



Plenary sitting

A9-0300/2023

26.10.2023

*****I**

REPORT

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 (COM(2022)0761 – C9-0416/2022 – 2022/0406(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Alfred Sant

Rapporteur for the opinion of associated committee pursuant to Rule 57 of the Rules of Procedure:
René Repasi, Committee on Legal Affairs

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**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
(COM(2022)0761 – C9-0416/2022 – 2022/0406(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0761),
 - having regard to Article 294(2) and Article 50(1), Article 50(2), point (g), and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0416/2022),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 23 March 2023¹,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Legal Affairs,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0300/2023),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 184, 25.5.2023, p. 103.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2022/0406 (COD)

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

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50(1) and Article 50(2), point (g) and Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) To reinforce the attractiveness of *the capital markets union* and to reduce inequalities for companies seeking admission to trading in the single market, it is necessary to address obstacles to the access to such markets that stem from regulatory barriers. Companies should be able, *subject to safeguards established under Union and national law*, to choose governance structures that suit best their development stage, including by enabling controlling shareholders of those companies to retain control of the business after accessing *regulated markets*, SME growth markets, *or any other multilateral trading facilities (MTF)*, while enjoying the benefits associated to trading on those markets, as long as the rights of minority shareholders *are continuously* safeguarded.
- (2) Fear of losing control over a company constitutes *a deterrent* for controlling shareholders to *trade on public* markets. Admission to trading usually entails dilution of ownership for controlling shareholders, thus reducing their influence over important investment, *strategic* and operating decisions in the company. Maintaining control of

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **■** .

² OJ C [...], [...], p. [...]

the company may in particular be important for start-ups and companies with long-term projects that require significant upfront costs, because they may wish to pursue their vision without becoming too exposed to market fluctuations. ***Shareholders in SMEs and in family-owned companies might not seek listing due to the fear of losing control over the company.***

- (3) Multiple-vote share structures are an effective mechanism to enable controlling shareholders to retain decision-making power in a company, while raising funds from the public. Multiple-vote share structures are a form of a control enhancement mechanism involving at least two distinct classes of shares with a different number of voting rights. Under such structures, at least one of the classes of shares has a lower ***number of votes attached per share*** than another class (or classes) of shares with voting rights. The share carrying the superior amount of votes is a multiple-vote share.
- (4) There are other control enhancing mechanisms that allow leveraging voting power, apart from multiple-vote share structures. Such mechanisms may include non-voting shares, non-voting preference shares and voting right ceilings. However, those alternative control enhancing mechanisms, being more rigid in their set-up, are liable to constrain the amount of capital that a company can raise at the point of admission to trading .
- (5) Loyalty shares, like multiple-vote shares, confer superior voting rights to a shareholder. A shareholder may obtain additional voting rights attached to loyalty shares, holding the share for the designated time and complying with certain conditions. Loyalty shares are control-enhancing mechanisms that are designed to foster a more stable, long-term oriented ownership among shareholders rather than to increase the attractiveness of raising funds from the public. It is therefore not appropriate to include loyalty shares in the scope of this Directive.
- (6) There are substantial differences between national provisions on multiple-vote shares across Member States. Some Member States allow multiple-vote share structures, while others ban them. In some Member States, the ban on multiple-vote shares is limited to public companies, while in others it applies to all companies. The differences in national regimes create barriers to the free movement of capital within the internal market. Moreover, the regulatory fragmentation creates an uneven playing field for companies in different Member States. Companies in a Member State that bans multiple-vote share structures have to move to another Member State or even outside the Union if they seek admission to trading with multiple-vote shares, and hence face higher costs. In some cases, because of those higher costs, companies may decide against raising funds from the public, which may limit their funding opportunities. Such considerations are particularly relevant for SMEs and start-ups that lack financial resources to cover those costs.
- (7) Member States should provide companies with the possibility to adopt multiple-vote share structures to allow them to seek admission to trading on a ***regulated market, an SME growth market, or any other MTF***, without their controlling shareholders having to relinquish control. While admission to trading on regulated markets is, ***overall***, more suitable for larger and more mature companies, SME growth markets are generally more appropriate for SMEs. SME growth markets were originally designed as SME dedicated trading venues with a regulatory treatment that takes the particularities of SMEs into account. Not all companies with securities listed on SME growth markets are, however,

SMEs. Directive 2014/65/EU of the European Parliament and of the Council³ requires that SMEs constitute at least 50 % of the issuers of financial instruments admitted to trading on SME growth markets. Companies other than SMEs generally have more liquid securities and hence their admission to SME growth markets enables those markets to generate higher trading fees to maintain profitability of their business model. Nevertheless, to ensure clarity for investors, all issuers on SME growth markets, irrespective of their size, are currently subject to the same rules. █

- (8) Member States should be able to introduce, or maintain in force, national provisions that allow companies to adopt these structures for purposes other than the first time admission to trading of shares on a **regulated market, an SME growth market or any other MTF**. This may also include cases whereby companies transfer from an SME growth market to a regulated market, while retaining multiple-vote shares.
- (9) █ Member States should not prevent companies from adopting multiple-vote share structures at a point prior to the moment of the admission of shares to trading. Member States should, however, be allowed to lay down that the exercise of the enhanced voting rights, which represent additional voting rights attached to multiple-vote shares compared to voting rights of shares of other classes, is conditional upon the admission to trading of shares on a **regulated market, an SME growth market, or any other MTF**, in one or more Member States. In that case and until the admission to trading, multiple-vote shares should have the same voting rights as other classes of shares in the company. That would ensure that multiple vote shares specifically promote a first-time admission to trading on a **regulated market, an SME growth market or any other MTF**.
- (10) Due to a diminished voting power of non-controlling shareholders in the company relative to their investments, multiple-vote share structures may provide controlling shareholders of that company with perpetual control and thereby lead to controlling shareholder entrenchment. That may increase the risk that controlling shareholders extract private benefits from control. To address those risks, the adoption of multiple-vote share structures should be subject to safeguards to protect minority shareholders.
- (11) Member States that allow multiple-vote shares provide for safeguards to protect minority shareholders and the interests of the company. However, the existing safeguards vary between Member States due to national specificities and diverging company law systems. Having regard to the objectives of the internal market as set out in particular in Article 50(2), point (g) of the Treaty on the functioning of the European Union, Member States should ensure a coordinated approach in their national laws on multiple-vote share structures with respect to the protection of the interests of minority shareholders and of the company. This includes protection against decisions creating risks for or resulting in adverse human rights, climate change, and environmental consequences. Under that coordinated approach, all Member States should ensure that any decision to adopt a multiple-vote share structure, or to modify that structure where there is an impact on voting rights, is taken by a qualified majority at the general shareholders' meeting. ***In companies where there are several classes of shares, that qualified majority should be calculated on the basis of the total number of votes cast and on the basis of the number of votes within each class of shares affected by the***

³ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

decision. Furthermore, Member States should limit the voting weight of multiple-vote shares by introducing restrictions on the design of the multiple-vote share structure **and** on the exercise of voting rights attached to multiple-vote shares for the adoption of certain decisions. The restriction on the exercise of voting rights may be implemented by requiring that an approval by qualified majority necessitates both a qualified majority of the votes cast at the general meeting of shareholders and of the share capital represented at the general meeting of shareholders.

- (11a) ***Multiple-vote shares may protect a company from focussing too much on short-term interests, by giving a stronger voice to founders and long-term shareholders. With a view to stimulating long-term sustainable growth, companies issuing multiple-vote shares could publish a report detailing how their share structure will help to promote the interests of all stakeholders.***
- (12) Member States should be given discretion to introduce additional safeguards, where needed, to ensure adequate protection of minority shareholders' interests and the interest of the company. Member States should assess the appropriateness of additional safeguards in light of their effectiveness in protecting the interests of minority shareholders and of the company, while ensuring that such safeguards do not defeat the purpose of multiple-vote share structures, i.e. the possibility for a company's controlling shareholders to influence important decisions, including the appointment of directors.
- (13) 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. Such information should mention whether there are any limitations on the holding of securities, including whether any transfer of securities requires the approval either of the company, or of other holders of securities. It should also mention whether there are any restrictions on voting rights, including limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby the financial rights attached to securities are separated from the holding of securities. ***Such information should be updated periodically and whenever a significant change occurs in the ownership or control of shares with special voting rights.*** 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.
- (14) Since the objectives of this Directive, namely to increase funding options for businesses ***as well as to*** make SME growth markets more attractive, cannot be sufficiently and timely achieved by Member States but can rather, by reason of the scale and effects of

the measures, be more effectively and expeditiously achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.

- (15) ***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***.
- (16) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents⁴, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (17) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁵ and delivered an opinion on [XX XX 2022/2023]⁶,

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Subject Matter

This Directive lays down common rules on multiple-vote share structures in companies that seek the admission to trading of their shares on ***a regulated market***, an SME growth market, ***or any other multilateral trading facility***, in one or more Member States and that do not have shares already admitted to trading on any trading venue.

Article 2

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (a) 'company' means a legal entity incorporated as one of the types of companies listed in Annex ***II*** to Directive (EU) 2017/1132;
- (b) 'multiple-vote shares' means shares belonging to a distinct and separate class and that carry ***a higher number of votes per share*** than another class of shares

⁴ OJ C 369, 17.12.2011, p. 14.

⁵ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (Text with EEA relevance.), (OJ L 295, 21.11.2018, p. 39–98).

⁶ [OP: Footnote once available].

with voting rights on matters to be decided at the general meeting of shareholders;

- (c) ‘multiple-vote share structure’ means the share structure of a company that contains at least one class of multiple-vote shares;
- (d) ‘trading venue’ means a trading venue as defined in Article 4(1), point 24, of Directive 2014/65/EU;
- (e) ‘SME growth market’ means an SME growth market as defined in Article 4(1), point (12) of Directive 2014/65/EU;
- (f) ***‘regulated market’ means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU;***
- (fa) ***‘multilateral trading facility’ or ‘MTF’ means a multilateral trading facility as defined in Article 4(1), point (22), of Directive 2014/65/EU.***



Article 4

Adoption of multiple-vote share structures

1. Member States shall ensure that companies that do not have shares that are admitted to trading on a trading venue have the right to adopt multiple-vote share structures for the admission to trading of shares on ***a regulated market***, an SME growth market, ***or any other MTF***, in one or more Member States. Member States shall not prevent the admission to trading of shares of a company on ***a regulated market***, an SME growth market, ***or any other MTF***, on the ground that the company has adopted a multiple-vote share structure.
2. The right referred to in paragraph 1 encompasses the right to adopt multiple-vote share structures in time prior to seeking the admission to trading of shares on ***a regulated market***, an SME growth market ***or any other MTF***.
3. Member States may make the exercise of the enhanced voting rights attached to the multiple-vote shares conditional upon the admission to trading of shares ***on a regulated market***, an SME growth market, ***or any other MTF***, in one or more Member States.
- 3a. Member States shall ensure that a company’s decision to adopt or modify a multiple-vote share structure is taken by the general meeting of shareholders by at least a qualified majority of the votes cast, as specified in national law. Member States shall not make the adoption of such a structure conditional upon the provision of enhanced economic rights for shares without enhanced voting rights.***

Where there are several classes of shares, the decision to adopt a multiple-vote share structure shall in addition be subject to a separate vote within each class of shares the rights of which are affected.

