

Ownership and Control in Belgium

European Corporate Governance Network

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Abstract

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This paper analyses the ownership and control of Belgian companies. The concept of “ownership” is reviewed for different company types. For each company type the legal basis for ownership disclosure are set out and the practical arrangements for obtaining ownership data are explored. The survey concludes that ownership data should be available, by law, for the *Société Anonyme* (corporation) and the *Société Commandite par Actions* (SCA). Practically, ownership data is only available for listed corporations and disclosure rules focus on the control of control rights, not on the ownership of cash flow and/or control rights. The remainder of this paper undertakes an exploratory analysis of the data. The analysis reveals that control of listed companies in Belgium is highly concentrated. Business groups, holding companies, and voting pacts, play an important role in bringing about this concentration.

Keywords: Ownership, Control, Corporate Governance

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1. Introduction

1.1 Summary and Main Results

- 1 In Belgium, ownership data is publicly available for “anonymous” bearer shares but not for registered ownership certificates. Ownership data is only available for *Sociétés Anonymes* (SA, Limited Liability Stock Corporations) that are listed on an official market. For the non-listed SA or *Société en Commandite par Actions* (SCA), or an SA that is listed on the second or over-the-counter markets, ownership data on 10% beneficial owners should exist. In practice, we found no trace of it. The capital of all other legal forms is nominative. The ownership certificates are registered at the company headquarters and the register is not accessible to the general public. For most legal forms, the list of owners at foundation is deposited at the company register. In practice, it is impossible to reconstruct the ownership stock today from the original stock. Access is geared towards reading the documents “on-site” and not to processing the data in the sense of a statistical survey. The only – indirect – source of ownership data for companies, other than listed *Sociétés Anonymes*, are portfolio declarations of other Belgian companies. Hence, it is impossible to obtain data - even indirectly - when the owners are individuals, and even more difficult when the owners are companies registered outside Belgium.
- 2 There are approximately 140 companies listed on the official market in Brussels. Their control is very concentrated.
 - 2.1 There are, on average, few direct shareholders per listed firm (approx. 5). The largest stake dominates with 45% of the votes – compared to 11% held by the second largest shareholder. For 60% of the companies, the sum of the three largest stakes is larger than 55%.
 - 2.2 For most companies, stakes are concentrated into blocks through business group structures and voting pacts. In December 1995, there were 135 companies that had received the notification that at least one shareholder held a stake or block of 5% (sometimes 3%) or more in the company. In total, there were 750 stakes that were held by 562 direct shareholders. These stakes corresponded to 489 group blocks held by 328 different business groups.

Voting pacts between these shareholders and/or business groups resulted in 269 voting blocks controlled by 195 different voting pacts.

- 2.3 When considering voting blocks (or group blocks) instead of direct stakes, the control of control rights is even more concentrated. The mean largest voting block is 56%, the mean of the second largest voting blocks is 6.6% (and there are only 76 companies with more than one block – just under half of the 135 listed companies do not have a second 5% blockholder). For 51.85% of the companies the largest voting block is larger than 50% and for 64.44% the sum of the three largest blocks is larger than 50%.
- 3 The most important voting block holders are the *Société Generale de Belgique Group* (SGB, the largest holding company in the country and listed itself) and the *Suez Group* (large French holding company, shareholder in SGB with 63%). Together they control 17 voting blocks in 17 different companies. The median block they control is larger than 45%. The second most important blockholder, is the *Paribas-Cobepa Group* (a French holding and its Belgian subsidiary that is itself listed). They hold 12 voting blocks in 12 different listed companies and the median block is almost 40%. The *Soges Star Fund* (an investment fund of the *Banque Bruxelles Lambert Group*, BBL) controls 10 small blocks (mean 4%, median 4.5%) but, since it is an investment fund, it is supposed to act independently of BBL management. There are several important family blocks that control up to 7 voting blocks in 7 companies.

1.2 General Overview

Belgium is a small country with approximately 10 million inhabitants. There are approximately 220,000 firms in the country. Many of them are small with half of them counting less than five employees or less than BF 10 million of total assets. Two legal forms dominate: the *Société Privée à Responsabilité Limitée* (SPRL, a limited liability partnership) and the *Société Anonyme* (SA, a stock corporation). There are about 90,000 companies of each type.

