BlackRock

6 May 2026

European Commission, DG JUST
Rue Montoyer 59, 1000
Brussels, Belgium

RE: European Commission Open Public Consultation on the Update of the Rules on Shareholder Rights

BlackRock is pleased to have the opportunity to provide feedback to the European Commission's (EC) Open Public Consultation on the Update of the Rules on Shareholder Rights.

As an asset manager, BlackRock is a fiduciary that invests capital on behalf of retail and institutional investors across public and private asset classes. The money we manage is not our own – it belongs to our clients, the asset owners, who choose their own investment strategies and products from our broad product offerings. BlackRock's investment approach is rooted in our fiduciary duty: we start with our client's objectives, we seek the best risk-adjusted returns, and we underpin our work with research, data, and analytics.

In this context, we believe that strong and effectively functioning shareholders' rights are essential for both institutional and retail investors, and therefore a key enabler of the Savings and Investments Union (SIU). Enhancing investor confidence and participation in capital markets also depends on the ability of investors to exercise their rights in a timely, transparent, and efficient manner.

We consider that this objective, alongside the Commission's broader simplification agenda, should be a central driver of the targeted review. While the Shareholders Rights Directive has made significant progress in strengthening shareholder engagement, there remains scope for targeted improvements that reduce operational frictions and remove unnecessary complexity. Well-calibrated amendments can both reinforce shareholders rights and contribute meaningfully to regulatory simplification, ultimately supporting deeper and more efficient capital markets.

In particular, addressing existing inefficiencies in the shareholder chain is critical. Ensuring the timely and reliable transmission of information, improving the sequencing of key events around general meetings, and clarifying cut-off dates for the exercise of voting rights would materially enhance the ability of investors to engage.

Overall, strengthening the practical functioning of shareholders' rights—through targeted amendments—can play an important role in building additional trust in capital markets and advancing the objectives of the SIU.

We therefore welcome the opportunity to comment on the issues raised by this open consultation and will continue to contribute to the thinking of the EC on this and other topics. We welcome further discussion on any of the points that we have raised.

Yours faithfully,

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Open Public Consultation on the Update of the Rules on Shareholder Rights

Fields marked with * are mandatory.

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudge any decision that the Commission may take. The topics covered do not constitute a policy position or a formal proposal by the Commission. Please note that to ensure a fair and transparent consultation process, only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.

Information

Respondents can submit contributions in any of the 24 official languages of the EU. It is not mandatory to respond to all questions and the respondents can focus on issues that are most relevant to them. Only the information in the ‘About you’ section must be completed. The outline of this questionnaire follows the structure of the Directive to facilitate ease of response. In addition to replying to the questionnaire, respondents may also upload a file with a more detailed contribution. The results of this consultation will be compiled into a factual report, which will be publicly accessible through the ‘Have Your Say’ website.

Introduction

To boost the EU’s overall competitiveness, the Commission is committed to addressing the fragmentation across capital markets and fostering a robust and integrated capital market, in order to drive investment opportunities. A key component to achieve this objective is ensuring an efficient and effective framework for the exercise of shareholder rights. In this regard, 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, as amended by Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement (the ‘Shareholder Rights Directive’, the ‘SRD’) aims at strengthening corporate governance by enhancing shareholder participation in corporate decision-making.

Despite progress being made, obstacles still hinder the full realisation of an efficient single market for equity investments. The EU capital market remains fragmented, often mentioned as an example of an area in which the Single Market has not yet been completed. Emerging trends and evolving market conditions also require reassessing the SRD to address new challenges and opportunities, such as technological developments.

To address these issues and opportunities, the Commission is currently assessing the need for reforms that could simplify, harmonise, and digitalise processes and the exercise of shareholder rights across the EU. As announced in the Communication on the Savings and Investments Union of 19 March 2025, a potential review of the SRD, 'could contribute to making it easier and cheaper for investors, intermediaries and issuers to operate across Member States'. More recently, the 2026 Commission Work Programme, published on 21 October 2025, announced the update of the rules on shareholder rights.

