Monthly Roundup

Georgeson

March 2018

Dear All,

Please find below a rundown of recent corporate governance news and developments that have taken place around the world:

Shareholder Activism

› BBC News reports that **Melrose Industries has won control of the UK engineering giant GKN**: http://www.bbc.co.uk/news/business-43584083. **Georgeson supported Melrose in attaining majority shareholder support:** https://www.investegate.co.uk/gkn-plc--gkn-/rns/recommendation-to-accept-offer/201803291646334909J/.

› The Financial Times reports that **Vivendi and Elliott lock horns over Telecom Italia**: https://www.ft.com/content/11cf131e-26ba-11e8-b27e-cc62a39d57a0. "Former monopoly at centre of a battle between two corporate raiders."

› The Daily Telegraph reports that **New York activist investor takes Barclays stake to mount campaign to double share price**: https://www.telegraph.co.uk/business/2018/03/19/activist-investor-sherborne-takes-5pc-stake-barclays/. "A transatlantic corporate raider has built a minority stake in troubled bank Barclays with the goal of doubling its share price, piling more pressure on the lender's under-fire chief executive Jes Staley. New York-based Sherborne Investors, led by British-born Edward Bramson, has taken a 5pc stake in the lender, Barclays disclosed this morning. Sherborne has gained a reputation in the City for pursuing aggressive shake-ups of under-performing companies. Its previous UK campaigns have included ousting the leadership teams at private equity firm Electra and fund manager F&C on the road to turning around their performance. Guy de Blonay, a fund manager at Jupiter Asset Management, which is one of Barclays' investors, said Sherborne's involvement is 'very good news' for the British bank because it suggests there is value in its shares and reinforces the case for investment."

› The Financial Times reports that **Whitbread looks to hold its ground against US activist**: https://www.ft.com/content/b6dc06b6-17ef-11e8-9376-4a6390addb44. "UK group pushes ahead with expansion as it resists Sachem's demands."

› WirtschaftsWoche has published an article entitled **Was aggressive Investoren den Aktionären bringen ("What aggressive investors bring to shareholders")**: https://www.wiwo.de/finanzen/boerse/kurspflege-und-dividende-was-aggressive-investoren-den-aktionaeren-bringen/20914182-all.html (in German). "Activist investors are mixing up the stock market world. Our analysis of five major conflicts over well-known companies shows whether their attacks have paid off for shareholders."

› The Financial Times reports that **BHP's fight with Elliott is next chapter for UK's dual listings**: https://www.ft.com/content/1e08f778-1cae-11e8-aaca-4574d7dabfb6. "US activist investor claims unification would create value for miner's shareholders."

› Reuters reports that **Carige's investor Mincione wants to raise stake, oust board: sources**: https://www.reuters.com/article/us-eurozone-banks-italy-carige/cariges-investor-mincione-wants-to-raise-stake-oust-board-sources-idUSKCN1GK2I8. "Carige's shareholder Raffaele Mincione plans to boost his stake in the Italian lender from 5.4 percent and ask for the current board to be removed after he was denied a seat, two sources familiar with the matter said. Mincione, an Italian financier, emerged in late February as one of the largest shareholders in Genoa-based Carige, which is restructuring under new management. Confirming reports in the Italian press, the sources said Mincione would soon write to Carige to complain that its board no longer mirrors the bank's shareholder base and would call for a general meeting to be held to appoint a new board. Carige said late on Tuesday that it could not at present grant Mincione a seat on the 15-member board as he had requested."

› The Financial Times reports that **Activist funds bring retail investors into boardroom battles**: https://www.ft.com/content/f103444a-26d0-11e8-b27e-cc62a39d57a0. "Shadow vehicles track campaigns by the most high-profile corporate raiders."

Europe...

