



Proposal by CMIT for the establishment of a new investor and issuer forum

(London, 23rd November 2023)

We welcome the open letter from the Capital Markets Industry Taskforce (CMIT) ([here](#)) on resetting the UK's approach to corporate governance. The letter contains a number of proposals, one of which is the establishment of a new issuer and investor forum, as an evolution of the current Investor Forum.

Background

The Investor Forum have been in dialogue with CMIT for some time on how to improve engagement between investors and companies, and believe that the proposed expansion of our remit is positive. The formation of an 'Investor & Issuer Forum' is a powerful solution to enhance dialogue and engagement, and an exciting opportunity for us to contribute to a revitalisation of UK capital markets.

As the letter says, for such a forum to deliver market-wide impact, it will be crucial for it to be fully supported by issuers and investors and to secure enhanced funding to carry out an extended role. The suggestion is that issuers, in aggregate, will match the current annual investor funding for a three year period while a 'Takeover Panel-style' levy is explored as a longer-term option.

Andy Griffiths, Executive Director of the Investor Forum, said:

"Since our formation in 2014, the Investor Forum has argued that sustainable value creation should be at the heart of stewardship and governance. The opportunity to form an 'Investor & Issuer Forum', bringing together the investment community and the boards of listed UK companies to address key challenges and issues is an exciting one, and one that would represent a natural evolution for us. We welcome conversations with industry leaders in helping us to shape the Forum of the future."

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NOTES TO EDITORS:

- The Investor Forum is an independent, not for profit organisation founded in October 2014. As at November 2023, 55 organisations are Members, including asset managers, insurance companies, pension funds, and endowments.
- Members represents ~26% of the FTSE All-Share market cap.

Extract from CMIT letter:

New investor and issuer forum

"To drive and embed the reset and enhanced issuer and investor covenant, a new 'investor and issuer forum' should be established that can facilitate and promulgate more effective ongoing engagement between boards and their shareholders.

It should bring together industry leaders from the boards of listed companies and the investment community to identify key challenges and issues. It would enable them jointly to develop practical solutions and actively shape the UK capital markets in which they operate. The forum would seek to enhance effectiveness, reduce friction and increase competitiveness. It could also be the forum in which the multitude of investor groups' desire for new disclosures and metrics could be discussed, distilled and implemented.

The Investor Forum have indicated that they would be willing to take on this evolved role. This could offer a quick and efficient solution without requiring a lengthy set-up or the costly establishment of new initiatives. To deliver market-wide impact, it would be crucial for it to be fully supported by issuers and investors and to secure enhanced funding to carry out this enhanced role. This could be done for example by issuers in aggregate matching the current annual investor funding (circa £1.25m) of the Investor Forum for the next three years via a Takeover Panel-style levy."