Article 5

Safeguards in companies that have adopted a multiple-vote share structure

1. Member States shall ensure *that companies that have adopted a multiple-vote share structure in accordance with this Directive have appropriate safeguards in place to provide for the* adequate protection of the interests of **■** shareholders who do not hold multiple-vote shares **■** . To that effect, Member States shall **■** :
 - (a) *introduce a maximum voting ratio ranging from one-to-two to one-to-twelve and a limit on the maximum percentage of the outstanding share capital that the total amount of multiple-vote shares can represent;*
■
 - (b) limit the *impact* of multiple-vote shares on the *decision-making process at general meetings of shareholders* by introducing *a requirement that decisions by general meetings of shareholders that are subject to qualified majority voting, excluding the appointment and dismissal of directors as well as operational decisions to be taken by directors and submitted to the general meeting of shareholders for approval, are to be adopted either by:*
 - (i) *a qualified majority, as specified in national law, of the votes cast and a qualified majority of either the share capital represented at the meeting or of the number of shares represented at the meeting; or*
 - (ii) *a qualified majority, as specified in national law, of the votes cast, and by separate vote within each class of shares the rights of which are affected;*
 - (ba) *exclude the use of enhanced voting rights attached to multiple-vote shares at general meetings of shareholders during the votes on resolutions tabled by shareholders in accordance with Article 6(1) of Directive 2007/36/EC of the European Parliament and of the Council⁷, in particular on matters related to the impact of the company's operations on human rights and the environment.*
2. Member States may provide for further safeguards to ensure adequate protection of *the interests of* shareholders *who do not hold multiple-vote shares* and of the interests of the company. *Those safeguards shall be communicated to the Commission and ESMA.* Those safeguards may include in particular:
 - (a) a provision to avoid that the enhanced voting rights attached to multiple-vote shares are transferred to third parties or continue to exist upon the death, incapacitation or retirement of the original holder of multiple-vote shares (transfer-based sunset clause);
 - (b) a provision to avoid that the enhanced voting rights attached to multiple-vote shares continue to exist after a designated period of time (time-based sunset clause);
 - (c) a provision to avoid that the enhanced voting rights attached to multiple-vote shares continue to exist upon the occurrence of a specified event (event-based sunset clause);

⁷ *Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184 14.7.2007, p. 17).*

- (d) *a requirement that enhanced voting rights attached to multiple-vote shares do not apply in matters relating to executive remuneration and dividend policy or to the approval of related party transactions.*

Article 6

Transparency

1. Member States shall ensure that companies with multiple-vote share structures whose shares are traded or are to be traded on *a regulated market*, an SME growth market, *or any other MTF* make publicly available, in the *prospectus referred to in Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council⁸ or in the [EU Growth Prospectus referred to in Article 15a] of that Regulation* or in the admission document referred to in Article 33(3), point (c), of Directive (EU) 2014/65/EU and in the company's annual financial report referred to in Article 78(2), point (g), of Commission Delegated Regulation (EU) 2017/565⁹, detailed information on all of the following:
 - (a) the structure of their capital, including securities which are not admitted to trading on *the relevant* market in a Member State, with an indication of the different classes of shares and, for each class of shares, the rights and obligations attached to that class and the percentage of total share capital and total voting rights that such class represents;
 - (b) any restrictions on the transfer of securities, including any agreements between shareholders which are known to the company that could result in restrictions on the transfer of securities;
 - (c) the identity of holders of any securities with special control rights and a description of those rights;
 - (d) any restrictions on voting rights, including any agreements between shareholders which are known to the company that could result in restrictions on voting rights;
 - (e) the identity of the shareholders holding multiple-vote shares and of the natural *persons* or legal *entities* entitled to exercise voting rights on behalf of such shareholders, where applicable.
2. Where the holders of multiple-vote shares or the persons entitled to exercise voting rights on their behalf or the holders of securities with special control rights are natural persons, the disclosure of their identity shall require only the disclosure of their names.
 - 2a. *Companies with multiple-vote share structures, the shares of which are traded or are to be traded on a regulated market, an SME growth market, or any other MTF, shall 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 is different from that of traditional companies.*

⁸ *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168 30.6.2017, p. 12).*

⁹ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).

- 2b. ***National competent authorities, regulated markets, SME growth markets and MTFs, shall 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.***

Article 7

Review

By [***three*** years after the entry into force ***of this Directive***] ***and every three years thereafter***, the Commission shall submit a report to the European Parliament and the Council on the implementation and effects of this Directive. To that effect by [***two*** years after the entry into force ***of this Directive***] ***and every year thereafter***, Member States shall provide the Commission with ***all relevant*** information in particular on the following:

- (a) the number of companies admitted to trading with multiple-vote shares;
- (b) the sector in which the companies referred to in point (a) are active and the respective capitalisation at the moment of issuance;
- (c) the investor protection safeguard applied by the companies referred to in point (a) with respect to multiple-vote share structures.

Article 8

Transposition

1. Member States shall bring into force the law, regulations and administrative provisions necessary to comply with this Directive by... [***12 months*** after the date of entry into force of this Directive]. They shall immediately inform the Commission thereof. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.
2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 9

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 10

Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President
[...]

For the Council
The President
[...]

20.9.2023

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on Economic and Monetary Affairs

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
(COM(2022)0761 – C9-0416/2022 – 2022/0406(COD))

Rapporteur for opinion: René Repasi

AMENDMENTS

The Committee on Legal Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take the following into account:

Amendment 1 **Proposal for a directive** **Recital 1**

Text proposed by the Commission

(1) To reinforce the attractiveness of SME growth markets and to reduce inequalities for companies seeking admission to trading in the single market, it is necessary to address obstacles to the access to such markets that stem from regulatory barriers. Companies should be able to choose governance structures that suit best their development stage, including by enabling controlling shareholders of those companies to retain control of the business after accessing SME growth markets, while enjoying the benefits associated to trading on those markets, as long as the rights of minority shareholders *continue to be* safeguarded.

