

Consultation on board responsibilities and improving financial and corporate governance information

208 replies

1. Background Information

Country of residence

	replies	% of total
AT - Austria	12	(5.8%)
BE - Belgium	19	(9.1%)
DE - Germany	51	(24.5%)
DK - Denmark	1	(0.5%)
EL - Greece	6	(2.9%)
ES - Spain	1	(0.5%)
FI - Finland	15	(7.2%)
FR - France	23	(11.1%)
IE - Ireland	2	(1%)
IT - Italy	5	(2.4%)
LU - Luxembourg	0	(0%)
NL - Netherlands	6	(2.9%)
PT - Portugal	1	(0.5%)
SV - Sweden	0	(0%)
UK - United Kingdom	47	(22.6%)
CY - Cyprus	0	(0%)
CZ - Czech Republic	1	(0.5%)
EE - Estonia	0	(0%)
HU - Hungary	3	(1.4%)
LV - Latvia	0	(0%)
LT - Lithuania	0	(0%)
MT - Malta	0	(0%)
PL - Poland	3	(1.4%)
SK - Slovak Republic	2	(1%)
SI - Slovenia	2	(1%)
IS - Iceland	0	(0%)
LI - Liechtenstein	0	(0%)
NO - Norway	0	(0%)
CH - Switzerland	4	(1.9%)
BG - Bulgaria	1	(0.5%)
TR - Turkey	0	(0%)
RO - Romania	0	(0%)
Other	3	(1.4%)

Category

	replies	% of total
Lawyer	37	(17.8%)
Business	65	(31.2%)

Financial Institution	30	(14.4%)
Investment Bank	0	(0%)
Accountant	5	(2.4%)
Auditor	5	(2.4%)
Public Authority	7	(3.4%)
Other:	59	(28.4%)

Size of company (number of employees)

	replies	% of total
0-9	33	(15.9%)
10-49	17	(8.2%)
50-249	28	(13.5%)
250+	116	(55.8%)

Do you do cross-borders activities?

	replies	% of total
Yes	150	(72.1%)
No	45	(21.6%)

Is your company listed?

	replies	% of total
Yes	63	(30.3%)
No	130	(62.5%)

2. Clarification of responsibility for board members for financial and key non-financial information

2.0 Should the term "responsibility" be defined at Community level?

	replies	% of total
Yes	98	(47.1%)
No	101	(48.6%)
Don't know	9	(4.3%)

2.1 Should the responsibility be differentiated between management board members and supervisory board members?

	replies	% of total
Yes	144	(69.2%)
No	56	(26.9%)
Don't know	8	(3.8%)

2.2 Should the responsibility be differentiated between executive and non-executive board members?

	replies	% of total
Yes	124	(59.6%)
No	80	(38.5%)
Don't know	4	(1.9%)

2.3 Should board members be allowed to limit their responsibility by disclosing their disagreement with the documents prepared under their responsibility?

	replies	% of total
Yes	119	(57.2%)
No	81	(38.9%)
Don't know	8	(3.8%)

If so, should they disclose the reasons for their disagreement?

	replies	% of total
Yes	80	(38.5%)
No	22	(10.6%)
Don't know	2	(1%)

2.4 What kind of non-financial information should board members' responsibility also cover?

	replies	% of total
company's risk management system	116	(55.8%)
investment plans	75	(36.1%)
strategies in technical, organisational and human resources areas	71	(34.1%)
corporate governance statement	123	(59.1%)
other:	78	(37.5%)

2.5 Should board members be responsible towards...

	replies	% of total
the company only	108	(51.9%)
groups of shareholders holding a certain percentage of the company	10	(4.8%)
all shareholders	69	(33.2%)
all stakeholders (ie. employees, creditors, ...)	61	(29.3%)

2.6 Should there be common sanctions at Community level for board members who do not comply with their responsibilities regarding financial statements and key non-financial information?

	replies	% of total
Yes	74	(35.6%)
No	122	(58.7%)
Don't know	12	(5.8%)

2.7 Should board members be responsible for providing all relevant information to the auditors?

	replies	% of total
Yes	156	(75%)
No	42	(20.2%)
Don't know	10	(4.8%)

3. Transparency in intra group relations and transactions with related parties

Main issues to address

3.0 Should disclosure of transactions with related parties in the financial statements take place only at group level?

	replies	% of total
Yes	93	(44.7%)

No	85	(40.9%)
Don't know	30	(14.4%)

3.1 Should Community law provide for common definitions for:

	replies	% of total
Related party	124	(59.6%)
Material transactions	103	(49.5%)
Special Purpose Vehicles	86	(41.3%)
Other concepts referred to in this section	39	(18.8%)
Don't know	67	(32.2%)

3.2 Should equivalent requirements apply for listed and unlisted parent companies?

	replies	% of total
Yes	72	(34.6%)
No	122	(58.7%)
Don't know	14	(6.7%)