SPRLs are the most numerous among small firms (99% of SPRLs are firms under BF 100 millions of total assets). Their ownership certificates are nominative and the transferability of the certificates is subject to restrictions, for example the agreement of the other partners. Most large firms are SAs (84% of firms over 100 millions of total assets are SAs). Their

distinguishing feature is the possibility of issuing anonymous shares with no restriction on their transferability. All listed firms are SAs.

There are approximately 140 Belgian registered firms that are listed on the official market of the Brussels Stock Exchange. They are of various sizes and belong to all sectors of the economy. Holding companies account for 23% of the market capitalisation, while electricity and gas companies represent 20% of the capitalisation on the Brussels Stock Exchange. These are followed by banks and financial service companies (14%), chemical companies (9%) and insurance companies (8%). Market capitalisation is highly concentrated among a few large firms: the Top 10 account for 50% of the total market capitalisation, while the Top 50 represent 95% of the market capitalisation. Turnover is low for smaller listed firms: the BEL20 market index, that includes 20 firms, accounts for 83% of the total market turnover.

1.3 Outline of the Paper

Section 1 is devoted to data sources. It covers the legal basis for ownership disclosure and practical aspects of data availability. The focus of this paper is, due to a lack of other data sources, on listed companies. A long sub-section and a long appendix are dedicated to the transposition of the EU Transparency Directive and the mechanics of the notification process. These are central reading for having a full understanding of the summary statistics presented in Section 2.

Section 2 presents the results of our exploratory data analysis on the control of control rights for Belgian listed firms. The usual summary statistics for ownership per company are presented for voting blocks and direct stakes (ranking stakes by size and concentration ratios). The portfolios of important blockholders and the composition of the individual blocks are also analysed in detail. The results are presented in the form of figures and tables that contain explanatory notes. Section 2 includes individual listings of summary statistics by company and for voting block holders with more than two blocks.

An appendix provides legal and institutional background information on company types and data sources. A short legal survey focuses on the main requirements common to all firms, like disclosure, registration and accounting rules. Some specific features of each legal form and in particular those closely related to corporate governance (transferability of ownership certificates and their attached rights, the organisational structure of management and control)

are treated in greater detail. The transposition and the mechanics of the notification process for listed companies are covered in detail.

2. Data Sources

2.1 Data on Ownership Certificates

For all legal forms the structure the composition and size of a company's paid-in capital is set out in the company statute. The company statute also contains information on claims on control or cash-flow rights that do not correspond to paid in capital. The company statute is always available from the company register.

2.1.1 Private Firms

Ownership certificates for private firms are nominative. They give the right to cash-flow and they are either voting or non-voting. The stakes of the partners are, in principle, not transferable without the agreement of all the other partners.

2.1.2 Société Privée à Responsabilité Limitée (SPRL)

The capital of the SPRL is divided into a number of *parts* ("*parts d'intérêts*" for SPRL, as opposed to "*actions*" for the SA). The parts can be issued with or without voting rights. All parts have an equal residual claim and they are indivisible. The capital must be divided equally and the *parts* are indivisible. The *parts* can be issued with or without value (the denomination of the latter is the total capital issued divided by the number of such *parts*). The SPRL cannot issue *parts* that give preferential rights, for example cash-flow rights. Parts are always issued in return for paid-in capital.

Parts are not physical pieces of paper. They are claims that take the form of an inscription in a partner register (*registre des associés*). The register mentions the identity of the partners, the number of shares they have, the payments made to release them, and the transfers made.

Transferability of ownership claims in an SPRL is restricted by law. The company statute can always reinforce the restrictions but not reduce them. The main principles are that transfers to other partners or to a person agreed by the statutes are free and transfers to other type of

persons are subordinated to the agreement of half the partners representing 75% of the capital. Preferred stocks (*parts privilégiées ou de préférence*) are not allowed in SPRL.

