



TEXTS ADOPTED

P9_TA(2024)0352

Multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market

European Parliament legislative resolution of 24 April 2024 on the proposal for a directive of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market (COM(2022)0761 – C9-0416/2022 – 2022/0406(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0761),
 - having regard to Article 294(2) and Article 50(1), Article 50(2), point (g), and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0416/2022),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 23 March 2023¹,
 - having regard to the provisional agreement approved by the responsible committee under Rule 74(4) of its Rules of Procedure and the undertaking given by the Council representative by letter of 14 February 2024 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Legal Affairs,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0300/2023),
1. Adopts its position at first reading hereinafter set out;

¹ OJ C 184, 25.5.2023, p. 103.

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

P9_TC1-COD(2022)0406

Position of the European Parliament adopted at first reading on 24 April 2024 with a view to the adoption of Directive (EU) 2024/... of the European Parliament and of the Council on multiple-vote share structures in companies that seek admission to trading of their shares on a *multilateral trading facility**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50(1), Article 50(2), point (g), and Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee *of 23 March 2023*¹,

Acting in accordance with the ordinary legislative procedure²,

* TEXT HAS UNDERGONE PARTIAL LEGAL-LINGUISTIC FINALISATION.

¹ *OJ C 184, 25.5.2023, p. 103.*

² Position of the European Parliament of 24 April 2024.

Whereas:

- (1) To reinforce the attractiveness of *listing on trading venues primarily targeted by small and medium-sized enterprises (SMEs), such as SME growth* markets and *other multilateral trading facilities (MTFs), thereby increasing their ability to raise funds on such MTFs, and* to reduce inequalities for companies seeking admission to trading in the internal market, it is necessary to address the obstacles to access such MTFs that stem from regulatory barriers.
- (2) Fear of losing control of *the* company constitutes *an important deterrent* for controlling shareholders to access *a public market, such as an MTF*. Admission to trading usually entails dilution of ownership for controlling shareholders, thus reducing their influence over important investment and operating decisions. Maintaining control of the company can be of particular importance for controlling shareholders of start-ups and companies with long-term projects that require significant upfront costs, because they might wish to pursue their vision without becoming too exposed to market fluctuations.

- (3) Companies should be able, *subject to safeguards established under Union and national law*, to choose *capital and* governance structures that best suit their development stage, including by enabling controlling shareholders ■ to retain control of the company after accessing *MTFs, which include* SME growth markets, while enjoying the benefits of trading on those MTFs, provided that the rights of ■ shareholders *holding shares with lower voting rights are* safeguarded.
- (4) A multiple-vote share (MVS) structure is *a form of control-enhancing* mechanism, *which can* enable controlling shareholders to retain decision-making power in a company while raising funds from the public. An MVS structure *involves* at least two distinct classes of shares, *each* with a different number of *votes per share*. Under such a *structure*, at least one of the classes of shares has a lower *number of votes per share* than another class or classes of shares with voting rights. *A* share carrying a *higher number* of votes is an MVS. *An MVS structure is not a structure where differences in voting rights are solely determined by different nominal values of shares.*
- (5) *Any* control-enhancing mechanism ■ leveraging voting *rights, other than* an MVS structure, *such as the issuance of* non-voting ■ shares and *shares with a veto right over certain decisions, falls outside the scope of this Directive.*
- (6) Loyalty shares ■ confer *an additional number of votes on* a shareholder ■ that holds the shares for *a* designated period and complies with certain conditions. Loyalty shares are *therefore a control-enhancing mechanism* designed to foster ■ long-term oriented ownership by shareholders rather than to increase the attractiveness of raising funds from the public. It is therefore not appropriate to include loyalty shares within the scope of this Directive.

- (7) There are substantial differences between national provisions for MVS *structures* across Member States. Some Member States allow MVS structures, while others ban them. In some Member States, such a ban is limited to public companies, while in others it applies to all companies. The differences in national regimes create barriers to the free movement of capital within the internal market *and* create an uneven playing field for companies in different Member States. Companies in a Member State that bans MVS structures have to move to another Member State or even outside the Union, *thereby facing higher costs*, if they *want to adopt an MVS structure with a view to seeking* admission to trading *of their shares on the market*. In some cases, because of those higher costs, companies may decide not to raise funds from the public, which may limit their funding opportunities. Such considerations are particularly relevant for SMEs and start-ups that lack financial resources to cover those costs.
- (8) *In order* to allow *companies* to seek admission to trading on *an MTF* without their controlling shareholders having to relinquish control, *Member States should provide* companies with *the possibility to adopt MVS structures or to modify them with a view to seeking admission* to trading on *an MTF*. *Such possibility should not be conditional upon the provision of enhanced economic rights for shares which are not MVSs* ■ .