The purpose of this open public consultation is to collect feedback from stakeholders on the barriers and inefficiencies which remain after SRD implementation. Together with additional data collected through the Call for Evidence and consultations carried out by a support study, as well as consulting expert groups, the Commission will examine the need for a revised, simplified framework that supports growth, investment, and competitiveness across the EU. This initiative aligns with the broader EU policy objectives outlined in key strategic documents, including the Competitiveness Compass and the Single Market Strategy, which underline the importance of enhanced cross-border investments and of a simplified legal framework for a competitive EU single market.

About you

*Language of my contribution

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- ○ Croatian
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- Environmental organisation
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- Trade union
- Other

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Sofia

*Surname

Garrido

*Email (this won't be published)

sofia.garrido@blackrock.com

*Organisation name

255 character(s) maximum

BlackRock

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

51436554494-18

* Country of origin

Please add your country of origin, or that of your organisation.

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- Nepal
- Netherlands
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The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

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*Please further specify whether you give your contribution as or represent (as an association) one of the following:

- ○ Issuer (listed company, i.e., company with publicly traded shares)
- ● Asset manager
- ○ Institutional investor
- ○ Retail investor
- ○ Intermediary
- ○ Proxy advisor
- ○ None of the above

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1. Shareholders

Definition of shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

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

- ○ To a very large extent
- ○ To a large extent
- ○ To a moderate extent
- ○ To a small extent

- [x] Not at all
- [ ] Don’t know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

We do not view the absence of a harmonised EU-level definition of “shareholder” as detrimental. On the contrary, introducing one could undermine shareholder rights by creating uncertainty, operational inefficiencies, and unintended consequences. In particular, it may introduce frictions with national frameworks, complicate the treatment of funds structured as companies, and increase overall complexity without effectively addressing the root causes of inefficiencies in the voting chain.

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)
- [ ] 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)
- [x] Other

If you would like to, please explain your answer:

500 character(s) maximum

No common definition is needed.

Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

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

- [x] To a large extent
- [ ] To a moderate extent
- [ ] To a small extent
- [ ] Not at all
- [ ] Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

The right of companies to identify their shareholders can improve information flow by enabling communication and direct engagement between issuers and investors. Yet, its effectiveness depends on efficient information transmission across the intermediaries and identification alone doesn't resolve existing operational frictions. Ultimately, facilitating shareholder rights is most material, as investors don't rely on intermediaries for meeting materials like notice of meetings or annual reports.

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
- [ ] 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
- [ ] Other
- [x] Don't know/no opinion

5. 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
Companies' right to identify shareholders without any threshold limiting this right	○	○	○	○	●	○

EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)	○	○	○	●	○	○
Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders)	○	○	○	○	●	○
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)	○	○	○	●	○	○
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	○	○	○	○	●	○
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody 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)	○	○	○	○	●	○
Improving the possibility of companies to directly contact their shareholders	○	○	●	○	○	○
Other	○	○	○	○	○	○

Please indicate the percentage:

500 character(s) maximum

If you would like to, please explain your answer:

500 character(s) maximum

While it is important that companies are aware of available channels to contact shareholders, shareholder identification is not a core issue, so these measures are unlikely to improve the status quo. The challenge lies in the complexity of the intermediary chain, which prevents timely communication to shareholders. While tools like blockchain and stricter obligations for omnibus accounts could help, they must be combined with broader improvements in communication processes across the chain.

2. Interaction between Companies, Shareholders, and Intermediaries

Transmission of information (Article 3b)

The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

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)	◯	◉	◯	◯	◯	◯
Companies' obligation to provide intermediaries with the relevant information in a standardised manner	◯	◉	◯	◯	◯	◯
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay	◯	◉	◯	◯	◯	◯
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay	◯	◉	◯	◯	◯	◯

Intermediaries' obligation to transmit information in a standardised manner	○	●	○	○	○	○
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)	○	○	○	●	○	○

If you would like to, please explain your answer:

500 character(s) maximum

While some measures have had a positive impact, delays in information transmission remain a significant barrier. In certain markets, voting processes have faced operational issues, particularly when intermediaries lack capacity to process votes within tight timelines. In some of these, share blocking has been used as a workaround, limiting institutional investors' ability to participate in voting Therefore, despite the improvements we believe this is one of the areas that merits further review.