› Reuters reports that **EU and asset managers clash over 'sustainable' investing plan**: https://www.reuters.com/article/us-eu-markets-sustainable-investments/eu-and-asset-managers-clash-over-sustainable-investing-plan-idUSKCN1GK298. "The European Union has proposed making it a formal requirement for asset managers to consider 'sustainability' when picking investments, a move the EU's 23 trillion euro ($28.5 trillion) funds industry swiftly dismissed as a 'tick-the-box' exercise. The EU wants more money going into sustainable and 'green' projects that help cut greenhouse gas emissions, as part of a wider 'capital markets union' project to expand funding from financial markets for companies and growth. In an 'action plan' published on Thursday, the European Commission said it would 'clarify' the duty of asset managers and big investors to ensure they take sustainability into account in the 'process' of investing. The European Fund and Asset Management Association said it did not believe such legislation was needed because investment in sustainable projects had to be driven by the owners of the assets being invested. […] PensionsEurope, which represents national pensions trade bodies, said the EU's proposals needed to be flexible so as to avoid upsetting the role of trustees or social partners."

...and beyond

› Bloomberg reports that **BlackRock Spells Out What Larry Fink's Letter to CEOs Meant**: https://www.bloomberg.com/news/articles/2018-03-15/blackrock-spells-out-what-it-meant-in-larry-s-letter-to-ceos. "When BlackRock Inc.'s Larry Fink sent a letter to CEOs in January, some executives and directors were stumped about what he meant by asking companies to explain how their business makes 'a positive contribution to society' beyond financial performance. The $6.3 trillion asset manager spelled out Wednesday what its chief executive officer was asking for – by posting documents on its website with more than 20 questions it may discuss with boards and executives, on issues including climate change, human capital management, diversity and executive pay." **See here for the five BlackRock Commentaries**: https://www.blackrock.com/corporate/about-us/investment-stewardship/voting-guidelines-reports-position-papers#commentaries.

› The Economist reports that **Hong Kong and Singapore succumb to the lure of dual-class shares**: https://www.economist.com/news/finance-and-economics/21737530-trend-threat-time-honoured-idea-one-share-one-vote-hong-kong. "The trend is a threat to the time-honoured idea of 'one share, one vote'."

› Bloomberg reports **Fearless Girl's First Year Helped Reshape Corporate Boardrooms**: https://www.bloomberg.com/news/articles/2018-03-07/fearless-girl-s-first-year-helped-reshape-corporate-boardrooms. "In the year since State Street's Fearless Girl statue started her showdown with Wall Street's Charging Bull, the $2.6 trillion asset manager has faced a confrontation of its own in corporate boardrooms: pressing firms to add more women to their boards. More than 150 companies State Street targeted for not having a female director as part of its Fearless Girl campaign have added at least one, it said Wednesday. The company sent letters and engaged in an unprecedented withholding of votes from directors responsible for nominating their colleagues at more than 400 companies." See here for a Georgeson memo entitled **SSGA's 2018 Voting Policy Updates Summary**: http://www.georgeson.com/News/Georgeson-Report-032218.pdf.

› The Financial Times reports that **Accounting watchdogs find 'serious problems' at 40% of audits**:

https://www.ft.com/content/b9dbd1cc-23a5-11e8-ae48-60d3531b7d11. "World's top accounting firms face fresh concerns about quality of their work." See here for the **IFIAR 2017 Inspection Findings Survey**: https://www.ifiar.org/latest-news/ifiar-releases-2017-inspection-findings-survey/.

UK

› The Guardian reports that **Persimmon paid three executives a combined £104m in 2017**: https://www.theguardian.com/business/2018/mar/19/persimmon-housebuilder-paid-three-executives-combined-104m-2017. "Big payouts unaffected by housebuilder's move to cut bonuses following backlash." The Sunday Times reports about **Persimmon's plea to City over bonus debacle surrounding boss Jeff Fairburn**: https://www.thetimes.co.uk/article/persimmons-plea-to-city-over-bonus-debacle-surrounding-boss-jeff-fairburn-dtjl29r5n. "The FTSE 100 housebuilder Persimmon has embarked on a charm offensive in the City after the row over a potential £100m payout to its boss. Persimmon wrote to shareholders last week saying it accepted the storm over the 2012 long-term incentive plan (LTIP) had 'overshadowed' a period of good performance."

