



To: The European Commission

May 6, 2026

Re: Shareholder Rights Directive (SRD) – evaluation and review

The Confederation of Swedish Enterprise welcomes the opportunity to provide feedback on the European Commission's consultation on the evaluation and potential review of the Shareholder Rights Directive (SRD). The Confederation of Swedish Enterprise represents approximately 60,000 member companies, organized in 48 business and employer associations across all sectors of the Swedish economy.

1. General remarks

The Confederation of Swedish Enterprise welcomes the EU's increased focus on competitiveness and better regulation. Targeted and proportionate measures are essential to reduce administrative burdens and to strengthen the framework conditions for European businesses. Against this background, and in light of the better regulation agenda and the ongoing evaluation of the Shareholder Rights Directives (SRD), we wish to reiterate that the most effective way to avoid unnecessary burdens is often simply to refrain from launching new legislative initiatives and instead focus on improving practical implementation of the existing rules.

We therefore urge the European Commission to carefully assess how, and to what extent, a revision of the SRD would genuinely contribute to improved competitiveness of European businesses and capital markets. Any potential changes should be strategic, well-targeted and limited to areas where there is clear evidence that revisions would deliver tangible benefits. Initiatives that are not necessary to strengthen the competitiveness should be avoided.

The transposition of the SRD II proved complex and required significant efforts in order to fit the Directive into national corporate law frameworks. Now that the rules are in place and companies, shareholders and other market participants are gradually becoming accustomed to them, stability and predictability are, in many respects, more valuable than further regulatory change. In the following, we provide brief comments on the following areas subject to evaluation; (i) shareholders, (ii) interaction between companies, shareholders, and intermediaries, (iii) institutional investors and asset managers, (iv) proxy advisors, and (v) general shareholders meetings.

2. Shareholders

There is no need for a harmonized definition of “shareholder” at EU level. Corporate governance and company law differ between Member States, making it difficult to introduce a common definition without disrupting current structures. In Sweden, it is clearly stipulated who is entitled to exercise different shareholder rights, and we see no regulatory gap that would warrant EU-level intervention in this area. To the extent that practical difficulties arise in shareholder identification, these should primarily be addressed through better implementation and technical coordination in the intermediary chain, rather than through a harmonized shareholder definition that could interfere with national company law concepts.

3. Interaction between companies, shareholders, and intermediaries

The SRD and the related implementing regulation already include detailed regulatory and technical requirements governing the interaction between companies, shareholders, and intermediaries. Still, the technical and operational coordination between intermediaries seems to remain weak in practice. The European Commission should therefore, together with stakeholders and market participants, focus on identifying the existing practical and technical obstacles and possible solutions to address those. It is unlikely that further regulatory changes would, in themselves, significantly improve the situation. In any event, in order to strengthen European competitiveness, it is essential that any additional administrative or operational obligations or costs for issuers be avoided.

4. Institutional investors and asset managers

The EU legislator should make clear that institutional investors may legitimately choose different approaches to shareholder engagement, including with respect to voting at general meetings. For example, investors and asset managers should not be subject to a general expectation to vote at shareholders meetings. Whether this is appropriate may differ depending on the investor’s strategy, investment horizon, and profile. Clarifying this is also important in order to avoid an undue extension of proxy advisors’ influence over shareholder voting.

5. Proxy advisors

Proxy advisors today have a significant impact on voting outcomes at general meetings, particularly where institutional investors rely on standardised voting recommendations. This impact is particularly pronounced in jurisdictions, such as Sweden, where minority protection is strong and high majority thresholds apply for shareholder approval. It is therefore important that proxy advisors take local legal frameworks and company specific circumstances into proper consideration when issuing voting recommendations. Issuers often get very short deadlines to provide feedback on draft proxy advisor reports, and some proxy advisors require issuers to pay for access to these reports. This limits the ability to engage in meaningful dialogue and undermine the quality and accountability of proxy advisory services. Avoiding conflicts of interest is also essential. Furthermore, the proxy advisory market is highly concentrated, which gives a few actors a significant influence over shareholder voting. The Commission should therefore review whether barriers to entry for new proxy advisors can be reduced.

6. General meetings of shareholders

The Confederation of Swedish Enterprise supports a **technology-neutral legal framework for general meetings**. Legislation should ensure that shareholders are able to adequately exercise their rights but should not prescribe specific meeting formats. The decision whether a general meeting should be held in a physical, hybrid or virtual format should rest with the company under applicable national law, rather than prescribed at EU level. The board of directors, who is appointed by the shareholders, is very well suited to assess what is appropriate for the company's shareholder base. Mandatory hybrid or virtual formats would be disproportionate and could impose unnecessary burden and costs on companies, particularly where shareholder demand is limited. In this context, it is important to acknowledge that there are large differences between companies in terms of size and shareholder base. As an example, in Sweden there are a large number of small and medium sized listed companies. Mandatory hybrid or virtual general meeting formats, as well as mandatory requirements to report detailed breakdown of voting outcomes would clearly result in disproportionate burdens and costs for such companies.

We also caution against wide-ranging reforms in the area of **remuneration policy and remuneration reporting**. Existing requirements are clearly burdensome for companies, and any changes should be carefully targeted with the explicit aim of reducing such burdens.

From a Swedish perspective, the SRD rules on **related party transactions** did not add significant value, as there were already relevant national rules in place. For the framework to remain proportionate and effective, it is important to maintain certain key elements and elements introduced under SRD II, including (i) the materiality threshold for related party transactions subject to disclosure and/or shareholder approval, and (ii) the exclusion of transactions entered into the ordinary course of business and concluded on normal market terms ("day-to-day operations").

7. Concluding remarks

Based on the above, the Confederation of Swedish Enterprise would like to emphasize the importance of a strategic and targeted approach to the SRD review, focusing on truly necessary and impactful changes, while avoiding initiatives that impose additional burdens on issuers and do not contribute to strengthened competitiveness.

We remain at your disposal.

Yours sincerely,

THE CONFEDERATION OF SWEDISH ENTERPRISE
Business policy and law division

Maria Althin

Elias Skog