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

- [x] Information does not reach recipients
- [x] Information is received late
- [ ] Information quality is insufficient (e.g., the information is incomplete)
- [x] 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

Please specify the other problem(s):

500 character(s) maximum

The complexity of the intermediary chain, where each intermediary sets timing requirements on the receipt of voting instructions, leads to unrealistic vote cutoffs and other challenges relating to the sequencing of information.

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	○	●	○	○	○	○
Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention	○	○	●	○	○	○
Facilitating communication through technical solutions which allow automatic and instantaneous access to information	○	○	●	○	○	○
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication	○	○	○	○	○	●
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Asset managers don’t always have transparency to the specific processes used to communicate information between intermediaries. However, we have observed improvements in the timing of information transmission where more standardized modern technical solutions were implemented. While DLT could offer additional benefits, this would require a rebuilding of the entire securities clearing system to be effective. Therefore, while promising, this makes DLT an unrealistic solution in the near term.

Facilitation of the exercise of shareholder rights (Article 3c)

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

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	○	○	○	○	○	●

Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary	○	○	○	○	○	●
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically	○	○	●	○	○	○
Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request	○	○	○	○	○	●
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein	○	○	○	●	○	○

If you would like to, please explain your answer:

500 character(s) maximum

We continue to experience issues in the exercise of shareholder rights, particularly with the sequencing of events and cut-off deadlines. Proper sequencing between the reception of the documents, the vote cut-off date and the Annual General Assembly is critical to enable informed shareholder decision-making. Addressing these issues requires a holistic, end-to-end approach that considers the full chain of events and the different cut-off dates to improve the exercise of those rights.

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
- [x] 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
- [x] Meeting material may be provided too close to the date of the general meeting.
- [ ] Lack of transparency in post-meeting confirmations and information
- [x] Other
- [ ] Don't know/no opinion

Please specify the other problem(s):

500 character(s) maximum

Meeting and market-level power of attorney (POA) requirements are difficult to manage at scale, and asset managers may lack authority to file POAs where they are not the beneficial owner. This leads to vote rejections. Moreover, ongoing shareblocking practices and sub-custodian reliance on them add friction. In some markets, registration to vote transfers shares to the beneficial owner, and custodians may still earmark them, restricting trading.

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	○	○	○	○	○	●
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions	○	○	○	○	○	●
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)	○	○	○	○	○	●

Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology	○	○	○	○	○	◉
Enabling automated functions in the shares and programmable shares to exercise shareholders rights	○	○	○	○	○	◉
Introducing (more detailed) EU-wide deadlines/timelines for: a) Convocation of general meetings	○	○	○	◉	○	○
b) Publication of meeting materials	○	◉	○	○	○	○
c) Record dates	○	◉	○	○	○	○
d) Cut-off dates	○	◉	○	○	○	○
e) Updating shareholder registers	○	◉	○	○	○	○
Shortening the 15-day maximum deadline for publishing voting results	○	○	○	○	○	◉
Requiring publication of voting results for each class of shares	○	○	◉	○	○	○
Enabling instantaneous and automated receipt of vote confirmation	○	○	◉	○	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

We suggest establishing minimum timeframes across the voting chain. The voting cut-off date shouldn't be more than 4–7 days before the AGM, earlier cut-off dates mean a longer period during which any additional information can't be considered. 30–40 days should be provided to review materials. While deadlines partially depend on intermediary processing of information and some regional flexibility may be needed, greater standardisation and harmonisation are essential to reduce inefficiencies.