Amendment

(1) To reinforce the attractiveness of SME growth markets and to reduce inequalities for companies seeking admission to trading in the single market, it is necessary to address obstacles to the access to such markets that stem from regulatory barriers. Companies should be able, ***subject to appropriate safeguards***, to choose governance structures that suit best their development stage, including by enabling controlling shareholders of those companies to retain control of the business after accessing SME growth markets, while enjoying the benefits associated to trading on those markets, as long as the rights of minority shareholders ***are continuously*** safeguarded.

Amendment 2

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) Fear of losing control over a company constitutes one of the main deterrents for controlling shareholders to access **SME growth** markets. Admission to trading usually entails dilution of ownership for controlling shareholders, thus reducing their influence over important investment and operating decisions in the company. Maintaining control of the company may in particular be important for start-ups and companies with long-term projects that require significant upfront costs, because they may wish to pursue their vision without becoming too exposed to market fluctuations.

Amendment

(2) Fear of losing control over a company constitutes one of the main deterrents for controlling shareholders to access **capital and equity** markets. Admission to trading usually entails dilution of ownership for controlling shareholders, thus reducing their influence over important investment, **strategic** and operating decisions in the company. Maintaining control of the company may in particular be important for start-ups and companies with long-term projects that require significant upfront costs, because they may wish to pursue their vision without becoming too exposed to market fluctuations.

Amendment 3

Proposal for a directive

Recital 3

Text proposed by the Commission

(3) Multiple-vote share structures are an effective mechanism to enable controlling shareholders to retain decision-making power in a company, while raising funds from the public. Multiple-vote share structures are a form of a control enhancement mechanism involving at least two distinct classes of shares with a different number of **voting rights**. Under such structures, at least one of the classes of shares has a lower **voting value** than another class (or classes) of shares with voting rights. The share carrying the superior amount of votes is a multiple-vote

Amendment

(3) Multiple-vote share structures are an effective mechanism to enable controlling shareholders to retain decision-making power in a company, while raising funds from the public. Multiple-vote share structures are a form of a control enhancement mechanism involving at least two distinct classes of shares with a different number of **votes per share**. Under such structures, at least one of the classes of shares has a lower **votes per share** than another class (or classes) of shares with voting rights. The share carrying the superior amount of votes is a multiple-vote share. **Types of shares that qualify for**

share.

multiple-vote share structures can differ in terms of design. The basic type of multiple-vote share contains a higher voting value at the moment of its issuance. Multiple-vote shares can also be characterized by an increase of the voting value over the time of the ownership of the share, where the increased voting value expires at the moment of the transfer of the ownership. A higher voting value can also be attached to shares, which qualify for a multiple-vote share, where the holder waives any distribution rights or receives only substantially restricted distribution rights in return.

Amendment 4

Proposal for a directive Recital 4

Text proposed by the Commission

(4) There are other control enhancing mechanisms that allow leveraging voting power, apart from multiple-vote share structures. Such mechanisms may include non-voting shares, non-voting preference shares and voting right ceilings. However, those alternative control enhancing mechanisms, being more rigid in their set-up, are liable to constrain the amount of capital that a company can raise at the point of admission to trading **on SME growth markets** due to the lower disassociation between economic and voting rights.

Amendment

(4) There are other control enhancing mechanisms that allow leveraging voting power, apart from multiple-vote share structures. Such mechanisms may include non-voting shares, non-voting preference shares and voting right ceilings. However, those alternative control enhancing mechanisms, being more rigid in their set-up, are liable to constrain the amount of capital that a company can raise at the point of admission to trading due to the lower disassociation between economic and voting rights.

Amendment 5

Proposal for a directive Recital 5

Text proposed by the Commission

(5) Loyalty shares, like multiple-vote

Amendment

(5) Loyalty shares, like multiple-vote

shares, confer superior voting rights to a shareholder. A shareholder may obtain additional voting rights attached to loyalty shares, holding the share for the designated time and complying with certain conditions. Loyalty shares are control-enhancing mechanisms that are designed to foster a more stable, long-term oriented ownership among shareholders *rather than to increase* the attractiveness of *raising funds from the public*. It is therefore *not* appropriate to *include loyalty shares in the scope of this Directive*.

shares, confer superior voting rights to a shareholder. A shareholder may obtain additional voting rights attached to loyalty shares, holding the share for the designated time and complying with certain conditions. Loyalty shares are control-enhancing mechanisms that are designed to foster a more stable, long-term oriented ownership among shareholders *thereby increasing* the attractiveness of *a long-term commitment*. *The common rules laid down in this Directive should also cover loyalty shares, where applicable. Shares with no or substantially restricted distribution rights serve a similar purpose by certifying the long-term engagement of respective shareholders*. It is therefore appropriate to *enable companies to confer superior voting rights to such shareholders, in particular if they hold their shares for the designated time*.

Amendment 6

Proposal for a directive Recital 5 a (new)

Text proposed by the Commission

Amendment

(5 a) Like multiple-vote share structures, employee participation schemes can also increase funding options, bring stability, development and growth to SMEs, and serve as an important addition to sustainable corporate governance, with benefits for both employees and companies. Employee Financial Participation schemes can also help companies, especially SMEs, with respect to restructuring and business continuity by addressing company succession and generational renewal problems. Favouring the development of employee participation schemes can thus contribute to the overall objectives of this Directive. Where a company has established an employee participation scheme, the introduction of a multiple-

vote share structure should not reduce the voting and participation rights attached to the employee participation scheme in place.

