

The NED

Independent intelligence on fund director issues

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Female board quotas will impact EU funds

The EU has proposed legislation to force Europe's companies to hire more women non executive directors. The proposed legislation will require large European companies to appoint females to boards, over equally qualified male candidates, unless women already occupy at minimum 40 percent of the board positions. The intention is to make European companies have 40 percent of their board positions occupied by women by 2020.

The legislation has been proposed by EU Justice Commissioner, Viviane Reding. It has to be approved by the European parliament before becoming law. Assuming that this occurs, European companies failing to comply with the measure will face sanctions. Additionally, unsuccessful female candidates for non executive directorships will have the right to ask the company that has rejected them to disclose the qualification criteria upon which their selection was based.

Ms Reding's proposals don't impose a mandatory quota but they do introduce administrative penalties to force companies to appoint more female non executive directors. There is a concern that these proposals will tie companies up in litigation by unsuccessful female board candidates who do not agree selections that don't go their way. An EU official played down the risk of lawsuits but acknowledged that companies' fears of being tangled in litigation cases...

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Lawsuits likely to fly in Axiom fallout

Allegations made against the suspended Axiom Legal Financing Fund, until recently run by Tim Schools, suggest possible fraudulent behaviour. If correct the fallout will almost certainly result in a string of lawsuits. And if incorrect the publication Offshore Alert appears likely to be sued for defamation.

Offshore Alert has made a number of allegations of fraud and insider dealing against Tim Schools. The allegations are denied. Tim Schools is reported to be issuing legal proceedings against Offshore Alert for defamation in connection with claims it made that the fund is in fact a Ponzi scheme. Axiom Legal Financing Fund was promoted as being low risk with annual returns of approximately 12 percent.

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Companies and Associations mentioned in this issue:

19 Degrees North	KPMG
Arendt & Medernach	MPL
Appleby	Offshore Alert
ATM	Ogier
Axiom	Portland Financial Mgmt
Baronsmead	Primeo
BDO	Reuters
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