediary chain.

These challenges are closely linked to those identified in the context of shareholder identification (Question 4) and reflect broader inconsistencies in implementation and market practices.

We consider that addressing these issues – particularly through clearer allocation of responsibilities – would contribute to improving the efficiency and reliability of information transmission.

Question 8. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Facilitating direct communications between companies and shareholders			X			
Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention				X		
Facilitating communication through technical solutions which allow automatic and instantaneous access to information		X				
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication						X
Other	X					

The industry develops messaging standards that allow the transmission of information along the custody chain, ensuring that data can be shared electronically and in a machine-readable format between intermediaries and ultimately to end investors.

However, while the technical capability to transmit information exists, challenges remain regarding the completeness and quality of the information being made available by Issuers. In particular, key details required for the effective processing of corporate events are not always disclosed in a timely or comprehensive manner. Issuers should ensure that all relevant

information necessary for the processing of corporate events is made available in a complete and accurate manner at the point of announcement. Improving the quality and completeness of disclosures at source would reduce the need for subsequent updates and reprocessing across the chain, thereby enhancing operational efficiency.

We note that intermediaries are only able to pass on the information that they receive – so, if incomplete information is provided by the issuer, the shareholder will not receive all the necessary information. Similarly, if the information is provided piecemeal by the issuer, then this ultimately results in the investor receiving an excessive quantity of messages to obtain the necessary information.

As previously noted, SRD already envisages a 'Golden Operational Record' – this principle should be extended to cover all core information. To provide a specific example, the information in Blocks A, B and C of Table 8 (SRD II Annex I) should be mandatorily included on issuer announcements

Question 9. To what extent have the following measures facilitated the exercise of shareholder rights? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records					X	
Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary					X	
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically	X					
Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request	X					

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein	X					

With regards to the requirement to provide electronic confirmation of receipt of votes when cast electronically, we note that most investors and intermediaries already request such confirmations, which are a key positive outcome of SRD, enhancing transparency and confidence in the voting process. Making this requirement mandatory, rather than upon request, would ensure consistency across markets, reduce operational friction, and support STP, while providing timely assurance to investors.

Question 10. Are you aware of any problems related to the facilitation of shareholder rights?

X	Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles
X	Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based
	Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights
	Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of shareholder rights difficult
	Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information
	Convocation date may be too close to the date of the general meeting
	Meeting material may be provided too close to the date of the general meeting.
	Lack of transparency in post-meeting confirmations and information
	Other
	Don't know/no opinion

Question 11. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Introducing a standardised proof of entitlement for the exercise of shareholder rights					X	
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions	X					
Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business Wallet)			X			
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology						X
Enabling automated functions in the shares and programmable shares to exercise shareholders rights						X
Introducing (more detailed) EU-wide deadlines/timelines for: a) Convocation of general meetings					X	
b) Publication of meeting materials					X	
c) Record dates	X					
d) Cut-off dates					X	
e) Updating shareholder registers					X	
Shortening the 15-day maximum deadline for	X					

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
publishing voting results						
Requiring publication of voting results for each class of shares	X					
Enabling instantaneous and automated receipt of vote confirmation	X					
Other						

The definition of 'record date' means the date set by the issuer, on which the rights flowing from the shares, including the right to participate and vote in a general meeting, as well as the shareholder identity, shall be determined, based on the settled positions struck in the books of the issuer CSD or other first intermediary by book-entry at the close of its business. Some member states include a time, which is not required if the definition of record date was implemented correctly. Also, by having a standardised record date in relation to the shareholder meeting would bring European harmonisation and be in line with all other types of corporate events.

Investor demand means the 15-day rule to publish meeting results is not in line with their expectations. Most, if not all other corporate event types publish the outcome of the event within 24 hours.

Question 12. Are you aware of any problems related to the fees or charges imposed by intermediaries?

	High costs in cross-border settings disincentivise the exercise of shareholder rights
	Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services
	Lack of transparency as to how intermediaries calculate their charges
X	Other
	Don't know/no opinion

We note that intermediaries incur significant operational and investment costs in order to comply with the requirements of SRD II, including the implementation and maintenance of systems, processes, and controls necessary to support shareholder identification and communication.

In practice, intermediaries face challenges in recovering these costs, including situations where certain actors in the value chain:

- Refuse to pay applicable fees

- Redirect costs to other parties (e.g. issuers)
- Do not recognise or accept the applicable charging framework

These challenges have been observed in certain markets, including France, although practices may vary across jurisdictions. In some cases, this has resulted in intermediaries being required to absorb costs, creating operational inefficiencies.

