



New proposed legislation on stricter requirements for target figures and policies for the under-represented gender, better framework for active ownership for foreign shareholders in Danish listed companies and abolition of the requirement of reciprocity in setting up branches of capital companies domiciled outside an EU or EEA country.

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A bill has been introduced in the Danish parliament, which, among other things, imply stricter requirements for target figures and policies for the under-represented gender, a better framework for active ownership for foreign shareholders in Danish listed companies, and the abolition of the requirement of reciprocity in setting up branches of capital companies domiciled outside an EU or EEA country.

New Target Figures for the under-represented Gender

In listed and large companies, the supreme governing body must set targets for the proportion of the under-represented gender in the supreme governing body. Similar requirements apply to certain other companies and foundations, as well as to companies covered by several financial laws.

It is proposed that an obligation be introduced to the supreme governing body to set a new and higher target figure for the proportion of the under-represented gender in the supreme governing body, and at the other management

levels when the previously set target figure has been reached or a new target figure when the time horizon for the expected fulfilment has expired.

Thus, companies that do not have an equal gender distribution will be obliged to set new and higher target figures when the previously set target figure has been reached. This will continue until an equal gender distribution of 40/60 per cent has been achieved, respectively, of either women or men, or a new target figure when the time horizon for the expected fulfilment has expired. The requirement will cover both the company's top management body and the company's other management levels.

The proposed scheme does not introduce a legal quota. In addition, the scheme does not set a time commitment in relation to when the companies covered must have reached an equal distribution, but a target figure must be both ambitious and realistic.

Increased Transparency about current Figures and Target Figures for the underrepresented Gender

For companies required to provide such information, e.g., large, and listed companies, it is proposed that the information on target figures for the under-represented gender as well as the current figures for the gender composition of the management be given in an overview with figures for the current year and the four previous years. This corresponds to the way in which the financial ratios are given in the companies' annual reports. A transitional rule is also proposed so that the comparative figures are not to be given from the first year, but only in the future.

It is proposed to publish information about gender distribution and objectives in one place and make them publicly available on a website.

It is also proposed that the companies provide information on target figures for the proportion of the under-represented gender at the company's other management levels.

In addition, it is proposed that the requirements for the statement of the company's policy regarding the under-represented gender be clarified so that it is clear that it must address the actions the company has taken during the financial year to increase the proportion of the underrepresented gender. This clarifies whether and to what extent the company in question works to achieve an equal gender distribution at the company's other management levels.

A better Framework for active Ownership for foreign Shareholders in Danish Listed Companies

It is proposed that a shareholder who in a business context act on behalf of other natural or legal persons (clients) is designated nominee and has the right to exercise voting rights on behalf of the clients in connection with shares that do not is owned by the nominee, but which is registered in the owner's register in the nominee's name. The nominee guarantees and, at the company's request, is obliged to document as soon as possible that the nominee exercises the voting rights according to express authorization and instructions. At the same time, it is inserted that a nominee is

not considered a proxy for the natural or legal persons (clients) on whose behalf the nominee acts in a business context.

Thus, the risk of voting instructions from foreign owners being rejected with reference to non-compliance with formal requirements will be reduced and practice streamlined, which will promote the possibility of active ownership in the Danish listed companies.

Abolition of the Requirement of Reciprocity in setting up Branches of Capital Companies domiciled outside an EU or EEA Country

It is proposed that companies that are not domiciled in an EU or EEA country must have the same access to establish a branch in Denmark as companies domiciled in EU or EEA countries. i.e., without having to document reciprocity. The proposed amendment thus removes the requirement of reciprocity.

If you have any questions or require further information regarding any of the above, please do not hesitate to contact us:



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