<u>Non-discrimination, proportionality and transparency of costs (Article 3d)</u>

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

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
- [ ] Other
- [x] Don't know/no opinion

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	○	○	○	○	○	●
Maximum ceilings for charges for specific services	○	○	○	○	○	●
Clarification of who (company, intermediary, shareholder) pays for which request	○	○	○	○	○	●
Standardised terminology for the types of charges and services	○	○	○	○	○	●
Standardised format for disclosure of charges	○	○	○	○	○	●
Central database or comparator of intermediaries' charges structures to ensure transparency	○	○	○	○	○	●
Other	○	○	○	○	○	●

If you would like to, please explain your answer:

500 character(s) maximum

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

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

500 character(s) maximum

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

500 character(s) maximum

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

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

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
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

This objective remains highly relevant. Engagement and voting are core to fulfilling fiduciary duties and supporting long-term value creation. Ongoing dialogue with companies and their boards deepens our understanding of companies' business models, including how they are overseeing material business risks and opportunities, informs investment and voting decisions, supporting long-term performance in the interest of shareholders.

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	○	○	●	○	○	○
Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies	○	○	●	○	○	○
Institutional investors must publicly disclose – on a “comply or explain” basis – details regarding their arrangements with their asset managers	○	○	●	○	○	○
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.	○	○	●	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

The current approach strikes a balanced solution between transparency and investor discretion. We note a moderate impact as many of these practices were already well established prior to SRD. Shareholders must be able to vote-or not-in line with their own objectives, and comply or explain provides appropriate incentives to improve and resource engagement and voting practices. More prescriptive rules risk undermining some shareholders’ rights to determine, and act according to their interests.

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

500 character(s) maximum

No, we have not experienced any issues with these provisions and consider that the current rules function effectively and as intended. Enhancements to our reporting are informed not only by regulatory requirements but also by client feedback, which remains an important input into how we evolve our disclosures. Hence, we believe allowing reporting to evolve based on users' needs and avoiding new regulatory requirements that add complexity without clear benefits would be the best way forward.

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 strategy of institutional investors and asset managers	○	○	○	○	●	○
Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers	○	○	○	○	●	○
Clarifying the elements of the engagement policy and the equity investment strategy	○	○	○	○	●	○
Turning certain reporting or "comply or explain" obligations into mandatory requirements	○	○	○	○	●	○
Introducing an EU-wide stewardship code of best practices	○	○	○	○	●	○
Other	○	○	○	○	●	○

Please specify the other measure:

500 character(s) maximum

If you would like to, please explain your answer:

500 character(s) maximum

Current transparency measures on a "comply or explain" basis are proportionate and, more importantly, effective. Therefore, we believe no change is needed as these do not impose any challenges or create any issues. Introducing any changes would go against the simplification and regulatory stability objectives that should drive this targeted review. We have always been transparent on our engagement practices and continue to support transparency in this regard.

4. Proxy Advisors (Article 3j)

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.

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	○	○	●	○	○	○
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations	○	○	●	○	○	○
Disclosure to the client of conflicts of interests and actions taken to address them	○	○	●	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

The current "comply or explain" framework is generally appropriate and has improved transparency around methodologies and conflicts of interest, enhancing confidence in provided research and advice. Further prescriptive requirements risk reducing the timeliness and flexibility of research and due diligence, which remains an important aspect in supporting informed investment and voting decision-making.

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
- ☐ 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

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	○	○	○	○	●	○
EU-wide code of conduct for proxy advisors	○	○	○	○	●	○
Specifying key features an industry code of conduct should have	○	○	○	○	●	○
Additional transparency and disclosure requirements for proxy advisors	○	○	○	○	●	○
Reducing disclosure requirements for proxy advisors	○	○	○	○	○	●
EU-wide basic registration of proxy advisors with activity in the EU	○	○	○	○	○	●
EU-centralised supervision of proxy advisors	○	○	○	○	●	○
National competent authority oversight of proxy advisors	○	○	○	●	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

We would like to clarify that when indicating "small" for national competent authorities oversight of proxy advisors, we are not calling for these entities to become supervised by NCAs, but rather we see a small window of opportunity to improve and strengthen the compliance monitoring of transparency requirements for proxy advisors currently existing under SRD.