› The Financial Times reports **Centamin shareholders vote against executive pay packages**: https://www.ft.com/content/cbd25146-30ff-11e8-ac48-10c6fdc22f03. "The London-listed company said just over 52 per cent of investors present at the AGM had voted against its remuneration policy and it had not been passed."

› The Times reports that **Eric Daniels wins legal battle against Lloyds for £1m bonus**: https://www.thetimes.co.uk/article/bank-crash-boss-eric-daniels-wins-legal-battle-against-lloyds-for-1m-bonus-92g8cwqsv. "Lloyds Banking Group will have to pay nearly £3 million to its former chief executive and another director after losing a legal battle to withhold payments relating to the purchase of HBOS. A judge ruled yesterday that Lloyds had wrongly refused to hand over share awards to Eric Daniels, chief executive from 2003 to 2011, and Truett Tate, a former head of wholesale banking."

› Sky News reports that **US fund giant Federated seals £400m Hermes takeover**: https://news.sky.com/story/us-fund-giant-federated-seals-400m-hermes-takeover-11298077. "A US-based fund manager is on the brink of sealing a roughly-£400m takeover of Hermes Investment Management, the blue-chip institutional shareholder owned by BT's pension scheme."

› The Financial Times reports that **Weir reignites pay debate with move to ditch controversial schemes**: https://www.ft.com/content/ac3ebb60-292c-11e8-b27e-cc62a39d57a0. "Engineering group to drop long-term incentives associated with excessive remuneration."

› The Guardian reports that **Regulator urges inquiry into breaking up big four accountancy firms**: https://www.theguardian.com/business/2018/mar/16/frc-inquiry-big-four-accountancy-kpmg-deloitte-pwc-ey. "Making KPMG, Deloitte, PwC and EY spin off auditing arms could end conflict of interest, says FRC". Additionally, the Financial Times reports that **Grant Thornton exits market for big company audits in UK**: https://www.ft.com/content/c7f1036c-326f-11e8-b5bf-23cb17fd1498. "Firm cites 'Big Four' dominance in decision that will hurt efforts to convince regulators not to intervene."

› Sky News reports that **IoD crisis fallout goes on as board member Ingham quits**: https://news.sky.com/story/iod-crisis-fallout-goes-on-as-board-member-ingham-quits-11301434. "The internecine warfare which rocked the Institute of Directors (IoD) this month has re-emerged with the exit of a fourth member of the influential business group's board."

› Investment and Pensions Europe reports that **Asset managers back Corporate Governance Code reboot**: https://www.ipe.com/countries/uk/asset-managers-back-corporate-governance-code-reboot/10023828.article. "The Financial Reporting Council (FRC) has won significant support from investors for its proposal to force companies to engage with shareholders if more than 20% vote against a company resolution. The FRC wants companies to explain what action they plan to take to 'understand the reasons behind the result'. The proposed new measure forms part of the FRC's reboot of the UK Corporate Governance Code. However, stakeholders also called for a tougher stance on issues affecting pension scheme members and employees."

- The Financial News reports that **London Aramco listing exposes conflicts at asset managers**: https://www.fnlondon.com/articles/london-aramco-listing-exposes-conflicts-at-asset-managers-20180326. "FCA chief says governance teams complained, but senior management at the same firms privately told the regulator to ignore them."

France

- Le Point reports about **Parité: entreprises, les chiffres qui font mâle ("Equality: companies, the numbers 'that hurt'/'are male'")**: http://www.lepoint.fr/economie/parite-entreprises-les-chiffres-qui-font-male-14-03-2018-2202500_28.php (in French). "We asked the 118 largest French companies for the composition of their executive committee. The result: women are still very much in the minority. 15.8% is the percentage of women in the executive committees of the SBF 120."

