

Multiple-vote share structures

2022/0406(COD) - 14/11/2024 - Final act

PURPOSE: increase the attractiveness of listing on trading platforms primarily targeted at small and medium-sized enterprises (SMEs), such as SME growth markets and other multilateral trading facilities (MTFs).

LEGISLATIVE ACT: Directive (EU) 2024/2810 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.

CONTENT: the directive is part of the Listing Act package, a set of measures to make public capital markets more attractive to EU companies and to facilitate access to capital for small- and medium-sized companies.

The legislative package on listing includes:

- a [regulation](#) amending the Prospectus Regulation, the Market Abuse Regulation and the Regulation on markets in financial instruments;
- a [directive](#) amending the Markets in Financial Instruments and repealing the Listing Directive;
- a directive on multiple voting shares.

Background

Fear of losing control of the company constitutes an important deterrent for controlling shareholders to access a public market, such as a multilateral trading facility (MTF). Admission to trading usually entails dilution of ownership for controlling shareholders, thus reducing their influence over important investment and operating decisions. 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.

Subject matter

The directive adopted creates a **minimum harmonisation** at EU level that removes obstacles for the access of SMEs with multiple-vote structures not only to SME growth markets but also to any other multilateral trading facility open to trading of SME shares.

Adoption or modification of an MVS structure before admission to trading

Member States will:

- 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;
- ensure that the decision of the company to adopt an MVS structure is taken by the general meeting of shareholders by at least a **qualified majority** as specified in national law. Member States will not make the adoption of an MVS structure conditional upon the provision of enhanced economic rights for shares without enhanced voting rights.

Safeguards

The directive protects the rights of shareholders with fewer votes per share by introducing safeguards on how key decisions are taken at general meetings (either with a maximum voting ratio, that is to say the value of the votes per share that existing shareholders may hold compared to entering shareholders, or with a restriction on the decisions that the general meeting can take by qualified majority).

Transparency

The directive requires transparency measures for companies having multiple-vote share structures and listing their shares in order to help investors take their decisions. Member States will 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;
- they 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.

The European Securities and Markets Authority (ESMA) will develop regulatory technical standards on the most appropriate way of marking multiple-vote shares.

ENTRY INTO FORCE: 4.12.2024.

TRANSPOSITION: 5.12.2026 at the latest.