

RESPONSE TO THE PUBLIC CONSULTATION BY THE EUROPEAN OMBUDSMAN CONCERNING THE COMPOSITION OF EUROPEAN COMMISSION EXPERT GROUPS**1 September 2014**

EuropeanIssuers welcomes the consultation on the composition of European Commission expert groups launched by the European Ombudsman.

EuropeanIssuers is a Brussels based trade association representing the interests of quoted companies across Europe. Our members include both national associations and companies from all sectors in 16 European countries. We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers.

We do have representatives from among our members who do serve on some of the expert/stakeholder groups¹ and we are happy to share our observations regarding composition of the European Commission expert groups relevant to our activities.

We would be happy to answer any further questions.

1. Which specific Commission expert groups do you consider to lack a balanced representation of relevant areas of expertise and interest in their membership? What, according to you, is the root cause of the unbalanced composition of the Commission expert groups identified by you?

We consider that it could be useful for the Ombudsman to consider the balance not only of Commission expert groups, but also external ones such as those set up by ESMA. For example, out of 30 members of the ESMA Stakeholder Group, there is only one representative of listed companies, and one under the category of SMEs.

In our experience, there is a lack of representation of non-financial companies in the groups dealing with financial regulation, either because the groups are too focussed on the technical details, or by oversight. This is in part due to deficiencies in primary legislation (the ESAs Regulation), which sets out the parameters within which ESMA must operate.

2. The Commission's horizontal rules on expert groups allow for the Commission to appoint individual experts in their personal capacity. In your experience, does this possibility give rise to concern in terms of the balanced composition of expert groups and/or conflicts of interest?

No comment.

3. Do you consider that the current level of transparency regarding the composition of Commission expert groups, in particular through the Register of Commission Expert Groups and Other Similar Entities, is sufficient? In particular, does the information made available by the Commission allow you to ascertain which interests are represented by the members of Commission expert groups? If not, where do you see room for improvement? Do you consider that the current level of transparency regarding the work of expert groups, in particular through the publication of agendas and minutes, is sufficient?

No; we consider that this could be improved. The IFRS Advisory Council website provides a good example that the European Commission could follow.²

¹ <http://www.europeanissuers.eu/en/?inc=page&pageid=119>

4. Where the Commission publishes calls for application for membership in expert groups, do you consider that these calls provide for selection criteria which sufficiently take into account the need for a balanced composition of expert groups? If not, where do you see room for improvement? In your view, could the Commission do more to raise awareness about these calls, with a view to encouraging applications? If so, what concrete steps could it take in this regard?

Email notification to the relevant trade associations would be very useful.

The Commission could also make it easier to sign up for such information via the Transparency Register and allow users more choice of segmented registration for certain types of information e.g. registration for alerts by unit (securities law, corporate governance, etc), rather than being swamped by all Internal Market information, much of which is not relevant. For instance, despite RSS feed notification, we only found out about the Company Law Expert Group 24 hours before the deadline, which did not give us enough time to alert members and respond.

5. Do you have any experience in applying for membership in a Commission expert group? If so, did you face any problems in the application process? If not, are you aware of any such problems faced by civil society organisations? Based on your experience, do the costs inherent in participation/the lack of comprehensive reimbursement schemes discourage civil society organisations from applying for membership?

Applications to the Financial Services User Group were very bureaucratic and time-consuming, even though this was supposedly aimed at smaller companies.

6. Please give us your views on which measures could contribute to a more balanced composition of Commission expert groups.

Clear policy objectives as to what the group is supposed to achieve by the end of its mandate would help. Sometimes these are lacking.

Policymakers should also try to identify those likely to be impacted by legislation. In the case of financial services, there is often a lack of focus on the end users and the measurements used tend to be those of the intermediaries. This makes it difficult for companies to engage.

7. Do you have any other comments?

N/A

EuropeanIssuers represents the interests of quoted companies across Europe. Our members include both national associations and companies from all sectors in 14 European countries.

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More information can be found at www.europeanissuers.eu.

² <http://www.ifrs.org/About-us/IFRS-Advisory-Council/Pages/IFRS-Advisory-Council.aspx>