Amendment 7

Proposal for a directive

Recital 7

Text proposed by the Commission

(7) Member States should provide companies with the possibility to adopt multiple-vote share structures to allow them to seek admission to trading on a SME growth market without their controlling shareholders having to relinquish control. While admission to trading on regulated markets is more suitable for larger and more mature companies, SME growth markets are generally more appropriate for SMEs. SME growth markets were originally designed as SME dedicated trading venues with a regulatory treatment that takes the particularities of SMEs into account. Not all companies with securities listed on SME growth markets are, however, SMEs. Directive 2014/65/EU of the European Parliament and of the Council³⁹ requires that SMEs constitute at least 50 % of the issuers of financial instruments admitted to trading on SME growth markets. Companies other than SMEs generally have more liquid securities and hence their admission to SME growth markets enables those markets to generate higher trading fees to maintain profitability of their business model. Nevertheless, to ensure clarity for investors, all issuers on SME growth markets, irrespective of their size, are currently subject to the same rules. It is therefore appropriate that the introduction of the right to adopt multiple-vote share structures applies to all companies seeking admission of their shares on an SME

Amendment

(7) Member States should provide companies with the possibility to adopt multiple-vote share structures to allow them to seek admission to trading on a ***regulated market or an*** SME growth market without their controlling shareholders having to relinquish control. While admission to trading on regulated markets is more suitable for larger and more mature companies, SME growth markets are generally more appropriate for SMEs. SME growth markets were originally designed as SME dedicated trading venues with a regulatory treatment that takes the particularities of SMEs into account. Not all companies with securities listed on SME growth markets are, however, SMEs. Directive 2014/65/EU of the European Parliament and of the Council³⁹ requires that SMEs constitute at least 50 % of the issuers of financial instruments admitted to trading on SME growth markets. Companies other than SMEs generally have more liquid securities and hence their admission to SME growth markets enables those markets to generate higher trading fees to maintain profitability of their business model. Nevertheless, to ensure clarity for investors, all issuers on SME growth markets, irrespective of their size, are currently subject to the same rules. It is therefore appropriate that the introduction of the right to adopt multiple-vote share structures applies to all companies seeking admission of their shares on ***a regulated market or an*** SME

growth market for the first time.

³⁹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Amendment 8

Proposal for a directive

Recital 9

Text proposed by the Commission

(9) Companies may adopt multiple-vote share structures through a new issuance of shares or through another type of corporate transaction, such as the conversion of already issued shares. Companies should have the flexibility to choose the most appropriate type of corporate transaction to adopt multiple vote share structures in compliance with national law. Furthermore, companies should also have the flexibility as to the timing of the adoption of multiple-vote share structures, provided they do so to seek a first time admission of shares to trading on a SME growth market. Member States should not prevent companies from adopting multiple-vote share structures at a point prior to the moment of the admission of shares to trading. Member States should, however, be allowed to lay down that the exercise of the enhanced voting rights, which represent additional voting rights attached to multiple-vote shares compared to voting rights of shares of other classes, is conditional upon the admission to trading of shares **on an SME growth market** in one or more Member States. In that case and until the admission to trading, multiple-vote shares should have the same voting rights as other classes of shares in the company. That would ensure that

growth market for the first time.

³⁹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Amendment

(9) Companies may adopt multiple-vote share structures through a new issuance of shares or through another type of corporate transaction, such as the conversion of already issued shares. Companies should have the flexibility to choose the most appropriate type of corporate transaction to adopt multiple vote share structures in compliance with national law. **Moreover, Member States should ensure that it is also possible to adopt a multiple-vote share structure at the moment of the creation of a company in its articles of association.** Furthermore, companies should also have the flexibility as to the timing of the adoption of multiple-vote share structures, provided they do so to seek a first time admission of shares to trading on a **regulated market or** SME growth market. Member States should not prevent companies from adopting multiple-vote share structures at a point prior to the moment of the admission of shares to trading. Member States should, however, be allowed to lay down that the exercise of the enhanced voting rights, which represent additional voting rights attached to multiple-vote shares compared to voting rights of shares of other classes, is conditional upon the admission to trading of shares in one or more Member

multiple vote shares specifically promote a first-time admission to trading on SME growth markets.

States. In that case and until the admission to trading, multiple-vote shares should have the same voting rights as other classes of shares in the company. That would ensure that multiple vote shares specifically promote a first-time admission to trading on *regulated markets or* SME growth markets.

Amendment 9

Proposal for a directive Recital 11

Text proposed by the Commission

(11) Member States that allow multiple-vote shares provide for safeguards to protect minority shareholders and the interests of the company. However, the existing safeguards vary between Member States due to national specificities and diverging company law systems. Having regard to the objectives of the internal market as set out in particular in Article 50(2), point (g) of the Treaty on the functioning of the European Union, Member States should ensure a coordinated approach in their national laws on multiple-vote share structures with respect to the protection of the interests of minority shareholders and of the company. This **includes** protection against decisions creating risks for or resulting in adverse human rights, climate change, and environmental consequences. Under that coordinated approach, all Member States should ensure that any decision to adopt a multiple-vote share structure, or to modify that structure where there is an impact on voting rights, is taken by a qualified majority at the general shareholders' meeting. Furthermore, Member States should limit the voting weight of multiple-vote shares by introducing restrictions **either** on the design of the multiple-vote share structure **or** on the exercise of voting rights attached to multiple-vote shares for

Amendment

(11) Member States that allow multiple-vote shares provide for safeguards to protect minority shareholders and the interests of the company. However, the existing safeguards vary between Member States due to national specificities and diverging company law systems. Having regard to the objectives of the internal market as set out in particular in Article 50(2), point (g) of the Treaty on the functioning of the European Union, Member States should ensure a coordinated approach in their national laws on multiple-vote share structures with respect to the protection of the interests of minority shareholders and of the company. This **may include** protection against decisions creating risks for or resulting in adverse human rights, climate change, and environmental consequences. Under that coordinated approach, all Member States should ensure that any decision to adopt a multiple-vote share structure, or to modify that structure where there is an impact on voting rights, is taken by a qualified majority at the general shareholders' meeting. Furthermore, Member States should limit the voting weight of multiple-vote shares by introducing restrictions on the design of the multiple-vote share structure **and** on the exercise of voting rights attached to multiple-vote shares for

the adoption of certain decisions. The restriction on the exercise of voting rights may be implemented by requiring that an approval by qualified majority necessitates both a qualified majority of the votes cast at the general meeting of shareholders and of the share capital represented at the general meeting of shareholders.

the adoption of certain decisions *excluding appointment and dismissal of directors. For the purpose of limiting the voting weight of multiple-vote shares, Member States should consider introducing a maximum weighted voting ratio of up to one-to-ten.* The restriction on the exercise of voting rights may be implemented by requiring that an approval by qualified majority necessitates both a qualified majority of the votes cast at the general meeting of shareholders and of the share capital represented at the general meeting of shareholders.