2.1.3 Cooperatives

Cooperatives can have limited liability (*Sociétés Cooperatives à Responsabilité Limitée, SC*) or unlimited liability (SCRIS). There are relatively fewer rules for the SC and SCRIS than for the SPRL, SCA or SA. Hence, the company statutes are very important and provide for a great deal of flexibility. The capital of a co-operative is proportional to the number of partners. The *parts* in a co-operative always give the right to vote (the co-operative cannot issue non-voting parts) and each partner has one vote regardless of the *parts* held. Also, at least 50% of the profits must be distributed equally amongst all the partners, irrespective of the amount of the capital they own. The remainder is distributed proportionally.

2.1.4 Société Anonyme

Stocks in these firms can be either bearer (*actions au porteur*) or registered (*actions nominatives*). A bearer stock is anonymous and it can be transferred to an other person by handing over the asset. Like in the case of the SPRL, a nominative share is registered. The transfer is made by modifying the inscription in the register. The amount and characteristics of bearer and registered stock are set out in the company statute. The owners of registered shares are automatically notified by the company about the date of the next general meeting and they automatically receive all written material. The SA or SCA can assign preferential cash flow rights to certain stocks. However, no share can have preferential voting rights (if it is a voting share).

The SA and SCA can issue *parts bénéficiaires*. These can have a cash flow and/or voting right and they are issued to holders that have not paid-in any capital. *Parts bénéficiaires* can be registered or bearer. Hence, they allow for complete flexibility in combining paid-in capital, cash-flow, voting rights and anonymity. The company can issue *parts bénéficiaires* with or without a fee. *Parts bénéficiaires* can represent up to 50% of the votes and they always have the right to vote on issues related to the company's capital. For an SPRL, it is not possible to issue *parts bénéficiaires*.

Owners of non-voting shares have the right to attend the general meeting. Under special circumstance non-voting shares can have a vote:

1. when the company is dissolved or the purpose is changed;
2. when the general assembly wants to strip an existing preferential cash flow right;
3. when cumulative preferential dividends have not been paid for at least three years;
4. when the conditions attached to the issue of the non-voting shares are not or no longer respected.

There are also shares named "AFV" or "VVPR". They carry the same rights as usual stocks. The only difference concerns the fiscal regime with a reduced tax (*précompte mobilier*) from 25% to 15% for the VVPR shares and exoneration of inheritance taxes (*droits de succession*) for AFV types.

2.2 Ownership Data

2.2.1 Private Firms, SPRL, SC and SCRIS

The *parts* of the SPRL are always nominative and owners (partners) are registered in a register of partners (*registre des associés*) that is kept at the firm's headquarters. This register is only accessible to the partners themselves, to the fiscal authorities, and to third parties having an interest in the firm, such as debtors and creditors. The public does not have access to the partner register, even for scientific reasons. Without a change in the law or its interpretation – in the definition who is a “tiers intéressé” (interested party) – there is no way for us to build a database on the ownership of these legal forms from this data source.

The company register contains a list of the founders of private companies and SPRLs. Since most companies were not founded yesterday and since ownership changes do occur after foundation, this data is of little use for constructing ownership statistics.

In practice, the best one can do is to infer the ownership of SPRLs and private firms from the portfolio declarations of other companies. However, we do have some information on ownership when the owner is a Belgian SA or the owner has to prepare consolidated accounts.

SAs have to publish, in their annual report, the content of their participation portfolios, either Belgian or foreign, and of any legal form (Belgian company law, Article 52SEXIES). The same is true for SCAs because most of the legal provisions for SAs apply (Article 107). By gathering all this information the SAs' participations in other firms it is possible to identify the owners of a given firm, but only when the owner is a Belgian SA or SCA. Indeed, the Central Bank (*Banque Nationale de Belgique, Centrale des Bilans*) has compiled a database that contains this information. The database is published by *Bureau Van Dijk* on CD-ROM and contains figures from the annual accounts and selected information from the annexes for all Belgian companies (that file accounts). The BNB-CD does not contain consolidated accounts. Consolidated accounts are contained in Bureau van Dijk's European company database Amadeus (that draws on the BNB-CD). The consolidated accounts were specifically added for inclusion in Amadeus by Bureau van Dijk.