- (9) *While admission to trading on regulated markets is more suitable for larger and more mature companies, MTFs are generally more appropriate for SMEs. Furthermore, SME growth markets, a sub-category of MTFs, were specifically designed as SME-dedicated trading venues with a regulatory treatment that takes the particularities of SMEs into account. However, not all companies with securities listed on MTFs are SMEs. Directive 2014/65/EU of the European Parliament and of the Council³ requires that SMEs constitute at least 50 % of the issuers whose financial instruments are admitted to trading on SME growth markets. Companies other than SMEs generally have more liquid securities and hence their admission to MTFs enables MTFs to generate higher trading fees to maintain profitability of their business model. Nevertheless, to ensure clarity for investors, all issuers on SME growth markets, irrespective of their size, are currently subject to the same rules. The same is true of all issuers on other MTFs. It is therefore appropriate that the introduction of the right to adopt or modify MVS structures with a view to seeking admission to trading apply to all types of companies listed in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council⁴ to the extent that such companies can, under national law, issue shares and seek admission to trading of shares on an MTF.*

³ *Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).*

⁴ *Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification) (OJ L 169, 30.6.2017, p. 46).*

- (10) Member States should be able to introduce, or maintain in force, national provisions that allow companies to adopt *or modify MVS* structures for purposes other than seeking admission to trading of shares on *an MTF*. That includes *inter alia* allowing companies to adopt *or modify an MVS* structure when seeking admission to trading on a regulated market, or ensuring that private companies can adopt *or modify MVS structures without intending* to request admission to trading of their shares. That *also includes* cases whereby companies transfer from an *MTF* to a regulated market, while retaining MVSs. *Member States should also be able to prohibit or restrict MVS structures for purposes other than seeking admission to trading of shares on an MTF.*
- (11) *Adopting or modifying an MVS structure, with a view to seeking admission to trading, usually requires an amendment of a company's articles of association. To provide for fair treatment of shareholders, Member States should require that adoption or modification of an MVS structure with a view to seeking admission to trading, as well as any subsequent modification of an MVS structure in a way that affects the voting rights, should be subject to a decision by the general meeting of shareholders ('general meeting') by at least a qualified majority as specified under national law. Where there are several classes of shares, such decisions should also be subject to a separate vote in each class of shares the rights of which are affected.*

(12) *Companies should have flexibility as to the timing of the adoption or modification of MVS structures, provided that such adoption or modification is with a view to seeking admission to trading on an MTF. Member States should not prevent companies from adopting or modifying MVS structures before the moment of the admission of the shares to trading on an MTF. Member States should, however, be able to require that the exercise of the enhanced voting rights, which represent additional votes attached to MVSs compared to votes of shares of other classes, be conditional upon shares of the company being admitted to trading on an MTF. In that case and until the admission to trading, MVSs should have the same voting rights as other classes of shares in the company. That would ensure that MVSs specifically promote admission to trading on an MTF.*

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(13) *An MVS structure might increase the risk that controlling shareholders extract private benefits from the company.* Member States that *already* allow MVSs provide for safeguards to protect shareholders *holding shares with lower voting rights*. Existing safeguards vary between Member States due to national specificities and diverging company law systems. *Notwithstanding that variation and* having regard to the objectives of the internal market as set out in particular in Article 50(2), point (g), of the Treaty on the Functioning of the European Union, *the approaches in* national law on MVS structures as regards protection of the interests of █ shareholders *holding shares with a lower voting right should be coordinated for companies exercising their right under this Directive to adopt or modify an MVS structure with a view to seeking admission to trading on an MTF.*

(14) Under the coordinated approach for companies exercising their right under this Directive to adopt or modify an MVS structure with a view to seeking admission to trading on an MTF, Member States should provide for fair treatment of shareholders by introducing a restriction on the design of the MVS structures which sets a maximum ratio of the number of votes attached to MVSs to the number of votes attached to shares with the least voting rights. Alternatively, without prejudice to Directive (EU) 2017/1132, Member States should introduce a restriction for decisions by the general meeting subject to qualified majority of the votes cast, excluding decisions regarding appointment and dismissal of members of the administrative, management and supervisory bodies of the company as well as operational decisions to be taken by such bodies and that are submitted to the general meeting for approval by requiring that the qualified majority is calculated on the basis of the total number of votes cast and on either the share capital represented at the general meeting or the number of shares represented at the general meeting, or on the basis of the total number of votes cast and on votes cast in each class of shares affected by the decision. For the purposes of this Directive, a class of shares should be considered to be affected by a decision if that decision has a negative impact on the rights of shareholders in that specific class of shares.