We consider that these issues primarily reflect a lack of clarity regarding roles, responsibilities, and obligations across the value chain.

Further clarity in this area would support a more consistent and effective framework for the allocation and recovery of costs, while ensuring the sustainability of the intermediary model underpinning SRD II.

Question 13. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Fixed charges for specific services						X
Maximum ceilings for charges for specific services						X
Clarification of who (company, intermediary, shareholder) pays for which request						X
Standardised terminology for the types of charges and services						X
Standardised format for disclosure of charges						X
Central database or comparator of intermediaries' charges structures to ensure transparency						X
Other						X

Question 14. Are there any problems with the Directive's provision on third-country intermediaries?

We note that EU Directives are binding on Member States and are implemented through national law, meaning they cannot be directly enforced against intermediaries established in third countries. As a result, while the SRD regime seeks to apply to intermediaries involved in EU securities custody chains, EU authorities may have limited ability to ensure compliance where non-EU intermediaries are involved.

Question 15. If you see any problems, which measures would improve the situation?

N/A

3. Institutional Investors and Asset Managers (Articles 3g, 3h and 3i)

Question 16. To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?

	To a very large extent
	To a large extent
	To a moderate extent
	To a small extent
	Not at all
X	Don't know/no opinion

Question 17. To what extent have the following measures increased the level of engagement of institutional investors and asset managers?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Institutional investors and asset managers must publicly disclose – on a "comply or explain" basis – a shareholder engagement policy						
Institutional investors and asset managers must publicly disclose each year – on a "comply or explain basis" – how their engagement policy has been implemented						X

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies						X
Institutional investors must publicly disclose – on a "comply or explain" basis – details regarding their arrangements with their asset managers						X
Asset managers must annually report to their institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds.						X

Question 18. Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting?

N/A

Question 19. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Expanding public disclosure related to engagement policy and investment						X

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
strategy of institutional investors and asset managers						
Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers						X
Clarifying the elements of the engagement policy and the equity investment strategy						X
Turning certain reporting or "comply or explain" obligations into mandatory requirements						X
Introducing an EU-wide stewardship code of best practices						X
Other						

4. Proxy Advisors (Article 3j)

Question 20. To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Application of a code of conduct on a "comply-or-explain" basis					X	

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations					X	
Disclosure to the client of conflicts of interests and actions taken to address them					X	

We consider that the current framework governing the activities and policies of proxy advisors remains insufficient in addressing key operational and governance concerns.

The role of proxy advisors is particularly sensitive given the significant influence their analyses and recommendations can have on investor decision-making and voting outcomes. As such, a high standard of quality, transparency, and accountability is essential.

Based on industry experience, the main challenges identified are as follows:

- Lack of precision and transparency

  Reports produced by proxy advisors are, in some cases, insufficiently precise and lack transparency in their underlying methodologies and assumptions. This can require additional review and clarification by intermediaries and market participants, creating inefficiencies in the process.
  Enhancing the accuracy, clarity, and transparency of proxy advisor reports should therefore be a priority.

- "One-size-fits-all" policies

  Proxy advisors often apply overly standardised voting policies, which may not adequately reflect the specific characteristics of individual issuers, sectors, or local market practices.
  This approach can lead to recommendations that are not fully aligned with the economic and governance realities of the companies concerned.

Question 21. Are you aware of any problems related to proxy advisors?

	Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently
	It is unclear which actors fall under the provisions on proxy advisors
	Proxy advisors' disclosure on dialogue with companies is not satisfactory
	Handling of company complaints is not satisfactory
	Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently
	Proxy advisors' adherence to a code of conduct is not transparent

X	Accountability and transparency of proxy advisors are limited
	Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven
	Other
	Don't know/no opinion

Question 22. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Clarifying the definition of proxy advisor under the SRD						X
EU-wide code of conduct for proxy advisors						X
Specifying key features an industry code of conduct should have						X
Additional transparency and disclosure requirements for proxy advisors	X					
Reducing disclosure requirements for proxy advisors					X	
EU-wide basic registration of proxy advisors with activity in the EU						X
EU-centralised supervision of						X

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
proxy advisors						
National competent authority oversight of proxy advisors						X
Other	X					

We consider that is of fundamental importance to review the policies of proxy advisors, in particular to:

- Enhance the rigour and transparency of their methodologies, ensuring greater clarity around the assumptions, data sources, and analytical frameworks underpinning their recommendations;
- Move away from overly generic approaches and promote policies that are more adequately tailored to the specific characteristics of the relevant sector and, where appropriate, the individual issuer.