3.3 Should companies drawing up individual accounts disclose their material transactions with related parties such as special purpose vehicles and companies incorporated offshore, including their precise economic purpose?

	replies	% of total
Yes	106	(51%)
No	85	(40.9%)
Don't know	17	(8.2%)

3.4 Should material transactions with related parties that are directly or indirectly controlled by the parent company of a group be disclosed?

	replies	% of total
Yes	112	(53.8%)
No	81	(38.9%)
Don't know	15	(7.2%)

3.5 Should material transactions with related parties that are significantly influenced by board members of the parent company or any other company of the group be disclosed?

	replies	% of total
Yes	126	(60.6%)
No	66	(31.7%)
Don't know	16	(7.7%)

3.6 Should the key financial figures of the most important group companies be disclosed?

	replies	% of total
Yes	98	(47.1%)
No	96	(46.2%)
Don't know	14	(6.7%)

3.7 Should the parent company of a group disclose relations with related parties such as special purpose vehicles or companies incorporated offshore, including their precise economic purpose, regardless of a duty to include these in the scope of the consolidation?

	replies	% of total
Yes	89	(42.8%)
No	93	(44.7%)
Don't know	26	(12.5%)

3.8 Should any company of a group disclose relations with related parties such as special purpose vehicles, companies incorporated offshore, including their precise economic purpose?

	replies	% of total
Yes	87	(41.8%)
No	100	(48.1%)
Don't know	21	(10.1%)

3.9 Should any company of a group disclose significant sales of assets to another company within the group or to a third party which are directly or indirectly influenced by the group or board members?

	replies	% of total
Yes	99	(47.6%)
No	92	(44.2%)
Don't know	17	(8.2%)

3.10 Should the nature and extent of cash management agreements (e.g. cash pooling) be disclosed?

	replies	% of total
Yes	79	(38%)
No	113	(54.3%)
Don't know	16	(7.7%)

3.11 Should the disclosure of the above described intra group relations and transactions with related parties be done in the notes to the accounts?

	replies	% of total
Yes	79	(38%)
No	110	(52.9%)
Don't know	19	(9.1%)

3.12 If not disclosed in the notes to the accounts, should the disclosure of the above be done in the annual report?

	replies	% of total
Yes	84	(40.4%)
No	98	(47.1%)
Don't know	26	(12.5%)

4. Disclosure about corporate governance practices by listed companies

Content of the Corporate Governance Statement

4.1 Do you agree that the corporate governance statement should ...

replies	% of total
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require listed companies to disclose whether they apply a code on corporate governance or not and, if they do apply one, in what aspects they deviate from the provisions of the corporate governance code	151	(72.6%)
describe key elements of corporate governance, like the independence and specialized knowledge of the board members and the members of committees and the existence and functioning of an internal control system	87	(41.8%)
Don't know	30	(14.4%)

4.2 Do you agree that, with respect to other elements of corporate governance than mentioned in question 4.1, like for instance the operation of the board, the committees and the shareholders' meeting and the channels of information, the corporate governance statement should...

	replies	% of total
contain, for cases in which the corporate governance elements derive from binding national provisions, a statement which confirms the correspondence with these binding national rules	72	(34.6%)
inform about those corporate governance elements which differ from or go beyond national laws and provisions	109	(52.4%)
Don't know	58	(27.9%)

4.3 Do you agree that the corporate governance statement should inform about shareholder rights in the case of cross-border investments?

	replies	% of total
Yes	75	(36.1%)
No	114	(54.8%)
Don't know	19	(9.1%)

4.4 Do you agree that the corporate governance statement should contain information on controlling shareholders?

	replies	% of total
Yes	122	(58.7%)
No	77	(37%)
Don't know	9	(4.3%)

4.5 Should the Statement contain the names of the controlling shareholders and a description of their voting rights and special control rights?

	replies	% of total
Yes	111	(53.4%)
No	90	(43.3%)
Don't know	7	(3.4%)

4.6 Should the Statement contain an overview of significant transactions between the controlling shareholders and the company in case they are not disclosed in the annual accounts or group accounts?

	replies	% of total
Yes	108	(51.9%)
No	91	(43.8%)
Don't know	9	(4.3%)

4.7 Should any other element than the above mentioned be included in the corporate governance statement?

	replies	% of total
Yes	20	(9.6%)
No	125	(60.1%)
Don't know	63	(30.3%)

4.8 Should the corporate governance statement be disclosed...

	replies	% of total
in the annual report	142	(68.3%)
in the notes to the annual accounts	66	(31.7%)

4.9 Should the corporate governance statement also be published on the company's website?

	replies	% of total
Yes	148	(71.2%)
No	53	(25.5%)
Don't know	7	(3.4%)