- (15) Member States should *have* discretion to introduce *and maintain additional safeguards* to ensure adequate protection of *the interests of* shareholders *who do not hold MVSs, such as sunset clauses*. Member States should assess the appropriateness of *such* safeguards in light of their effectiveness in protecting the interests of *such* shareholders **■**, while ensuring that *the* safeguards do not defeat the purpose of MVS structures, *inter alia* the possibility for *holders of MVSs* to influence *the appointment and dismissal of members of the administrative, management and supervisory bodies of the company and thereby the operational decisions of the company*. *When communicating the main measures of national law adopted in the field covered by this Directive, Member States should also communicate to the Commission any additional safeguards*, including *when there are changes to any safeguards*. *The Commission is to inform the European Supervisory Authority (European Securities and Markets Authority) (ESMA) established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council⁵ of any additional safeguards*.
- (16) The disclosure of accurate *and comprehensive* information about *companies is the basis for* investor confidence and *is necessary* for informed investment decision-making. Such informed investment decision-making *is needed for* both investor protection and market efficiency. Member States should therefore require companies *exercising their right under this Directive to adopt or modify an MVS structure ■ to publish information concerning* their share structure **■** at the moment of admission to trading *on an MTF in a prospectus or in an admission document, where the company publishes such a prospectus or document in accordance with relevant law*. Member States should also *require companies exercising their right under this Directive to adopt or modify an MVS structure with a view to seeking admission to trading on an MTF to publish that information concerning their share structure in any annual financial report required by law once their shares are admitted to trading in cases where that information has not previously been published or has changed since it was last published*.

⁵ *Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).*

(17) *Amongst the information concerning a company's share structure to be included in prospectuses, admission documents or annual financial reports, Member States should require companies to mention whether there is any limitation on the transferability of shares. Such information should also mention whether there is any restriction on voting rights, including limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby the financial rights attached to shares are separated from the holding of shares. Furthermore, companies exercising their right under this Directive to adopt or modify an MVS structure with a view to seeking admission to trading on an MTF should disclose, to the extent known to the company, the identity of holders of MVSs representing more than 5 % of the voting rights of all shares in the company ('large shareholders') as well as of natural persons or legal entities entitled to exercise voting rights on behalf of large shareholders. That would allow investors, as members of the general public, to take informed decisions and thereby strengthen their confidence in well-functioning capital markets. Where a company's owners want to retain decision-making powers in the company while raising funds on a public market, information about, inter alia, the large shareholders is necessary to allow potential investors to take sound investment decisions. Where that disclosure relates to natural persons, the information regarding the identity should be limited to their name.*

- (18) *In order to promote transparency, public understanding and informed investment decision-making, shares of companies with MVS structures should be clearly identified. That identification could be achieved by, for example, the inclusion in the stock name of such companies of a marker used by market operators or investment firms operating the MTF. In order to ensure consistent harmonisation, ESMA should develop draft regulatory technical standards, taking into account established market standards and well-functioning practices. Those draft regulatory technical standards should only determine the identification of such shares and therefore should not interfere with national systems of share classification. The Commission should be empowered to supplement this Directive by adopting those draft regulatory technical standards by means of delegated acts pursuant to Article 290 TFEU and in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.*
- (19) *It is also important that the enhanced voting rights attached to MVSs within the scope of this Directive are not used to prevent companies from complying with applicable Union environmental or fundamental rights law.*
- (20) *This Directive is without prejudice to the protection of personal data, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council⁶.*

⁶ *Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data protection Regulation) (OJ L 119, 4.5.2016, p. 1).*

- (21) Since the objectives of this Directive, namely to increase funding options for companies and make *MTFs* more attractive, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the measures, be *better* achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.
- (22) To take account of market developments and developments in other areas of Union law or Member States' experiences with the implementation of this Directive, the Commission should review this Directive *within four* years following the date of its *entry into force to assess, inter alia, the appropriateness of extending its scope.*

- (23) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents⁷, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (24) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁸ and delivered an opinion on **6 February 2023**⁹,

HAVE ADOPTED THIS DIRECTIVE:

⁷ OJ C 369, 17.12.2011, p. 14.