5. General Meetings of Shareholders

General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

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

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

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	○	○	○	○	◉	○
Virtual-only general meetings	○	○	○	○	◉	○
Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance)	○	◉	○	○	○	○
Requiring shareholders to exercise certain rights prior to the general meeting	○	○	○	○	◉	○
Adopting shareholder resolutions outside general meetings	○	○	○	○	◉	○

Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Aligning rules to allow flexibility in AGM formats can improve shareholder participation and engagement. For hybrid formats, these can enhance access while preserving direct dialogue with boards. While hybrid meetings are often the most effective, the appropriate format may vary depending on company circumstances, costs, and participation levels. A flexible framework better supports the most important goal which is to enable the exercise of shareholder rights and board accountability.

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)	○	○	◉	○	○	○
Each shareholder must be able to exercise their rights during the general meeting	◉	○	○	○	○	○
Each shareholder must have the possibility to also exercise their rights prior to the general meeting	◉	○	○	○	○	○
There should be minimum standards to safeguard shareholder rights and legal certainty in the context of virtual participation	○	◉	○	○	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

There is limited need for prescriptive, harmonised EU rules on the format of general meetings, but there are benefits to clear guidance on best practices. From a shareholder perspective, what matters most is that meeting formats enable effective engagement, timely information flow, and informed voting. Consistent with a principles-based approach, companies should retain flexibility to adopt formats that best support meaningful dialogue with shareholders across different markets and investors.

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

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	○	○	○	○	○	◉
Right to put items on the agenda	○	○	○	○	○	◉
Right to table draft resolutions	○	○	○	○	○	◉
Right to vote in the general meetings	○	◉	○	○	○	○
Right to vote by correspondence	○	○	○	○	○	◉
Right to ask questions	○	○	○	○	○	◉
Right to appoint a chosen proxy holder	○	○	○	○	○	◉

If you would like to, please explain your answer:

500 character(s) maximum

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

- ☐ Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments
- ☑ 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
- ☑ Delays and inefficiencies regarding the vote casting and counting infrastructures
- ☑

- [ ] 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
- [x] Other
- [ ] Don't know/no opinion

Please specify the other problem(s):

500 character(s) maximum

Introducing improvements to ensure the whole proxy process (from the reception of materials to the AGM) works efficiently, with appropriate deadlines and cut-off dates and information correctly flowing through the chain, should be key objectives. A stronger focus on harmonised enforcement is also required as it would resolve most of the frictions currently hindering cross-border investment which currently relate to the different application of the rules rather than the lack of a common rulebook.

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	◉	○	○	○	○	○
Enabling shareholders to challenge resolutions under certain common conditions	○	○	○	○	○	◉
EU-wide conditions for attendance of shareholders and proxy holders	◉	○	○	○	○	○
Standardised protocols for vote casting and counting	○	◉	○	○	○	○
EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions	○	○	○	◉	○	○
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions	○	○	○	◉	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

We support standardised protocols for vote counting. In some EU markets, companies only disclose whether resolutions pass or fail, sometimes stopping the count once a majority is reached. This can obscure the level of shareholder dissent. We also recommend separate reporting of votes cast by unaffiliated shareholders and those without Differential Voting Rights, particularly in companies with significant strategic shareholders (i.e. +25% of issued share capital).

<u>Link between directors' pay and companies' performance (Articles 9a and 9b)</u>

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors' pay to the long-term performance of the company.

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
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

We believe the objective remains highly relevant, and the current framework is functioning well in supporting it. Existing rules have strengthened the alignment between directors' remuneration and long-term company performance, while enhancing transparency and shareholder oversight. In our view, the current framework is functioning effectively and does not require revision, as it already provides a flexible, principles-based basis for achieving this alignment.