5. General Meetings of Shareholders

Question 23. What is the best format for the exercise of shareholder rights?

	In-person general meeting
	Virtual only general meeting
X	Hybrid general meeting
	Exercise of rights prior to (outside) general meetings
	Other
	Don't know/no opinion

Question 24. Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
In-person only general meetings					X	
Virtual-only general meetings				X		
Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance)	X					
Requiring shareholders to exercise certain rights prior to the general meeting					X	
Adopting shareholder resolutions outside general meetings					X	
Other	X					

We believe that the format of general meetings should primarily ensure that shareholders can exercise their rights easily and effectively.

In this context, it is important to allow sufficient flexibility for issuers to determine the most appropriate format for each meeting. Rather than mandating a single model, a framework enabling companies to choose between different formats – such as physical, hybrid, or virtual meetings, as well as models involving an exclusively designated representative – would better accommodate the diversity of market practices and operational constraints across the EU.

In practice, hybrid meetings (allowing both in-person and virtual participation) can provide an effective balance. They enable shareholders who wish to attend physically to do so, while also allowing those who cannot travel – particularly cross-border investors – to participate remotely and exercise their voting rights. Requiring meetings to be in-person only could reduce participation and create additional challenges for shareholder engagement.

At the same time, certain models adopted at national level may also provide valuable alternatives. For example, in Italy, issuers may convene general meetings through an exclusively designated representative who participates in the meeting and casts votes on behalf of shareholders based on prior voting instructions. Originally introduced during the

COVID-19 pandemic, AFME members note that this model has proven effective in practice. It supports a structured participation process ahead of the meeting, whereby voting instructions, shareholder proposals, and questions are collected and made available in advance, enhancing transparency and reducing operational uncertainty on the day of the meeting.

More generally, submitting voting instructions before the general meeting is already common practice in many markets, especially where there are multiple intermediaries in the voting chain. Facilitating voting ahead of the meeting helps ensure that votes can be collected and processed efficiently and that shareholders can exercise their rights in a timely and informed manner.

From this perspective, general meetings should not be viewed as the sole forum for shareholder engagement, but rather as part of a broader process of interaction and information exchange between issuers and investors. However, it is important to recognise that the suitability of different formats may vary across Member States due to legal, operational, and technological constraints. Differences in national rules on general meetings continue to create operational complexity across EU markets, especially with the sequence of dates in a shareholder meeting. Greater alignment of rules would help improve efficiency and make it easier for shareholders to participate in general meetings across borders.

Question 25. To what extent is there a need for common EU rules on the format of general meetings?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings)	X					
Each shareholder must be able to exercise their rights during the general meeting	X					
Each shareholder must have the possibility to also exercise their rights prior to the general meeting	X					
There should be minimum standards to safeguard shareholder rights and legal certainty in the context of virtual participation	X					

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Other						

We reiterate the messages laid out in our response to Question 24.

We would see value in greater alignment of rules across the EU regarding the format of general meetings and the exercise of shareholder rights. Differences between national frameworks currently create operational complexity, particularly for cross-border investors and the intermediaries that support shareholder participation.

We consider it important that shareholders are able to choose between in-person and virtual participation, as this increases accessibility and supports broader participation in general meetings. Hybrid formats, in particular, can help ensure that shareholders who wish to attend physically are able to do so, while also allowing others to participate remotely.

It is also important that shareholders retain flexibility in how they exercise their rights, including the possibility to submit voting instructions prior to the general meeting. As previously mentioned, submitting votes ahead of the meeting is already common in many markets and is necessary to allow intermediaries to collect and process voting instructions through the custody chain.

At the same time, where feasible, shareholders should also have the opportunity to exercise their rights during the meeting itself. Any EU framework should therefore aim to support both options.

We note that clearer and more consistent minimum standards for virtual participation could help provide legal certainty and facilitate the efficient exercise of shareholder rights across EU markets.

Having an improved timetable, whereby the record date is prior to the meeting, will allow votes to flow to the issuers after this date, up until the issuer vote deadline, hence giving issuers transparency ahead of the meeting. Where issuers have their deadlines on or just after the record date, it means that they receive the votes very late in the process.

We note that the Corporate Events Joint Working Group (CEJWG) is currently working on the enhancement of European standards.

