



European Commission  
DG Internal Market and Services  
B-1049 Bruxelles

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## **Response to Commission hearing on revision of the Transparency Directive**

First, the Danish government would like to thank the Commission for the opportunity to contribute to the important work on revising the Transparency Directive through this public hearing.

Below, you will find Danish positions on what we consider to be key points in relation to a revision of the Transparency Directive.

Better regulation in the EU, including reducing administrative burdens for businesses, is a priority for the Danish Government. Good rules with little administrative burdens release time and resources in companies, improve competitiveness and create more growth and jobs in the society. However, at the same time it is necessary to take into account the interests of the investors. The Danish Government supports the appropriateness of a study to assess the need for and the possible impact of more simple or more flexible rules for all listed companies as well as an impact study regarding different transparency regimes for large and SME listed companies. When assessing such possible modifications for issuers due consideration should be taken to both investor protection and investors interests.

As regards major shareholding notification we recommend and support a maximum harmonization approach - possibly in the form of a regulation - to ensure uniformity in all Member States. We see the need to harmonize the rules of major shareholding notification across Member States to improve cross border investments within the EU.

Regarding enforcement of the Transparency Directive regulation, we recommend that a revision of the directive ensures that the reporting of all listed companies are subject to enforcement in a Member State. It is important that the Transparency Directive in this matter in the future does not provide for any possibility to implement the rules in such a way, that a listed company can operate without being under supervision of any Member State.

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As for the thoughts about introducing requirements regarding disclosure of Environmental, Social and Governance (ESG) data, Denmark is a strong advocate for ensuring such matters, but it is at the same time important to stress, that new administrative burdens put upon the listed companies must be balanced. We would prefer a flexible regulation that would provide for the companies to tailor the required reporting taking into account the specific nature of the company. We find it important to sustain the high level of transparency with regard to CSR matters, which is a consequence of the existing Danish regulation on financial reports. The Danish Government has at the moment no final position as to where such ESG rules would most naturally be implemented in EU regulation.

The Danish Government in general supports a higher level of transparency with regard to the disclosure of the identity of shareholders. A higher level of transparency regarding this matter would reduce the possibilities for hidden ownership. We also support increased transparency regarding stock lending practices to reduce “empty voting”. The Danish Government supports initiatives to increase the dialogue between the shareholders - including institutional investors - and the issuer. In recent years, there has been increased focus on shareholders' role in listed companies. In the future, shareholders are generally expected to act as owners to a greater extent than earlier, and the Danish Government fundamentally supports initiatives that promote active ownership.

Regarding the proposal to harmonise the maximum content of financial reports, the Danish Government believes, that rules regarding the actual content of financial reports should be included in the Fourth and Seventh Company Law Directives. These directives apply to listed and non-listed companies as well, and the Danish position is, that specific accounting matters should be regulated in the Fourth and Seventh Company Law Directives instead of in the Transparency Directive. Additionally, we would like to stress, that a revision of the Transparency Directive must be coordinated with the possible revisions of the Fourth and Seventh Company Law Directives.

The Danish Government supports the establishment of a pan-European system of storage of regulated information.