Amendment 10

Proposal for a directive Recital 12

Text proposed by the Commission

(12) Member States should ***be given*** discretion to introduce additional safeguards, ***where needed***, to ensure adequate protection of ***minority shareholders' interests and the interest of the company***. Member States should assess the appropriateness of ***additional*** safeguards in light of their effectiveness in protecting the interests of ***minority shareholders and of the company***, while ensuring that ***such*** safeguards do not defeat the purpose of multiple-vote share structures, i.e. the possibility for a company's controlling shareholders to influence important decisions, including the appointment of directors.

Amendment

(12) Member States should ***have*** discretion to introduce additional safeguards to ensure adequate protection of the interest of ***shareholders who do not hold multiple-vote shares***. Member States should assess the appropriateness of ***such*** safeguards in light of their effectiveness in protecting the interests of ***those*** shareholders, while ensuring that ***the*** safeguards do not defeat the purpose of multiple-vote share structures, i.e. the possibility for a company's controlling shareholders to influence important decisions, including the appointment ***and dismissal*** of directors. ***Those additional safeguards may include requirements to ensure that companies commit to enhanced corporate governance measures, requirements to ensure that the enhanced voting rights do not lead to the blockage of decisions by the general shareholders' meeting aiming at preventing, reducing or eliminating adverse impacts on human rights and the environment related to the company's operations and value chain, as well as***

provisions to avoid that the enhanced voting rights attached to multiple-vote shares are transferred to third parties (transfer-based sunset clause), or continue to exist after a designated period of time of up to ten years (time-based sunset clause) or upon the occurrence of a specified event (event-based sunset clause).

Amendment 11

Proposal for a directive

Recital 13

Text proposed by the Commission

(13) 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 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. Such information should mention whether there are any limitations on the holding of securities, including whether any transfer of securities requires the approval either of the company, or of other holders of securities. It should also mention whether there are any restrictions on voting rights, including limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby the financial rights attached to securities are separated from the holding of securities. Furthermore, those companies should disclose the identity of holders of multiple-vote shares as well as of the natural persons entitled to exercise voting rights on

Amendment

(13) 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 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. Such information should mention whether there are any limitations on the holding of securities, including whether any transfer of securities requires the approval either of the company, or of other holders of securities. It should also mention whether there are any restrictions on voting rights, including limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby the financial rights attached to securities are separated from the holding of securities. Furthermore, those companies should 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.

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. ***Such information should be updated periodically and after significant changes in the ownership or control of the shares holding special voting rights.***

Amendment 12

Proposal for a directive Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) This Directive is without prejudice to the protection of personal data, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council.

Amendment 13

Proposal for a directive Recital 15

Text proposed by the Commission

Amendment

(15) 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 **5** years following the date of transposition.

(15) ***To assess the implementation and impact of this Directive, in particular any negative impacts on all actors concerned, 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 **4** years following the date of transposition ***and every 3 years thereafter.***

Amendment 14

Proposal for a directive Article 1 – paragraph 1

Text proposed by the Commission

This Directive lays down common rules on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market in one or more Member States and that do not have shares already admitted to trading on any trading venue.

Amendment

This Directive lays down common rules on multiple-vote share structures in companies that seek the admission to trading of their shares on ***a regulated market or*** an SME growth market in one or more Member States and that do not have shares already admitted to trading on any trading venue.

Amendment 15

Proposal for a directive Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) ‘company’ means a legal entity incorporated as one of the types of companies listed in Annex I to Directive (EU) 2017/1132;

Amendment

(a) ‘company’ means a legal entity incorporated as one of the types of companies listed in Annex I ***or Annex II*** to Directive (EU) 2017/1132, ***which may under national law issue shares and seek admission to trading of the shares on a regulated market or an SME growth market;***

Amendment 16

Proposal for a directive Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) ‘multiple-vote shares’ means shares belonging to a distinct and separate class ***and that*** carry ***higher*** voting rights than another class of shares with voting rights on matters to be decided at the general meeting of shareholders;

Amendment

(b) ‘multiple-vote shares’ means shares belonging to a distinct and separate class, ***which*** carry ***more votes per share or enhanced*** voting rights than another class of shares with voting rights on matters to be decided at the general meeting of shareholders;

Amendment 17

Proposal for a directive Article 2 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(d a) ‘regulated market’ means a regulated market as defined in Article 4(1), point (21), of Directive 2014/65/EU;

Amendment 18

Proposal for a directive Article 2 – paragraph 1 – point d b (new)

Text proposed by the Commission

Amendment

(d b) ‘Multilateral Trading Facility’ or ‘MTF’ means an MTF as defined in Article 4(1), point (22) of Directive 2014/65/EU;

Amendment 19

Proposal for a directive Article 3

Text proposed by the Commission

Amendment

Article 3

deleted

Introduction or maintenance of national provisions on multiple-vote shares

Member States may introduce or maintain in force national provisions that allow companies to adopt multiple-vote share structures in situations not covered by this Directive.

Amendment 20

Proposal for a directive Article 3 – paragraph 1

Text proposed by the Commission

Amendment

Member States may introduce or maintain in force national provisions that allow companies to adopt multiple-vote share structures in situations not covered by this Directive.

deleted

Amendment 21

Proposal for a directive Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall ensure that companies that do not have shares that are admitted to trading on a trading venue have the right to adopt multiple-vote share structures for the admission to trading of shares on an SME growth market in one or more Member States. Member States shall not prevent the admission to trading of shares of a company on an SME growth market on the ground that the company has adopted a multiple-vote share structure.