Question 26. To what extent were the following shareholder rights strengthened by the SRD?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Right to receive information prior to the general meeting		X				

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Right to put items on the agenda						X
Right to table draft resolutions						X
Right to vote in the general meetings		X				
Right to vote by correspondence						X
Right to ask questions				X		
Right to appoint a chosen proxy holder						X

Question 27. Are you aware of any problems related to the exercise of shareholder rights, among the following?

X	Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments
X	Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment
	Existing shareholder rights are not sufficient to ensure sound corporate governance
X	Delays and inefficiencies regarding the vote casting and counting infrastructures
X	Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)
X	Persisting practices impede split voting
	Other
	Don't know/no opinion

We note that references to "practices leading to share blocking effects" should not be understood as market practice. In certain markets, these effects arise from regulatory requirements linked to share registration processes that must take place before a shareholder can participate in a general meeting or exercise voting rights.

Question 28. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Enabling shareholders to speak at the general meeting or to submit opinions prior to it	X					
Enabling shareholders to challenge resolutions under certain common conditions				X		
EU-wide conditions for attendance of shareholders and proxy holders	X					
Standardised protocols for vote casting and counting	X					
EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions				X		
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions				X		
Other				X		

We consider that enabling shareholders to include statements or explanations together with their voting instructions could be helpful in certain circumstances, for example where investors wish to provide context for their voting decisions.

We also note that references to shareholder attendance should not be interpreted as requiring physical presence at the meeting. In practice, participation should include virtual or hybrid formats, which allow shareholders to exercise their rights remotely and facilitate broader participation, particularly for cross-border investors.

Question 29. To what extent is the objective of the Shareholder Rights framework of increasing the link between directors' pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?

	To a very large extent
	To a large extent
	To a moderate extent
	To a small extent
	Not at all
X	Don't know/no opinion

Question 30. To what extent have the following measures contributed to the alignment between directors' pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Companies must publish a remuneration policy based on which remuneration to directors is paid						X
Companies must publish a report on directors' remuneration for the most recent financial year						X
Shareholder vote on the remuneration policy and reports						X

Question 31. Are you aware of any problems related to the existing rules on the long-term performance of the company and the link between directors' pay and companies' performance?

	Current rules are too burdensome
	Member States can make the vote of shareholders on the remuneration policy only advisory
	Shareholders' vote on the remuneration report is only advisory
	Member States can replace the shareholders' vote on the remuneration report by a discussion requirement
	Executive remuneration is not comparable across companies
	The Directive is insufficiently applied/enforced
	Other
X	Don't know/no opinion

Question 32. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Binding vote of shareholders on director remuneration						X
Simplified rules on remuneration policy						X
Simplified rules on remuneration reports						X
Other						X

Question 33. To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long-term performance of the company, still relevant today?

	To a very large extent
	To a large extent
	To a moderate extent
	To a small extent
	Not at all
X	Don't know/no opinion

Question 34. To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Public announcement of related party transactions (transparency)		X				
Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body		X				
Extension of transparency requirements to transactions between related parties of the company and its subsidiaries					X	
Report as to whether the related party transaction is fair and reasonable (optional for Member States)				X		

Question 35. Are you aware of any problems with the provisions on related party transactions?

	It is unclear which transactions qualify as material related party transactions
	Too many options for Member States, lead to fragmentation
X	Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty
	Other
	Don't know/no opinion

Question 36. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Specifying which transactions qualify as material related party transactions (including quantitative ratios)						X
Providing fewer options for Member States and introducing more rules on related party transactions						X
Other						X

6. Enforcement

Question 37. Are you aware of any problems regarding enforcement?

	Insufficient supervision by Member States' competent authorities
X	Unclear which Member State is competent for the enforcement of the Directive
	Legal uncertainty, especially on scope of the SRD and the definition of central concepts
	Other
	Don't know/no opinion

Question 38. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Transferring certain SRD provisions into a regulation	X					
Codes of conduct developed by the private sector			X			
Peer review mechanisms						X
EU guidelines				X		
Supervision by an EU authority, e.g., ESMA		X				
Other						

We would welcome further clarification from the Commission with regards to any potential EU guidelines.

We are generally supportive of enhanced supervisory convergence at EU level and recognise the role that ESMA can play in this regard. We reiterate the need to ensure harmonisation and standardisation across the EU, where any enhanced supervisory arrangements should replace – rather than add an additional layer to – existing supervisory structures. Further to this, we note that there can be conflicts between the spirit of the directive and what market participants are permitted to under applicable national law. For example, if the legal definition of shareholder in any jurisdiction identifies any party other than the beneficial owner, intermediaries cannot meaningfully respond to shareholder disclosure requests whilst remaining compliant with data protection laws.