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	○	◉	○	○	○	○
Companies must publish a report on directors' remuneration for the most recent financial year	○	◉	○	○	○	○
Shareholder vote on the remuneration policy and reports	○	◉	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

We believe the current framework on remuneration is effective, and that linking directors' pay to company performance is the appropriate approach. In addition, well-established practices already exist for consulting investors on remuneration matters. We do not consider that further guidance or regulation in this area would be materially additive.

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

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	○	○	○	○	●	○
Simplified rules on remuneration policy	○	○	○	●	○	○
Simplified rules on remuneration reports	○	○	○	●	○	○
Other	○	○	○	●	○	○

Please specify the other measure:

500 character(s) maximum

If you would like to, please explain your answer:

500 character(s) maximum

The current rules work well so changes would likely have limited impact. The framework is proportionate, placing emphasis on transparency and closely aligning with asset managers' policies. The implementation of the say on pay contributed to a gradual improvement in remuneration disclosures-very beneficial for shareholders. That said, remuneration disclosures in certain markets remain limited and a broad move toward simplification could risk weakening transparency where it is still developing.

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

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

Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

The objective remains highly relevant. Existing rules on related party transactions are important in mitigating potential conflicts of interest. They support transparency and accountability, which are key to maintaining investor confidence and promoting sustainable long-term company performance.

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)			●			
Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body					●	
Extension of transparency requirements to transactions between related parties of the company and its subsidiaries				●		
Report as to whether the related party transaction is fair and reasonable (optional for Member States)					●	

If you would like to, please explain your answer:

500 character(s) maximum

Greater transparency on material RPTs can be beneficial, yet it's important to acknowledge the administrative burden this may place on companies. Reports on the fairness of RPTs would also add administrative burden and liability without a clear added value given the inability of proving their impartiality. Last, although dependent on definitions and thresholds, requiring prior shareholder approval of RPTs appears unworkable, particularly for companies with a high volume of transactions.

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

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)	○	○	●	○	○	○
Providing fewer options for Member States and introducing more rules on related party transactions	○	○	○	○	○	●
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Introducing standardisation by specifying quantitative ratios for transactions that qualify as material related party transactions could be beneficial.

6. Enforcement

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive. This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

37. Are you aware of any problems regarding enforcement?

- [x] Insufficient supervision by Member States' competent authorities
- [ ] 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

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						

If you would like to, please explain your answer:

500 character(s) maximum

As noted in other responses, we believe many of the current issues could be addressed through stronger enforcement. In the interest of simplification, we would therefore caution against introducing additional rules or guidelines and instead focus on ensuring effective implementation and enforcement of the existing framework.

7. Additional information

39. Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework?

1500 character(s) maximum

Overall, the current framework works well, therefore, we support a highly targeted review, focused on addressing specific friction points rather than reopening areas not shown to limit shareholder rights in Europe.

We’d also like to highlight three issues not currently addressed that could strengthen shareholder rights. First, director election practices would benefit from greater standardisation or EU-level guidance. While annual elections are widely seen as best practice, current approaches vary significantly, with some markets allowing terms of up to five years, which can reduce accountability.

Second, greater clarity is needed on split voting across the shareholder chain. As markets increasingly enable asset owners to direct voting, asset managers must often split votes to reflect distinct mandates. Inconsistent intermediary practices can lead to the rejection of legitimate instructions. EU guidance recognising this would reduce friction and support effective voting.

Finally, the treatment of fractional shares should be considered. Current practices are not harmonised, and in some cases fractional holdings are excluded from voting altogether, limiting the full exercise of shareholder rights. Greater consistency would help ensure that investors are able to vote in proportion to their economic interest, reducing operational complexity across the voting chain.

40. Feel free to attach any relevant documents to support or complement your replies.

Please upload your file(s)

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

00d4aa5b-b433-4f6e-8280-f88bfa7c3fa1/Introduction-blackrock-response-EC-consultation-SRD.pdf

41. Do you give your consent to be contacted by the Commission for a possible follow-up?

- (x) Yes
- ( ) No

Contact

JUST-A3@ec.europa.eu