1. Member States shall ensure that companies that do not have shares that are admitted to trading on a trading venue have the right to adopt multiple-vote share structures for the admission to trading of shares on ***a regulated market or*** an SME growth market in one or more Member States. Member States shall not prevent the admission to trading of shares of a company on ***a regulated market or on*** an SME growth market on the ground that the company has adopted a multiple-vote share structure.

Amendment 22

Proposal for a directive Article 4 – paragraph 2

Text proposed by the Commission

Amendment

2. The right referred to in paragraph 1 encompasses the right to adopt multiple-vote share structures in time prior to seeking the admission to trading of shares on an SME growth market.

2. The right referred to in paragraph 1 encompasses the right to adopt multiple-vote share structures in time prior to seeking the admission to trading of shares on ***a regulated market or on*** an SME growth market.

Amendment 23

**Proposal for a directive
Article 4 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2 a. Member States may make the adoption of a multiple-vote share structure conditional upon an exclusion or substantial limitation of the distribution rights attached to a share that carries higher voting rights.

Amendment 24

**Proposal for a directive
Article 4 – paragraph 2 b (new)**

Text proposed by the Commission

Amendment

2 b. Member States shall ensure that, where a company has an employee participation scheme in place, the adoption of a multiple-vote share structure does not reduce the voting and participation rights attached to the employee participation scheme;

Amendment 25

**Proposal for a directive
Article 4 – paragraph 2 c (new)**

Text proposed by the Commission

Amendment

2 c. Member States shall ensure that employees' rights to information, consultation and participation are respected in relation to the decision on and use of multiple vote shares, in accordance with Union and national law and practices.

Amendment 26

Proposal for a directive
Article 5 – title

Text proposed by the Commission

Safeguards for *fair and non-discriminatory treatment of* shareholders of *a company*

Amendment

Safeguards for shareholders of *companies that have adopted a multiple-vote share structure*

Amendment 27

Proposal for a directive
Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. Member States shall ensure fair and non-discriminatory treatment *of shareholders*, as well as adequate protection of the interests of the shareholders who do not hold multiple-vote shares and of the company *through appropriate safeguards*. To that effect, Member States shall do all of the following:

Amendment

1. Member States shall ensure *that appropriate safeguards are in place to provide for* fair and non-discriminatory treatment, as well as adequate protection of the interests of the shareholders who do not hold multiple-vote shares and of the company. To that effect, Member States shall do all of the following:

Amendment 28

Proposal for a directive
Article 5 – paragraph 1 – point a – paragraph 2

Text proposed by the Commission

For the purposes of this point, *where there are several classes of shares*, such decisions shall also be subject to a separate vote *for* each class of shareholders *whose* rights are affected;

Amendment

For the purposes of this point, such decisions shall also be subject to a separate vote *in* each class of shareholders *the* rights *of which* are affected;

Amendment 29

Proposal for a directive
Article 5 – paragraph 1 – point b – introductory part

Text proposed by the Commission

Amendment

(b) ***limit the voting weight of multiple-vote shares on the exercise of other shareholders' rights, in particular during general meetings, by introducing either of the following:***

(b) ***introduce a maximum weighted voting ratio and a requirement on the maximum percentage of the outstanding share capital that the total amount of multiple-vote shares can represent;***

Amendment 30

Proposal for a directive

Article 5 – paragraph 1 – point b – point i

Text proposed by the Commission

Amendment

(i) ***a maximum weighted voting ratio and a requirement on the maximum percentage of the outstanding share capital that the total amount of multiple-vote shares can represent;***

deleted

Amendment 31

Proposal for a directive

Article 5 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) introduce a restriction on the exercise of the enhanced voting rights attached to multiple-vote shares for voting on matters to be decided at the general meeting of shareholders and that require the approval by a qualified majority, excluding appointment and dismissal of directors.

Amendment 32

Proposal for a directive

Article 5 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. Member States may provide for further safeguards to ensure adequate protection of shareholders and of the interests of the company. ***Those safeguards may include in particular:***

2. Member States may provide for further safeguards to ensure adequate protection of shareholders ***who do not hold multiple-vote shares*** and of the interests of the company.

Amendment 33

Proposal for a directive

Article 5 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) a provision to avoid that the enhanced voting rights attached to multiple-vote shares are transferred to third parties or continue to exist upon the death, incapacitation or retirement of the original holder of multiple-vote shares (transfer-based sunset clause);

deleted

Amendment 34

Proposal for a directive

Article 5 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) a provision to avoid that the enhanced voting rights attached to multiple-vote shares continue to exist after a designated period of time (time-based sunset clause);

deleted

Amendment 35

Proposal for a directive

Article 5 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) a provision to avoid that the

deleted

enhanced voting rights attached to multiple-vote shares continue to exist upon the occurrence of a specified event (event-based sunset clause);

Amendment 36

Proposal for a directive Article 5 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) a requirement to ensure that the enhanced voting rights cannot be used to block the adoption of decisions by the general shareholders' meeting aiming at preventing, reducing or eliminating adverse impacts on human rights and the environment related to the company's operations.

deleted

Amendment 37

Proposal for a directive Article 6 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the structure of their capital, including securities which are not admitted to trading on an SME growth market in a Member State, with an indication of the different classes of shares and, for each class of shares, the rights and obligations attached to that class and the percentage of total share capital and total voting rights that such class represents;

(a) the structure of their capital, including securities which are not admitted to trading on **a regulated market or** an SME growth market in a Member State, with an indication of the different classes of shares and, for each class of shares, the rights and obligations attached to that class and the percentage of total share capital and total voting rights that such class represents;