Germany

- The Wall Street Journal reports that **Deutsche Bank Examines Potential Successors to CEO John Cryan**: https://www.wsj.com/articles/deutsche-bank-examines-potential-successors-to-ceo-john-cryan-1522166737. "Moves follow tensions at the German lender, whose share price has fallen sharply this year."

- Handelsblatt reports that **German executive pay gets supersized**: https://global.handelsblatt.com/companies/german-executive-pay-gets-supersized-898574. "Germans were shocked and angry in 2007 when it was disclosed that Josef Ackermann, then CEO of Deutsche Bank, earned a staggering €13.2 million ($19.2 million) in compensation that year. Unions screamed and politicians denounced what they called a Brobdingnagian payout. Nonetheless, salaries for German top executives have soared to dizzying heights ever since, although in many cases they still lag behind their well-heeled American rivals. The top package in Germany was earned by software firm SAP's chief executive, Bill McDermott, who also happens to be an American. SAP just released his pay numbers: €21.8 million, determined by a complex formula of performance data and 'retention share units,' in other words to prevent him being lured away by a fat Silicon Valley paycheck. […] In addition to Mr. McDermott, at least four other German CEOs of publicly listed companies have breached the €10 million level in executive compensation."

- The Financial Times reports that **German Mittelstand faces generational crisis**: https://www.ft.com/content/739b698e-292c-11e8-b27e-cc62a39d57a0. "About 100,000 entrepreneurs due to retire in next 2 years yet to find successors."

Netherlands

- The Times reports that **Top investor Columbia Threadneedle angry at Unilever move**: https://www.thetimes.co.uk/article/top-investor-columbia-threadneedle-angry-at-unilever-move-7zzqdmbvk. "Unilever's decision to relocate its headquarters to Rotterdam has angered one of its top ten investors, amid concerns that the move could be potentially damaging for British shareholders. Columbia Threadneedle Investments has complained that the maker of Dove soap and Persil detergent had failed to properly 'engage' with shareholders before announcing that it was to abandon its 88-year dual governance from the Netherlands and the UK. Iain Richards, head of responsible investment at Columbia, which owns 1.5 per cent of the shares in Unilever, said: 'We're disappointed by Unilever's lack of engagement with shareholders, particularly in view of the likely impact on its premium listing in London [and inclusion in the FTSE 100 index]. Given the need for 75 per cent approval, they need to do more to convince UK shareholders of the merits of the move.' […] The Times understands that there is upset that Unilever used the excuse of 'confidentiality' to not consult with British shareholders."

Switzerland

- Reuters reports that **Sika board rejects family shareholder delegate as new chairman**:

https://www.reuters.com/article/sika-agm/sika-board-rejects-family-shareholder-delegate-as-new-chairman-idUSFWN1QV0WC. "Sika AG said on Tuesday it rejected proposals by its family shareholder to elect Jacques Bischoff as a new board member and chairman at its upcoming shareholder meeting. The Swiss construction chemical company proposed the re-election of all its current board members at the meeting scheduled for April 17. Sika's board has opposed the family shareholders' plan to sell their controlling stake to France's Saint-Gobain. Another court ruling in the bitter fight is expected in the next few weeks."

Italy

- Reuters reports that **Generali to cut coal investments in new climate change strategy**: https://uk.reuters.com/article/us-generali-climate/generali-to-cut-coal-investments-in-new-climate-change-strategy-idUKKCN1G52GY. "Italian insurer Assicurazioni Generali has pledged to raise its investments in environmentally-friendly projects and divest from the coal industry as part of a new climate-change strategy. Europe's third biggest insurer said it would raise investments in 'green' sectors by 3.5 billion euros ($4.3 billion) by 2020, mainly through green bonds and infrastructure. At the same time, it will divest its current exposure to the coal sector of around 2 billion euros by selling equity stakes and exiting bond investments by bringing them to maturity or even divesting before maturity. Generali's move adds to the recent trend of asset managers and wealth funds cutting back on carbon-related investments as policy makers step up efforts to address environmental concerns. Last December, French insurer AXA quadrupled its green investments and disinvested further from coal. Europe's biggest insurer Allianz, which got out of the business of investing in coal in 2015, said last week it was considering whether to stop insuring new coal power plants."

