

**Marc Mathieu**



EUROPEAN FEDERATION OF EMPLOYEE SHAREOWNERSHIP



**OBSTACLE Nr 1**

**UNINFORMATION  
MISINFORMATION  
IGNORANCE  
SCEPTICISM**



**Guy Verhofstadt – Belgium  
Viktor Orban - Hungary**

**Poland – Big companies  
Belgium – SME's**



**OBSTACLE Nr 2**

**NEWNESS**

**IDEOLOGIES**



**IMPACT OF EMPLOYEE OWNERSHIP  
ON CORPORATE PERFORMANCE**

**+2% annual growth  
(average)**



**EMPLOYEE OWNERSHIP**

**ACTIONNARIAT SALARIE**

**EMPLOYEE SHARE OWNERSHIP**

**ENTREPRENEURIAT SALARIE**

**EMPLOYEE ENTREPRENEURSHIP**

**ENTREPRENEURSHIP**

**(co-entrepreneur)**



**OWNERSHIP  
+  
PARTICIPATION**



**OBSTACLE Nr 3**

**RISK  
HIGHER RISK  
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PROTECTION  
UNIONS TRADITION**



**Belgium  
Blocage  
30 years  
Big coalition – 2001  
Blocage again**

**Ireland  
Eircom  
Take over  
21 to 35%**



**OBSTACLE Nr 4**

## **TIME**

- long implementation
- deeper, longer

**60% German widest companies  
1998/2000  
2 years effectiveness**



**OBSTACLE Nr 5**

**EDUCATION**

**MATURATION**



**OBSTACLE Nr 6**

**TRANSNATIONAL**

**OBSTACLES**



# **EUROPEAN COMMISSION**

5.7.2002

## **COMMUNICATION FROM THE COMMISSION**

**On a framework for the promotion  
of employee financial participation**



# **EUROPEAN COMMISSION**

December 18, 2003

**Report of the High Level Group  
of independent experts, on cross-border obstacles to  
financial participation of employees for companies  
having a transnational dimension**



## **MITTEILUNG DER KOMMISSION**

- The lack of co-ordination of taxation policies and the different treatment by the Member States of the financial benefits from the various schemes;
- A lack of legal clarity on the payments of social security contributions on any income from membership of financial participation arrangements;
- The legal differences between the Member States in, for example, securities laws (in relation to share ownership plans) and employment legislation (in relation to termination of contracts and severance pay);
- The cultural differences, national traditions and the attitudes of employees towards financial participation schemes;
- The general lack of information about existing schemes or policies towards financial participation.



## **High Level Group**

- The diversity of legal, fiscal and social frameworks in the Member States;
- The variety of rules laid down by stock exchange authorities;
- The number of ways labour legislation considers financial participation, in particular around the provision of information and the consultation of trade unions and other employee organisations;
- The different approaches to corporate governance, in particular the different roles of the general assembly of shareholders in relation to the introduction of financial participation schemes;
- The different traditions, cultures and practice of industrial relations in the Member States;
- The costs of implementing participation plans, especially for SMEs





## **High Level Group**

- Improving the dialogue between Member States on financial participation issues.
- A greater role for the social partners in educating their members and disseminating information on financial participation.
- Introduce a 'convention' on the taxation of share options, which would suggest consistent rules on taxation and social security contributions that are clear and easy to apply for employees who change residence;
- For other forms of financial participation, introduce a procedure for the mutual recognition between Member States



# **COORDINATION**

## **COORDINATION BODY**

**Permanent working group, committee, institute,  
European agency... (European Parliament 1998)...**

**Summer 2006:  
Stock Options in Italy,  
French socialists...**



# **COORDINATION**

## **DON'T LEGISLATE ALONE**

**Be simple, avoid originality or national sophistication  
= obstacles at first for your own companies abroad**

**Summer 2006: Good French example**



# **COORDINATION**

## **MUTUAL RECOGNITION**

**Schemes, legal bodies, ...**



*The European Employee Ownership TOP 100*

**CORPORATE LOBBY GROUP**



- **Administrative simplification particularly in respect of prospectus rules**
- **Relations with financial supervisory authorities**
- **Harmonisation and stability of tax regimes and immutability of tax rulings**
- **Mutual recognition of financial and judicial entities**
- **IFRS and Accounting Standards**



- **Administrative simplification particularly in respect of prospectus rules**  
**Prospectus Directive**
- **Relations with financial supervisory authorities**
- **Harmonisation and stability of tax regimes and immutability of tax rulings**  
"une jungle de contraintes et de réglementations nationales mouvantes que les gestionnaires et responsables de plans affrontent avec les moyens du bord et à grands coups de frais d'avocats"
- **Mutual recognition of financial and judicial entities**  
**Why? - Enhanced cooperation?**
- **IFRS and Accounting Standards**



## Nelly Voyeux, IAS Director



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