⁸ ***Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).***

⁹ ***OJ C 65, 22.2.2023, p. 2.***

Article 1

Subject matter and scope

1. This Directive lays down common rules on multiple-vote share (MVS) structures in companies that seek admission to trading of their shares on ***multilateral trading facilities (MTFs), which include SME growth markets***, and whose shares are not already admitted to trading on ***an MTF or a regulated market***.
2. ***Article 5(4) shall also apply in respect of companies that have an MVS structure and whose shares are already admitted to trading on an MTF.***

Article 2

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (a) ‘company’ means a legal entity, incorporated as one of the types of companies listed in Annex ***II*** to Directive (EU) 2017/1132, ***which may under national law issue shares and seek admission to trading of its shares on an MTF;***

- (b) ‘multiple-vote share’ or ‘MVS’ means a share belonging to a distinct and separate class ■ of shares that carry *more votes per share* than another class of shares with voting rights on matters to be decided at the general meeting of shareholders (‘general meeting’) ■ ;
- (c) ‘multiple-vote share structure’ or ‘MVS structure’ means the share structure of a company that contains at least one class of MVSs;
- (d) ‘*regulated market*’ means a *regulated market* as defined in Article 4(1), point (21), of Directive 2014/65/EU;
- (e) ‘*multilateral trading facility*’ or ‘*MTF*’ means a *multilateral trading facility as defined in Article 4(1), point (22), of Directive 2014/65/EU*;
- (f) ‘SME growth market’ means an SME growth market as defined in Article 4(1), point (12) of Directive 2014/65/EU.

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Article 3

Adoption or modification of an MVS structure before admission to trading

1. Member States shall ensure that ***a company whose shares are not already*** admitted to trading on a ***regulated market or an MTF has*** the right to adopt an MVS ***structure*** for the admission to trading of ***its*** shares on an ***MTF***. ***Member States shall ensure that the decision of the company to adopt an MVS 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 an MVS 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 an MVS structure shall also be subject to a separate vote in each class of shares the rights of which are affected.

2. The right referred to in paragraph 1 ***shall encompass*** the right of a company to adopt an MVS ***structure*** prior to seeking admission to trading of ***its*** shares on an ***MTF***.

3. Member States may make the exercise of the enhanced voting rights attached to the MVSs conditional upon ■ shares *of the company being admitted to trading on an MTF.*
4. *Member States shall ensure that the operator of an MTF does not prevent the admission to trading of shares of a company on the grounds that the company has adopted an MVS structure in accordance with paragraph 1.*
5. *This Article shall also apply, mutatis mutandis, in respect of a company whose shares are not already admitted to trading on a regulated market or an MTF, where that company decides to modify an existing MVS structure with a view to seeking admission to trading of its shares on an MTF.*

Article 4
Safeguards ■

1. Member States shall ensure ***that companies with an MVS structure whose shares are to be traded or are traded on an MTF after exercising the right under Article 3 have appropriate safeguards in place to provide for*** adequate protection of the interests of ■ shareholders who do not hold MVSs ■ . To that effect, Member States shall:
 - (a) ensure that the decision of a company to ***modify*** an MVS 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, and ensure that ***such a decision*** shall be subject to a separate vote ***in*** each class of ***shares the*** rights ***of which*** are affected;
 - (b) limit the ***impact of the*** MVSs on the ***decision-making process at the*** general ***meeting*** by introducing ***at least one*** of the following:
 - (i) a maximum ■ ratio ***of the number of votes attached to MVSs to the number of votes attached to shares with the least voting rights;***

(ii) *a requirement that decisions by the general meeting subject to qualified majority of the votes cast as specified in national law, excluding decisions regarding the appointment and dismissal of members of the administrative, management and supervisory bodies of the company, and also excluding operational decisions to be taken by such bodies which are submitted to the general meeting for approval, are to be adopted by:*

(1) *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*

(2) *a qualified majority, as specified in national law, of the votes cast, and subject to a separate vote in each class of shares the rights of which are affected.*

2. Member States may provide for further safeguards to ensure adequate protection of *the interests of shareholders who do not hold MVSs*. Such safeguards may include, in particular, *provisions to ensure that* the enhanced voting rights attached to MVSs *cease to exist after:*

a) their transfer to third parties or upon the death, incapacitation or retirement of the original holder of those MVSs (transfer-based sunset clause);

- (b) a designated period of time (time-based sunset clause);
- (c) the occurrence of a specified event (event-based sunset clause).

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Article 5

Transparency

1. Member States shall ensure that companies with an MVS *structure* whose shares are *to be* traded or are ■ traded on an SME growth market *after exercising their right* under Article 3 *include the information listed in paragraph 3 of this Article in* the following *documents*:

- (a) *the prospectus referred to in Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council¹⁰, the EU Growth issuance prospectus referred to in a Regulation of the European Parliament and of the Council amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for SMEs, or the admission document referred to in Article 33(3), point (c), of Directive 2014/65/EU, whichever the company publishes; and*

¹⁰ *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).*

(b) the annual financial report referred to in Article 78(2), point (g), of Commission Delegated Regulation (EU) 2017/565¹¹, in cases where there has been a change to the information referred to in paragraph 3 of this Article since that information was last published in the prospectus, the EU Growth issuance prospectus or the admission document referred to in point (a) of this paragraph or in the previous annual financial report.