Amendment 38

Proposal for a directive Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. *Member States shall ensure that companies with multiple-vote share structures whose shares are traded or are to be traded on a regulated market or an SME growth market shall be identified with a unique stock marker 'WVR' (Weighted Voting Rights) at the end of their stock name. National competent authorities, regulated markets and SME growth markets shall promote investor understanding and awareness of this marker.*

Amendment 39

Proposal for a directive

Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

By [**five** years after the entry into force], the Commission shall submit a report to the European Parliament and the Council on the implementation and effects of this Directive. To that effect by [**four** years after the entry into force], Member States shall provide the Commission with information in particular on the following:

By [**four** years after the entry into force] **and every three years thereafter**, the Commission shall submit a report to the European Parliament and the Council on the implementation and effects of this Directive. To that effect by [**three** years after the entry into force] **and every three years thereafter**, Member States shall provide the Commission with **all relevant** information in particular on the following:

Amendment 40

Proposal for a directive

Article 7 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) *the convergences and divergences between the multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market existing in Member States*

following the implementation of this Directive.

Amendment 41

Proposal for a directive Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The report shall take into account the information provided by relevant stakeholders.

Amendment 42

Proposal for a directive Article 8 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall bring into force the law, regulations and administrative provisions necessary to comply with this Directive by **2 years** after the date of entry into force of this Directive. They shall immediately inform the Commission thereof. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

1. Member States shall bring into force the law, regulations and administrative provisions necessary to comply with this Directive by **18 months** after the date of entry into force of this Directive. They shall immediately inform the Commission thereof. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market	
References	COM(2022)0761 – C9-0416/2022 – 2022/0406(COD)	
Committee responsible Date announced in plenary	ECON 1.2.2023	
Opinion by Date announced in plenary	JURI 1.2.2023	
Associated committees - date announced in plenary	15.6.2023	
Rapporteur for the opinion Date appointed	René Repasi 11.5.2023	
Discussed in committee	27.6.2023	3.7.2023
Date adopted	19.9.2023	
Result of final vote	+: 17	–: 0
	0: 1	
Members present for the final vote	Pascal Arimont, Ilana Cicurel, Angel Dzhambazki, Pierre Karleskind, Maria-Manuel Leitão-Marques, Karen Melchior, Sabrina Pignedoli, Jiří Pospíšil, Adrián Vázquez Lázara, Axel Voss, Marion Walsmann, Tiemo Wölken, Javier Zarzalejos	
Substitutes present for the final vote	Patrick Breyer, Pascal Durand, Agnes Jongerius, Angelika Niebler	
Substitutes under Rule 209(7) present for the final vote	Catherine Griset	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

17	+
ECR	Angel Dzhambazki
ID	Catherine Griset
NI	Sabrina Pignedoli
PPE	Pascal Arimont, Angelika Niebler, Jiří Pospíšil, Axel Voss, Marion Walsmann, Javier Zarzalejos
Renew	Ilana Cicurel, Pierre Karleskind, Karen Melchior, Adrián Vázquez Lázara
S&D	Pascal Durand, Agnes Jongerius, Maria-Manuel Leitão-Marques, Tiemo Wölken

0	-

1	0
Verts/ALE	Patrick Breyer

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market	
References	COM(2022)0761 – C9-0416/2022 – 2022/0406(COD)	
Date submitted to Parliament	8.12.2022	
Committee responsible Date announced in plenary	ECON 1.2.2023	
Committees asked for opinions Date announced in plenary	ITRE 1.2.2023	JURI 1.2.2023
Associated committees Date announced in plenary	ITRE 15.6.2023	JURI 15.6.2023
Rapporteurs Date appointed	Alfred Sant 25.1.2023	
Discussed in committee	30.8.2023	
Date adopted	24.10.2023	
Result of final vote	+: –: 0:	43 0 10
Members present for the final vote	Rasmus Andresen, Anna-Michelle Asimakopoulou, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Markus Ferber, Jonás Fernández, Giuseppe Ferrandino, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Claude Gruffat, José Gusmão, Eero Heinäluoma, Danuta Maria Hübner, Stasys Jakeliūnas, Othmar Karas, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Aurore Lalucq, Philippe Lamberts, Aušra Maldeikienė, Pedro Marques, Siegfried Mureşan, Caroline Nagtegaal, Denis Nesci, Luděk Niedermayer, Dimitrios Papadimoulis, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Eva Maria Poptcheva, Evelyn Regner, Antonio Maria Rinaldi, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Ralf Seekatz, Paul Tang, Irene Tinagli, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin	
Substitutes present for the final vote	Damien Carême, Eider Gardiazabal Rubial, Martin Hlaváček, Chris MacManus, Margarida Marques, Laurence Sailliet	
Substitutes under Rule 209(7) present for the final vote	Theresa Bielowski, Anna Bonfrisco, Elena Lizzi	
Date tabled	26.10.2023	

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

43	+
ECR	Denis Nesci, Dorien Rookmaker, Johan Van Overtveldt
ID	Anna Bonfrisco, Elena Lizzi, Antonio Maria Rinaldi
PPE	Anna-Michelle Asimakopoulou, Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Danuta Maria Hübner, Othmar Karas, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Laurence Sailliet, Ralf Seekatz, Inese Vaidere
Renew	Gilles Boyer, Giuseppe Ferrandino, Martin Hlaváček, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Caroline Nagtegaal, Eva Maria Poptcheva, Stéphanie Yon-Courtin
S&D	Marek Belka, Theresa Bielowski, Jonás Fernández, Eider Gardiazabal Rubial, Eero Heinäluoma, Aurore Lalucq, Margarida Marques, Pedro Marques, Evelyn Regner, Alfred Sant, Joachim Schuster, Paul Tang, Irene Tinagli

0	-

10	0
The Left	José Gusmão, Chris MacManus, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, Damien Carême, Claude Gruffat, Stasys Jakeliūnas, Philippe Lamberts, Piernicola Pedicini, Kira Marie Peter-Hansen

Key to symbols:

+ : in favour

- : against

0 : abstention