

THE EUROPEAN VOICE OF DIRECTORS



#EUAlert | Week 31

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INTERNATIONAL DEVELOPMENTS

UN committee agrees on parameters for global tax framework

Countries' representatives in a United Nations (UN) Ad Hoc Committee voted to approve the terms of reference for a new, UN-governed framework for international tax governance. The terms of reference emphasize the need for equal participation for all countries in the development of the tax framework. It also establishes that the convention should be guided by human rights laws and sustainable development goals and that taxing rights should be allocated evenly between countries. In addition, according to the terms of reference, the future tax framework will be designed to curb illicit financial flows and ensure that multinationals pay their fair share of taxes by reducing the scope for tax avoidance and profit shifting.

EUROPEAN DEVELOPMENTS

Closing the gaping hole in the capital market for EU start-ups – the role of pension funds - New Research

The European Capital Market Institute published a new research on pension funds. As large long-term institutional investors, pension funds contribute significantly to the European economy's growth and the development of capital markets. At the same time, young, small, fast-growing and innovative companies are key to Europe's future economy and society, and a vital piece of the puzzle for achieving the EU's green and digital transition. Risk capital is necessary to finance the founding and growth of scale-ups and start-ups. However, Europe has a shortage of risk capital and this not only holds back the development of high-growth sectors but also the creation of a genuine Capital Markets Union (CMU).

The Green Deal's next battlefield: the law courts

This week, two NGO groups announced the launch of climate lawsuits against the EU Commission, challenging both the EU's taxonomy framework and its 2030 carbon emission targets. These legal actions are part of a growing global movement where activists are holding governments accountable for their environmental pledges. To learn more about the impact of those lawsuits, Euractiv's new podcast episode reflects on the vulnerabilities of the EU's Green Deal is discuss and how recent climate litigations may reshape its future.

EFRAG Welcomes New Friends of EFRAG - Sustainability Reporting

EFRAG announced that 7 companies have officially become Friends of EFRAG, demonstrating their commitment to sustainability reporting and supporting EFRAG's mission. The entities include Greenly, Novisto, Tenzing, CSRinfo, Sodali & Co, Envoria, South Pole.

NATIONAL DEVELOPMENTS

Climate disclosure bill passes in Australia Senate

Australia's Senate voted to pass a bill establishing a mandatory climate-related disclosure regime from 1 January 2025. The passage of the legislation in the Senate was praised by the Australian Institute of Company Directors, which said it "looks forward to playing its part" in helping to upskill companies across the economy on climate-related reporting. Under the legislation, in-scope entities will be required to report climate-related information under ISSB-aligned Australian Sustainability Reporting Standards (ASRS) which are being developed by the Australian Accounting Standards Board (AASB).

US enters final stage for new audit quality control regs

Watchdogs in the US have begun the last few weeks of deliberation over controversial measures that would beef up rules for audit quality control. The Securities and Exchange Commission will decide on September 9th whether to approve QC 1000, a new standard that demands US audit firms have a quality control function that includes at least one member from outside the firm as well as conduct an annual review of their QC arrangements. The new rule has been written by the Public Company Accounting Oversight Board (PCAOB) and also requires firms to report on their reviews to regulators.

ARTICLES/PUBLICATIONS

Proxy Season Global Briefing: Shareholder Rights & Corporate Governance

In a new article, the Harvard Law School Forum on Corporate Governance analyzes the 2024 proxy season, that saw shareholder rights and corporate governance standards put to the test. Prioritizing market competitiveness, exchanges and regulators in several countries proposed or implemented reforms that threaten longstanding investor protections; the U.S. saw an increase in accounting and anti-takeover concerns, as issuers that listed during the 2020-2022 SPAC/IPO boom continued to adjust to the public markets; and companies around the world continued to integrate new technologies – and investor expectations – into their annual meeting format.

EVENTS

GNDI 24-Hour Conference

The Global Network of Director Institutes (GNDI) 24-Hour Global Corporate Governance Conference will take place virtually on the 29-30 October 2024. It is a key event that will unite distinguished leaders, governance experts, and experienced practitioners from across the globe.

This unique conference will span 24 hours to accommodate our international audience and will cover pressing themes such as Digital Transformation and AI, Environmental, Social, and Governance (ESG) issues, People and Leadership, and Global Perspectives. The sessions are designed to provide valuable insights and actionable strategies to help you navigate the complexities of modern corporate governance.

ecoDa News

- 9th September: Advocacy Committee Meeting
- 18th September: EBD Alumni Gathering in Brussels
- 24th September: ecoDa Board Meeting in Vilnius
- 25th September: Education Committee Meeting in Vilnius
- 30th September and 1st October: European Board Diploma - Day 1 & 2