2. Member States shall ensure that companies with MVS structures whose shares are to be traded or are traded on an MTF not registered as an SME growth market, after exercising their right under Article 3, include the information listed in paragraph 3 of this Article in the following documents:

(a) the prospectus referred to in Article 6 of Regulation (EU) 2017/1129, the EU Growth issuance prospectus referred to in a Regulation of the European Parliament and of the Council amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises, or any admission document required by national law or by the rules of the relevant MTF, in cases where the company publishes such a prospectus or document; and

(b) any annual financial report required by national law, in cases where the information referred to in paragraph 1, point (b), has not previously been published, or has changed since that information was last published, in the prospectus, EU Growth issuance prospectus or admission document referred to in point (a) of this paragraph or in the previous annual financial report.

¹¹ *Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).*

3. ***The information referred to in paragraphs 1 and 2 consists of detailed information on the following:***

- (a) the ***share*** structure of ***the company***, with an indication of the different classes of shares, including shares which are not admitted to trading, and, for each class of shares, the rights and obligations attached to ***the shares*** and the percentage of total share capital ***or total number of shares*** and total ***number of votes that the shares represent***;
- (b) any restrictions on the transfer of ***shares***, including **■** agreements between shareholders which are known to the company and that could result in ***such restrictions***;
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- (c) any restrictions on voting rights ***of shares***, including **■** agreements between shareholders which are known to the company and that could result in ***such restrictions***;
- (d) the identity, ***if known to the company***, of shareholders holding MVSs ***representing more than 5 % of the voting rights of all shares in the company***, and of natural ***persons*** or legal ***entities*** entitled to exercise voting rights on behalf of those shareholders, where applicable.

For the purposes of point (d), where the shareholders or the persons entitled to exercise voting rights on their behalf are natural persons, the disclosure of their identity shall require only the provision of their names.

4. *Member States shall require investment firms and market operators operating an MTF to ensure, by complying with the regulatory technical standards adopted in accordance with paragraph 5, that the shares of companies with MVS structures admitted to trading on that MTF are clearly identified as such by those investment firms and market operators. Member States shall also require those companies to inform, in accordance with those regulatory technical standards, the relevant investment firms and market operators about the existence of such MVS structures.*
5. *The European Securities and Markets Authority (ESMA) shall develop draft regulatory technical standards to specify how the investment firms and market operators referred to in paragraph 4 shall identify shares of companies with MVS structures. Those draft regulatory technical standards shall also specify how those companies shall inform the relevant investment firms and market operators about the existence of those MVS structures. In developing those draft regulatory technical standards, which shall pursue the purpose of ensuring clear identification as referred to in paragraph 4, ESMA shall take into consideration established market standards and well-functioning practices for identifying companies with MVS structures.*

ESMA shall submit those draft regulatory technical standards to the Commission by ... [12 months from the date of entry into force of this Directive].

Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

Article 6

Review

By ... [*four* years from the date of entry into force of this Directive], the Commission shall submit a report to the European Parliament and the Council on the implementation and *effectiveness* of this Directive, *including on the appropriateness of extending the scope of this Directive*. To that effect by ... [*three* years from the date of entry into force of this Directive], each Member State shall provide the Commission with information in particular on the following:

- (a) the number of companies *with an MVS structure* admitted to trading *on each MTF and regulated market in the Member State on or before ... [two years minus one day from the date of entry into force of this Directive] and those admitted to trading on each MTF and regulated market in the Member State thereafter;*

- (b) the sector in which the companies referred to in point (a) *were* active and the respective capitalisation at the moment of *the admission to trading*;
- (c) *if available to the Member State*, investor protection *safeguards* applied by the companies referred to in point (a) with respect to MVS structures.

Article 7

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by ... *[two years from the date of entry into force of this Directive]*. They shall immediately inform the Commission thereof. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. *Member States shall determine how such reference is to be made.*
2. Member States shall communicate to the Commission the text of the main *measures* of national law which they adopt in the field covered by this Directive, *including any safeguards as referred to in Article 4(2).*

Article 8

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 9

Addressees

This Directive is addressed to the Member States.

Done at ...,

For the European Parliament

The President

For the Council

The President