United States

- The Los Angeles Times reports that **Disney shareholders reject executive pay plan in nonbinding vote at annual meeting**: https://www-latimes-com.cdn.ampproject.org/c/www.latimes.com/business/hollywood/la-fi-ct-disney-shareholder-meeting-news-20180307-story.html. "Walt Disney Co. shareholders have voted against the company's pay plan for Chief Executive Robert Iger, who last fiscal year received $36.3 million in total compensation and stands to make much more in 2018. The nonbinding vote was a surprise rebuke at Disney's annual shareholder meeting in Houston on Thursday, which was also picketed by Disneyland Resort workers, including some whose unions are negotiating new contracts with the company. Disney's executive pay plan was opposed by 52% of shareholders, with 44% in favor and 4% abstaining."

- The Financial Times reports that **Dropbox IPO is yet another corporate governance low point**: https://www.ft.com/content/4333c554-279a-11e8-b27e-cc62a39d57a0. "The 'one-share, one-vote' proposition is a victim of competition between exchanges." See here for a CII letter on the issue: https://www.cii.org/files/issues_and_advocacy/correspondence/2018/Feb%2026%20Letter%20to%20Dropbox%20on%20Multi%20Class.pdf.

- Reuters reports that **Tesla shareholders approve CEO Musk's $2.6 billion compensation plan**: https://www.reuters.com/article/us-tesla-ceo/tesla-shareholders-approve-ceo-musks-2-6-billion-compensation-plan-idUSKBN1GX0C0. "Shareholders of electric car company Tesla Inc approved a compensation package potentially worth $2.6 billion for Chief Executive Officer Elon Musk on Wednesday, though by a lower margin than U.S. CEOs typically receive on pay votes. Excluding votes by Musk and his brother Kimbal, the measure passed with about 73 percent of votes cast. Including the Musk votes, the award passed with about 80 percent support, Tesla said in a Securities and Exchange Commission filing."

- The Financial Times reports that **Dimon pay day means a year's wages for typical JPMorgan staff**: https://www.ft.com/content/aac3a27a-2de4-11e8-9b4b-bc4b9f08f381. "Bank chief received $28.3m last year, 364 times more than median worker."

- Bloomberg reports that **Warren Buffett Barely Makes More Than Average Berkshire Workers**: https://www.bloomberg.com/news/articles/2018-03-16/warren-buffett-barely-makes-more-than-average-berkshire-workers. "Berkshire Hathaway Inc.'s Warren Buffett is scoring particularly well on a new rule requiring companies to disclose the ratio of a chief executive officer's pay to that of the median employee. His annual compensation of $100,000 was just 1.87 times the median employee's pay of $53,510, a figure calculated from a sample of about two-thirds of Berkshire's total employees, according to a filing released Friday. He also gives back about $50,000 to the company 'for minor items such as postage or phone calls that are personal,' meaning his take-home pay would be less than that median figure. Buffett's not struggling for money. He's worth about $88.8 billion, making him the world's third-richest person, according to the Bloomberg Billionaires Index."

- The Financial Times reports about whether **Fund managers 'asleep at the wheel' over exorbitant executive pay**: https://www.ft.com/content/46387e42-1e1d-11e8-aaca-4574d7dabfb6. "Many of US's most overpaid CEOs have their packages rubber stamped by asset managers." See here for the underlying report published by As You Sow, entitled **The 100 Most Overpaid CEOs 2018: Are Fund Managers Asleep at the Wheel?**: https://www.asyousow.org/reports/the-100-most-overpaid-ceos-2018-are-fund-managers-asleep-at-the-wheel.

