

European Securities and Markets Authority
http://www.esma.europa.eu/index.php?page=to_respond&id=189

ESMA, Call for evidence, Empty voting

The Swedish Corporate Governance Board has the general aim of promoting good corporate governance in Swedish stock exchange listed companies. The Board is one of the three bodies that constitute the Association for Generally Accepted Principles in the Securities Market, an association set up by a number of corporate sector organisations to provide a structure for the self-regulation of private sector companies on the Swedish securities market.

Q3. a) What in your view are the negative consequences that can occur as a result of empty voting (relating to e.g. transparency, corporate governance, market abuse)?

It is possible in Sweden to borrow and lend shares on the market for a number of purposes. The Board has not experienced any problems regarding empty voting in the securities market and has not heard of any complaints from the listed companies that empty voting constitutes a problem from corporate governance perspective. In short, we have not experienced any market failure that could motivate an intervention from the legislator or regulator.

Q6. Do you think that regulatory action is needed and justifiable in cost-benefit terms? If so, which type of empty voting should be addressed and what are the potential options that could be used to do this? Please provide reasons for your answer. Kindly also provide an estimate of the associated costs and benefits in case of any proposed regulatory action.

The Board does not believe that regulatory action is required in this area.

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Björn Kristiansson
Executive Member