

Attn.:
European Commission
Commissioner Michael McGrath
Commissioner Hadjah Lahbib
DG JUST

Frankfurt, 6 May 2026

Dear Commissioner McGrath,

dear Commissioner Lahbib,

We thank you and welcome the opportunity to provide our views in this consultation on the revision of the EU's Shareholder Rights Directive II (SRD II).

DWS Group, with €1,093bn of total assets under management (as of 31 March 2026), is a leading European asset manager with global reach. With approximately 5,000 employees in offices around the world, DWS offers individuals, institutions and large corporations access to comprehensive investment solutions and bespoke portfolios across the full spectrum of investment disciplines. We welcome the progress made since the original inception of the SRD II in 2017 and its national transposition in the consecutive years.

From an investor perspective, significant structural deficiencies still persist in practice – particularly in cross-border holdings – which continue to materially impair the effective exercise of shareholder rights. Thus, this consultation is highly relevant to us.

I. Dependency on a functioning chain of custodians and transparency

Investors are, as a matter of structure, fully dependent on custodians and intermediaries for the submission of voting instructions and meeting registrations, as all instructions must be transmitted through the custodial chain.

This dependency is exacerbated by inefficient processes and weaknesses in information flows along the chain. Even where direct interaction between investors and issuers takes place, key information is frequently lost in transmission, delivered with considerable delay, or – in particularly critical cases – received only after relevant registration or voting deadlines have expired.

A central concern is the lack of transparency of the custodial chain from the investor's perspective. Investors typically have no visibility into the number or identity of intermediaries involved, nor into the actual processing, forwarding and escalation mechanisms applied. This opacity makes it difficult to trace errors or delays, undermines legal certainty, and weakens confidence in the reliable exercise of fundamental shareholder rights.

II. Lack of harmonised digital infrastructure and interoperability

These challenges are further compounded by ongoing shortcomings in system interoperability across the custodial chain. Divergent IT infrastructures, proprietary interfaces and inconsistent or insufficiently applied message and data standards prevent genuine end-to-end straight-through processing. As a result, manual interventions, workarounds and individual exceptions remain widespread rather than exceptional.

This situation stands in clear contrast to the objectives of an integrated, efficient and digital European capital market. A future revision of the Shareholder Rights Directive should therefore place a strong emphasis on mandatory, interoperable and EU-wide harmonised digital process standards applicable across the entire custodial chain. From an investor's standpoint, this must include improved transparency, reliable and enforceable timelines, and traceable end-to-end information and instruction flows.

Crucially, any further regulatory development should avoid adding complexity and instead promote practical, technologically feasible solutions that genuinely facilitate – rather than inadvertently impede – the effective exercise of shareholder rights. Only under such conditions can investors meaningfully fulfil their role as active shareholders within European capital markets.

III. Bureaucratic hurdles and barriers

Furthermore, another source of concern are so-called Power of Attorney (PoA) markets, such as those in the Nordics, Poland, the Baltic states and other jurisdictions, where the exercise of voting rights is subject to notarially certified or apostilled PoA requirements. In practice, these requirements often have a prohibitive effect on shareholder participation, especially for international and institutional investors. Asset managers act in a fiduciary capacity on behalf of end-investors and must carefully balance the benefits of voting against undue costs and resource consumption.

PoA regimes frequently entail significant administrative burden, high transaction costs and tight timelines that are incompatible with efficient, large-scale voting processes. Moreover, requirements to process and disclose personal data of investment professionals for PoA purposes raise serious data-protection and operational concerns and result in disproportionate and unreasonable costs.

IV. European Stewardship Code

While we generally acknowledge that a more harmonised approach to stewardship in the European Union may be desirable, we regard the national regimes on company and stock corporation law as determining. Furthermore, the transposition of this directive in the member states of the European Union as well as national regulation sets the binding framework for us as investors.

Additionally, global investors such as DWS have also oriented themselves largely on Stewardship Codes that have already assumed a notable relevance, e.g. to clients.

Specifically, the UK Stewardship Code has emerged as gold standard. Reporting against this best market practice allows clients already a very detailed and in-depth view into how their asset managers fulfil their fiduciary duties.

An additional Code on European level should therefore only be considered as long as other, already existing reporting requirements are accepted as equivalent. Otherwise, such new regulation would risk only being another reporting requirement that would incur additional costs outweighing the potential benefits.

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These barriers discourage active ownership and stand in contrast to the objectives of facilitating shareholder engagement and participation across the European Union.

We have shared our views also through the participation in the official consultation document as well as through our trade associations EFAMA and BVI.

We remain at your disposal for any questions that might occur.

Kind regards

A handwritten signature in black ink, appearing to read 'Stefan Marx', is positioned above the typed name.

Dr. Stefan Marx

DWS Head of Public Affairs & Regulatory Strategy