Japan

- The Financial Times reports that **Kobe Steel highlights corporate governance risks for investors**: https://www.ft.com/content/77321112-2204-11e8-9a70-08f715791301. "Global fund managers looking at Japan equities need evidence of better management."

- Nikkei Asian Review reports that **Corporate Japan lags in succession planning**: https://asia.nikkei.com/Business/Trends/Corporate-Japan-lags-in-succession-planning. "Only 11% of surveyed companies have written procedures for choosing leaders."

South Korea

- The Financial Times reports that **Samsung shake-up addresses 'emperor' image problems**: https://www.ft.com/content/7a4d937c-2e3d-11e8-9b4b-bc4b9f08f381. "Korean group appoints a woman to its board and splits CEO and chair roles."

- The Korea Times reports that **Abolition of shadow voting troubles listed companies**: https://www.koreatimes.co.kr/www/biz/2018/03/602_245917.html. "Reforms in the shareholder voting system are troubling businesses because it has become difficult to make a quorum at general shareholders' meetings. The regulator is encouraging businesses to adopt electronic voting but only a few are doing so. [...] He called on the Korea Financial Investment Association to help by contacting shareholders and encouraging asset management firms to exercise their voting rights. The task force was formed amid growing concern that businesses will fail to get approval for key issues at shareholders' meetings following the abolition of shadow voting. Also called mirror voting, shadow voting allows the Korea Securities Depository to exercise proxy voting procedures on behalf of shareholders. The ratio of approvals and non-approvals of voters who attended the shareholders' meetings was applied to all shareholders."

- The Financial Times reports that **Hyundai simplifies ownership structure as regulator bears down**: https://www.ft.com/content/8a3c6b90-3267-11e8-b5bf-23cb17fd1498. "Action slices out 8% from the share price of Mobis unit."

Hong Kong

- The South China Morning Post reports that **Hong Kong-listed companies need greater board independence, AllianzGI says**: http://www.scmp.com/business/money/stock-talk/article/2135643/hong-kong-listed-companies-need-greater-board-independence. "The boards and audit committees of Hong Kong-listed companies should have greater independence, according to the head of environmental, social and governance research at Allianz Global Investors. A key reason for the perceived non-independence is that many board directors in Hong Kong have ongoing business relationships with, or are affiliated with, the controlling shareholders, said Eugenia Unanyants-Jackson. It is also very rare in Hong Kong to find completely independent audit committees with no conflict of interests reporting to the company's independent directors and ensuring the integrity of financial statements to minority shareholders, she added."

- The Stock Exchange of Hong Kong has proposed a **New Listing Regime for Emerging and Innovative Companies**: https://www.hkex.com.hk/News/News-Release/2018/180223news?sc_lang=en. "The Stock Exchange of Hong Kong Limited […] published a consultation paper seeking public feedback on the proposed new rules to expand Hong Kong's listing regime to facilitate listings of companies from emerging and innovative sectors. The proposals in the consultation paper closely follow the Way Forward as set out by the Exchange on 15 December 2017 in the New Board Concept Paper Conclusions. The paper includes draft Main Board Listing Rules (Listing Rule or Rules) to: (a) permit listings of biotech issuers that do not meet any of the financial eligibility tests of the Main Board; (b) permit listings of companies with weighted voting right (WVR) structures; and (c) establish a new concessionary secondary listing route for Greater China and international companies that wish to secondary list in Hong Kong. The Exchange has proposed separate new chapters in the Listing Rules for biotech, WVR and the new concessionary secondary listing route."

