1. EP: EU Statutory Audit Reform: Impact on costs, concentration and competition

The European Parliament has produced an in-depth analysis of the evolution of market concentration, competition and costs in the EU market for statutory auditing before and after the Audit Reform. The results for non-financial PIEs show that even though there is a positive increase in audit fees (+3.1 %) and a strong decrease in non-audit fees (-27.5 %), the total fees did not change significantly post-Audit Reform. In total, we find that 20 Member States have at least one PIE client that engages in a joint audit, and the average percentage of joint PIE audits in the EU equals 9.1 % before the Audit Reform (excluding France). Interestingly, Member States which had the highest percentage of joint audits before the Audit Reform are also those which have adopted the joint audit extension.

Read more

2. EFES: New record year for employee share ownership in Europe

According to EFES survey, there is a new record year for employee share ownership in Europe, with nearly 400 billion Euro held by employees in their company or 3.20%. More and more European companies are organizing employee share plans. In 2018, 87.3% of all large European companies had employee share plans, while 52.3% had plans for all employees. Finally, 33.4% of all large European companies launched new employee share plans, a proportion that increases from year to year.

The rise is back for the number of employee shareholders, with 7.5 million people in large European companies; if we add one million employee shareholders in SMEs, the total figure reaches 8.5 million. However, the decline in the democratization rate of employee share ownership has still to be stopped. Following the crisis, some European countries (including the UK) had chosen for stronger incentive policies, promoting employee share ownership and long term savings as an investment for the future.

Read more

3. EC: Taking forward work on ethics guidelines for AI
The Commission has launched a pilot phase to ensure that the ethical guidelines for Artificial Intelligence (AI) development and use can be implemented in practice.

Already, companies, public administrations and organisations can sign up to the European AI Alliance and receive a notification when the pilot starts. In addition, members of the AI high-level expert group will help present and explain the guidelines to relevant stakeholders in Member States.

At the autumn 2019, the Commission will launch a set of networks of AI research excellence centres; begin setting up networks of digital innovation hubs; and together with Member States and stakeholders, start discussions to develop and implement a model for data sharing and making best use of common data spaces.

### 4. UN : Legal readiness for climate finance

Policymakers in charge of environmental policy and climate action are insufficiently aware of the various fiscal tools available to catalyse climate finance such as green bonds and transfer pricing. UN Environment is ready to work with agencies such as central banks, regulators and the World Bank to bring predictability to legal regimes and facilitate uptake of climate finance.

[Read more](#)

### 5. Remuneration in Belgium and Luxembourg

The report issued by CGLytics and PwC analyses the current corporate governance and executive pay landscape in Belgium and Luxembourg.

The report highlights:

- How SRD II will impact EU listed companies including disclosure requirements of CEO-to-employee pay ratio and fairness of pay;
- The evolution of CEO realised variable remuneration (base salary, STIs and LTIs) in the Selected Index (Bel 20 & LuxX) from 2009 to 2017;
- Companies in the Index that show a strong alignment of their CEO pay compared to their TSR over both one and three years, with the most aligned being Groupe Bruxelles Lambert SA, Orange Belgium S.A. and Proximus PLC;
- Board composition of companies in the Index including board size, age and percentage of women on each board.

[Read more](#)

### 6. France : supplementary retirement mechanism and non-competition clause


The French government is attacking "supplementary retirement mechanisms", paid to some business leaders. These supplementary pensions are financed by companies and serve to maintain the standard of living of senior executives once they are retired. They will now be limited "to 30% of the salary of the leaders". The government is also considering to limit the access to allowances in case of non-competition clause when the CEO is retiring.

7. ESAs Publish joint advice on information and communication technology (ICT) risk management and cybersecurity

The European Supervisory Authorities (ESAs) today published two pieces of Joint Advice in response to requests made by the European Commission in its March 2018 FinTech Action Plan:

- Joint Advice on the need for legislative improvements relating to Information and Communication Technology (ICT) risk management requirements in the European Union (EU) financial sector. Advice on ICT legislative improvements
- Joint Advice on the costs and benefits of a coherent cyber resilience testing framework for significant market participants and infrastructures within the EU financial sector. Advice on a coherent cyber resilience testing framework

8. Education programmes: New developments

- The Luxembourguish institute of directors is launching a new programme: the Aspiring Director Programme, a 5 day training session, which targets young high potential professionals without or with very little board experience, but with expertise's that are now on demand at the board level (cybersecurity, digitalisation, sustainability, eCommerce, etc.).
- The Baltic Institute of Corporate Governance is educating civil servants sitting in SOEs’ boards.

9. ecoDa’s News

- ecoDa has just finalized a partnership agreement with CGLytics
- Florentine Hopmeier Member of Cabinet, Cabinet of Vice-President Jyrki Katainen will make a keynote speech at ecoDa/PwC/WBSCD conference on May 7 on Looking beyond financial performance. See the full programme