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MEETING DOCUMENT

From:	Presidency
To:	Working Party on Company Law

Subject:	Presidency Flash 20/3/2023
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Delegations will find attached the Presidency Flash for the Company Law WP meeting of 20/3/2023.

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Working Party on Company Law

Dear colleagues

We are pleased to share with you information on the upcoming meeting of the Working Party that will take place on 20 March. It will be a full day meeting, starting at 10.00.

Thank you once again for all the comments that we have received regarding the proposal on MVSD. Based on these comments, we have made some amendments to the text, both editorial as well as in substance. To facilitate the reading of Articles 4 and 5, you will find them without track changes in the Annex.

A new Presidency compromise text has been published in Delegates Portal. At the Working Party, the delegations will be invited to exchange views on all the articles and recitals in the following order.

Article 1 and recitals 4, 5 and 8

Article 2

Article 4 and recitals 7 and 9a

Recital 9

Article 5

Recitals 10, 11, 11a and 12

Article 6 and recital 13

Article 7

The rest of the articles (8, 9 and 10)

The rest of the recitals (1–3, 6, 7a and 13a–17)

We plan to take the proposal to Coreper for a mandate and, if necessary, have an attaché meeting before Coreper in April.

We look forward to seeing you all on 20 March.



Article 4 **Adoption of multiple-vote share structure**

1. Member States shall ensure that a company that does not have shares that are admitted to trading on a regulated market or an MTF has the right to adopt a multiple-vote share structure for the admission to trading of its shares on an SME growth market. Member States shall ensure that the company's decision to adopt a multiple-vote share structure is taken by the general meeting by at least a qualified majority 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.

For the purposes of the first subparagraph, where there are several classes of shares, the decision to adopt a multiple-vote share structure shall also be subject to a separate vote within each class of shares whose rights are affected.

2. The right referred to in paragraph 1 shall encompass the right to adopt a multiple-vote share structure prior to seeking the admission to trading of the shares on an SME growth market.

3. Member States may make the exercise of the additional voting rights attached to the multiple-vote shares conditional upon the shares being admitted to trading on an SME growth market.

4. Member States shall ensure that the operator of an MTF that is registered as an SME growth market does not prevent the admission to trading of shares of a company on the grounds that the company has adopted a multiple-vote share structure.

Article 5 **Safeguards**

Member States shall ensure that in companies that have adopted a multiple-vote share structure in accordance with this Directive, appropriate safeguards are in place to provide for adequate protection of the interests of shareholders who do not hold multiple-vote shares. To that effect, Member States shall do the following:

(a) ensure that a company's decision to modify a multiple-vote share structure in a way that affects the voting rights of shares, is taken by the general meeting by at least a qualified majority as specified in national law.

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

(b) limit the impact of the multiple-vote shares on the decision-making process at the general meeting by introducing at least one of the following:

(1) a maximum ratio of the voting rights attached to multiple-vote shares to the voting rights attached to shares with the least voting rights;

(2) a requirement that decisions by the general meeting subject to qualified majority, not including the appointment and dismissal of directors, are to be adopted by

(i) a qualified majority, as specified in national law, both of the votes cast and either of 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 subject to a separate vote within each class of shares whose rights are affected.