

15 July 2015

UK Corporate Update.

Removing share warrant provisions from a company's Articles

Bearer shares are set to become extinct in the UK. The Government suspects that, in some cases, they are being misused to facilitate illegal activity. As a result, since 26 May 2015, companies are no longer permitted to issue share warrants to bearer. At the same time, existing bearer shares are currently being rounded-up and will cease to exist altogether by 26 May 2016.

Although few companies will have bearer shares in issue, many companies will be starting to think about whether and how to amend provisions in their articles which authorise the issue of bearer shares.

A briefing which sets out what companies need to know if they have provisions in their articles of association which authorise the issue of bearer shares is available to subscribers on the Linklaters Knowledge Portal. It also includes a timeline for companies which currently have share warrants to bearer in issue.

Consultation on transparency of shareholder proxy voting

The Shareholder Voting Working Group has issued a discussion paper on how to improve shareholder proxy voting.

What is the Shareholder Voting Working Group?

Participants in the SVWG include representatives from a number of bodies with an interest in the voting chain, such as the Financial Reporting Council, Institute of Chartered Secretaries and Administrators, various banks and corporates, proxy advisers, Euroclear and registrars. The group was first established in 1999 and has produced several reports since then.

What is in the discussion paper?

The paper helpfully outlines progress made to date and the current key barriers to achieving greater trust and transparency in the voting process. Possible future steps are also suggested. According to the paper there are two areas that the group feels could be significantly improved. Firstly the SVWG notes that it would be helpful to companies to have better and earlier visibility of how investors intend to vote. At the same time investors would benefit from confirmation that their validly submitted votes have been voted at the relevant meeting.

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Feedback should be provided by 30 September 2015. A copy of Shareholder Proxy Voting: Discussion Paper on Potential Progress on Transparency is available [here](#).

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