There are some practical difficulties in using the BNB data too. The companies that make the declarations use different abbreviations and languages (Dutch or French) for different share types. As a result, for the same company and the same share type, there can be different entries (one for each SA or SCA that made a portfolio declaration). It is impossible to recode these share types even with relatively sophisticated filter programmes and calculate ownership by share type and/or the ownership of total capital. The alternative is to recode the share types by hand. This would require access to all the company statutes (to know which share types there are), which are themselves difficult to obtain (see the section on ownership certificates). This is the main reason why we have not analysed the ownership data (through participations) on the BNB CD-ROM in this paper.

A similar source of information stems from the law on consolidated accounts. When a company has to publish consolidated accounts, it must include a list of all consolidated companies. The consolidation perimeter is defined in terms of control and not in terms of cash flow. The rules on consolidated accounts are very similar, although less stringent, than the company law provisions of Article 52SEXIES. Hence, consolidated accounts provide additional information when the company that publishes the accounts is not a *Société Anonyme* or a *Société en Commandite par Action*. In 1994 there were 324 SAs and 7 SCAs that published consolidated accounts, 7 public companies but no other legal forms (Amadeus, Update 27, December 1996). Hence, in the Belgian context, consolidation rules are not an

important additional source of information on participations (and an indirect source of information on ownership).

In other countries similar portfolio rules might apply, but to find the foreign owners of Belgian companies one would need to have access to the global population of companies. Although there are some databases that promise to come close to this requirement (Dun & Bradstreet's WorldBase is one example) this seems a strange way to find out who owns the company next door. In any case, individuals are not usually subject to portfolio declarations and companies that really do not want to have their participations traced can route them through countries that do not have any portfolio publication requirements.

We conclude that the information on ownership of companies that are not SAs or SCAs is sparse. We can identify Belgian SAs (or SCAs) as 10% owners. With access to a database that contains all the participations of all the companies in the world we could identify foreign companies that hold stakes in Belgian companies, other than SAs. We cannot identify individuals as owners of Belgian non-SAs.

2.2.2 SAs and SCAs not Listed on an Official Market

For nominative shares of SAs and SCAs, the same rules as for SPRLs apply. The shares are registered at the company's headquarters and third parties do not have access to the register.

Bearer shares are "anonymous" and there is no register. However, there are a number of legal provisions that allow us to trace the ownership of these certificates with some accuracy:

1. When the owners are SAs or SCAs the portfolio declaration considerations described in the previous section apply (from the BNB CD-ROM).
2. The consolidation rules apply but, as we argued before, are unlikely to provide additional insights.
3. Companies (not individuals) who control 10% or more of the capital of a Belgian SA must notify the company and the company must publish this information in its annual report (Art. 52SEXIES, co-ordinated commercial laws). For the, admittedly few, companies we checked this information was not published. For example, Interbrew SA (the non-listed producer of beers like Stella Artois or Rolling Rock) has three 10% shareholders: Diligentia Gestion (26.8%), Verlafi (25.43%) and Sebastien

Holding (15.57%). We found these shareholders through the portfolio declarations on the BNB CD-ROM (November 1996, Release 6.2, see point 1). In Interbrew's annual report for 1994-95 we found no trace of shareholder publications that are published in accordance with Art. 52SEXIES. We did find a declaration of 1.98% own shareholdings (treasury shares) and would have expected to find an ownership declaration under the same sub-section. There are two possibilities why this information is missing from the annual report: One, the 10% shareholders did not notify the company. Two, Interbrew SA did not publish the information. For Belgonucleaire SA we found two shareholders: Electrabel holds 37.3% of the preference shares and 28.52% of the ordinary shares; Tractebel holds 21.48% of the ordinary shares directly and 28.5% indirectly and 12.58% of the preference shares directly and 37.5% indirectly. Again, the annual report for 1996 does not mention these stakes.

We conclude that we should know much more about the ownership of SAs and SCAs that are not listed on an official market than we can know (given the current legal situation) about the ownership of private companies or SPRLs. In practice we know just as little.

2.2.3 SAs Listed on an Official Market

The main source of ownership information for listed companies (companies listed on an official market), in addition to those already described, is the transposition of the EU Transparency Directive (88/627/EEC). The Belgian transposition is, on the whole, satisfactory and provides for swift and transparent ownership notifications. Unfortunately, the data is on paper and considerable effort must be exerted to obtain a computer readable dataset. The construction of the dataset analysed here is described in detail in an appendix.

