



**FINANCE
DENMARK**

Proposal on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market

Finance Denmark appreciates the opportunity to submit comments on the consultation regarding the proposal for a directive on multiple-vote share structures.

General remarks

Finance Denmark supports the overall purpose with the proposal to enhance the opportunities for SMEs in relation to IPOs and thereby creating enhanced opportunities for financing and growth.

Finance Denmark notes that the Commission's rationale for the proposal is a desire to ensure that founders of SME companies can maintain enhanced decision-making rights even after an IPO. The Commission finds the introduction of legislation on share classes as an appropriate model to ensure control. Given the fragmentation of national regulation in this area, which is seen to have negative consequences for the free movement of capital within the internal market, the Commission considers it appropriate to have harmonized rules that should provide greater uniformity within the EU.

We are generally positive in relation to increased flexibility for SMEs in connection to IPOs. We note, however, that the proposal interferes unnecessarily with the regulation in the member states that have already introduced national rules in this regard, including Denmark.

As mentioned, we recognize improved opportunities for SMEs who wishes to go public, but who wish to maintain some control over the company. However, we consider that the proposal regulates an area which is exclusively a national matter.

Voting rights differentiation of shares is an integral part of national company law, which is linked to national corporate governance models. It is our assessment that voting rights differentiation – like other corporate governance-related matters – should not be regulated by the EU. It should only be regulated nationally, whereby the member states can adapt their specific model with the necessary flexibility in accordance with the individual corporate governance model.

We therefore consider the proposed directive an unnecessary EU interference with the existing national – including Danish – legislation in this area and on that

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basis we suggest that efforts should be made to reject the proposal, alternatively for an amendment stating that the directive does not apply/takes account of member states that already have legislation in this area.

Notat

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