

Asset managers decry Italy's loyalty-voting law

Mark Cobley

Financial News

06 May 2015

Fund managers with a combined €2.6 trillion under management have written to the top 100 companies in Italy, urging them not to introduce new rules giving enhanced voting rights to long-term shareholders. The asset managers, comprising F&C Investments, Aviva Investors, Fidelity, Hermes, Investec, Kames Capital, Legal & General, Standard Life Investments, Railpen and USS, have come out firmly against an Italian law that allows companies to award special "loyalty shares" to investors who hold their shares for more than two years.

The Italian letter-writers raises the practical point that such rules systematically disadvantage international shareholders because of the "complexity and cost of the share-registration process" - meaning they are "effectively precluded" from receiving loyalty shares.

<http://www.efinancialnews.com/story/2015-05-06/asset-managers-decry-italy-loyalty-voting?mod=home-news> [subscription required]