

**MEMO# 21359**

July 13, 2007

## **Draft ICI Comment Letter on the European Commission's Third Consultation on Shareholders' Voting Rights**

[21359]

July 13, 2007

TO: INTERNATIONAL COMMITTEE No. 18-07 RE: DRAFT ICI COMMENT LETTER ON THE EUROPEAN COMMISSION'S THIRD CONSULTATION ON SHAREHOLDERS' VOTING RIGHTS

Earlier this year the European Commission published its third consultation document on shareholders' rights and cross-border voting. [\[1\]](#) The consultation proposes recommendations that would appear in a non-binding instrument that would supplement the directive on shareholders' rights. The ICI has prepared the attached draft comment letter, which is briefly summarized below.

We have scheduled a conference call to discuss the draft comment letter on Monday, July 23, 2007 at 1:00 p.m. Eastern time. The dial-in numbers are 888-795-2173 in the United States and +1 210-839-8505 from outside the United States. The passcode is 22969. Please send an email to Ruth Tadesse at [rtadesse@ici.org](mailto:rtadesse@ici.org) to let us know if you plan to participate on the call. If you have comments, but are unable to join the call, please provide your comments to Glen Guymon ([gguymon@ici.org](mailto:gguymon@ici.org) or 202-326-5837) or Susan Olson ([solson@ici.org](mailto:solson@ici.org) or 202-326-5813) before the time of the call.

The draft letter supports the Commission's proposed recommendations regarding (i) translation of meeting documents, (ii) voting of shares attached to depositary receipts, (iii) defining "client" in the context of intermediaries and voting rights, and (iv) clarifying that a management company is a "client" for purposes of the directive and specifying that management companies may split their votes. The letter does not support a proposed recommendation that shares borrowed through securities lending arrangements may not

be voted without instructions from the lender.

Glen S. Guymon  
Assistant Counsel - International Affairs

[Attachment](#)

**endnotes**

[1] See European Commission, Fostering an Appropriate Regime for Shareholders' Rights, Third Consultation Document (Apr. 30, 2007), available at [http://ec.europa.eu/internal\\_market/company/docs/shareholders/consultation3\\_en.pdf](http://ec.europa.eu/internal_market/company/docs/shareholders/consultation3_en.pdf). See also [Memorandum](#) to International Members No. 14-07 [21202] (June 1, 2007).

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.