Thailand

- Bloomberg reports **Click to Vote: Thailand May Unleash Online Shareholder Activism**: https://www.bloomberg.com/news/articles/2018-03-01/click-to-vote-thailand-may-unleash-online-shareholder-activism. "Thailand's equity market may soon allow its own brand of online activism. The country's stock exchange is pushing for rule changes so investors can take part and vote in shareholder meetings through the Internet. Regulations currently force owners or their proxies to be physically present. […] The bourse is looking at ways to encourage greater foreign interest in Southeast Asia's second-biggest equity market, such as reducing trade settlement times. Overseas investors have soured on Thai stocks so far this year, pulling out a net $1.5 billion, the most in Asia."

New Zealand

- The Financial Markets Authority **has published its refreshed Corporate Governance handbook**: https://fma.govt.nz/news-and-resources/media-releases/refreshed-corporate-governance-handbook-published/. "The handbook is being refreshed to remove any unnecessary overlap with the NZX Code, particularly to ensure the NZX Code is the primary source for requirements for listed companies. We have also updated the guide in a number of places to bring it in line with corporate governance developments in New Zealand and globally. The revised handbook is designed as a guide for a wide range of companies and businesses including those who want to raise capital or list on the NZX in the future."

India

- The Financial Times reports that **Punjab National Bank's woes shake confidence in state lenders**: https://www.ft.com/content/d2513170-239b-11e8-ae48-60d3531b7d11. "Sentiment towards India's state-backed sector drops after alleged fraud at lender."

- Bloomberg Quint reports that **SEBI Accepts Kotak Panel's Suggestion To Split CEO, MD And Chairman Posts**: https://www.bloombergquint.com/law-and-policy/2018/03/28/sebi-accepts-kotak-panels-suggestion-to-split-ceo-md-and-chairman-posts. "The market regulator has accepted most recommendations of the Kotak Committee which had submitted a report to improve governance standards in listed Indian firms. Among the approved recommendations was splitting up the role of chief executive officer, managing director, and chairperson for the top-500 listed firms from April 2020, according to a statement by the Securities and Exchange Board of India. Another was reducing the maximum number of directors in a listed firm to 8 from 10 by April 2019. The number will have to be brought down to 7 a year later, the statement said. The suggestion to split the top leadership roles was aimed to 'sharpen the distinction between governance of boards and management of companies', Uday Kotak, chairman of the panel, had said earlier. Firms will also have to disclose how they utilise funds raised from institutional share sales and preferential issues. They'll also have to disclose all information about their auditor including credentials and the fee they charged." See here for the SEBI announcement: https://www.sebi.gov.in/media/press-releases/mar-

2018/sebi-board-meeting_38473.html.

- The Financial Times reports about **On the trail of India's 'loot and scoot brigade'**: https://www.ft.com/content/a51c4a74-25ed-11e8-b27e-cc62a39d57a0. "Two diamond dealers are the latest to join a list of absent tycoons."

Pakistan

- The Securities and Exchange Commission of Pakistan has announced **Draft Shariah Governance Regulations**: https://www.secp.gov.pk/wp-content/uploads/2018/03/Press-Release-March-1-SECP-notifies-Draft-Shariah-Governance-Regulations.pdf. "The SECP has notified Draft Shariah Governance Regulations, 2018, which is a comprehensive set of regulations for governance of Shariah-compliant companies and entities, Shariah-compliant securities and Islamic financial institutions under its jurisdiction. For the first time ever, a holistic Shariah governance framework has been introduced by the apex regulator of corporate sector and capital markets. Mr. Zafar Abdullah, the SECP chairman, termed it a quantum leap forward in cementing Islamic financial services, Shariah-compliant businesses and instruments in Pakistan."

If you have any comments or questions please do not hesitate to contact me.

Kind regards,

Daniele Vitale
Georgeson
Corporate Governance Manager > Corporate Advisory
daniele.vitale@georgeson.com
T +44 (0)20 7019 7034 **M** +44 (0)7747 697 136 **F** +44 (0)870 702 0158
Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom
www.georgeson.com