The law of 2d March 1989 on the publication of important holdings of voting rights in listed firms (*Loi sur la transparence des participations importantes dans des sociétés cotées*) became effective in June 1989. The notification requirements extend to all natural persons and legal entities in public or private law who acquire or dispose of directly and indirectly, holdings in Belgian companies that are listed on the official market of a EU Member State.

All shareholders who control more than 5% (3% if the company chooses) have to notify. Each time a shareholder crosses a threshold of a multiple of 5% of the votes, the holder has

to notify the competent authority and the listed company. The competent authority is the Banking and Financial Commission that controls the banking sector and the financial markets. In practice most of the work relating to notifications is undertaken by the Brussels Stock Exchange (see below).

For business groups, declarations can be made by the ultimate controlling agent in the group. In such case the control structure had to be explained, preferably in the form of an organisational chart. Each member of the group has to make a separate declaration. In the case of voting pacts, the same rules as for business groups apply.

The notifications contain detailed information on the declaring owner, the date at which the notified holding structure was valid and an explicit calculation of the notified percentages, such as the number of votes in each type of shares, actual voting rights as well as potential voting rights (convertible warrants and other similar instruments). Even when the conversion of warrants into actual votes does not result in crossing a threshold, a declaration should be made. Sample notifications are reproduced in an appendix.

A share- or blockholder has to notify the competent authority and the listed company within 48 hours after buying the shares. The notifications are gathered, processed and published in the financial press by the Brussels Stock Exchange. The contents of the publication and the declaration is checked by the Banking and Financial Commission before it is released. New ownership information are entered simultaneously in an on-line database run by the Stock Exchange : "BDPart". Since the database is updated continuously but "backed up" infrequently there is no computer readable, historic ownership series. However, since 1994 the Stock Exchange decided to make a yearly print-outs of the database (the custom made software of BDPart does not include a "save" command). Such paper "backups" are available for December 1994, 1995 and 1996. The data we use for this study comes from the December 1995 "backup".

3. Quantitative Analysis

The tables in this appendix are constructed from three different points of view. From the point of view of the company we ask: How many stakes (blocks) are there per company and what do we know about the relative and absolute size of the stakes (blocks) per company? From the point of view of the blockholders we ask: Who are the important blockholders and what is the composition of their portfolios? Finally we take the point of view of the blocks and ask: What is the composition of the blocks?

TABLE 1. NUMBER OF LISTED COMPANIES, STAKES, BLOCKS, SHARE- AND BLOCKHOLDERS

Number of Listed Companies (31 Dec. 1995), Brussels Official Market	140
Number of Listed Companies with at least one ownership notification	135
Number of companies with no notification	5
<hr/>	
No. of Notified Voting Blocks	269
No. of Group Blocks notified with Voting Blocks	489
No. of Direct Stakes notified with Voting Blocks	750
<hr/>	
No. of Voting Block Holders who filed the notification	195
No. of Group Block Holders mentioned in the notifications	328
No. of Shareholders mentioned in the notifications	562

Table 1 summarises the number of companies, stakes, blocks, shareholders and blockholders we analyse. It already indicates that there are few companies with a float that is larger than 5% and that there is a considerable concentration of voting power through shareholder agreements. Table 1 also indicates that all ownership information is driven by the concept of the “voting block” because the voting block holders are responsible for notifying the group blocks and stakes in their voting block. Each of the 195 voting block holders filed at least one notification and all other data is taken from these declarations.

3.1 Units of Analysis

3.1.1 Voting Blocks and Blockholders

Notifications are “triggered” when a direct stake or a voting block exceeds 5% (3%, if the company writes this into its statute) or moves below 5% (3%) of the voting capital of a listed

company. Hence, voting block statistics are truncated at the 5% level (3% level). However, there are exceptions. Our data set contains some cases where voting blocks below the 5% (3%) threshold were notified. This might be due to one of four reasons :

1. Some owners previously had a participation exceeding 5% but reduced it below 5%;
2. The notification thresholds apply to actual and potential votes (for example from warrants). When an investor holds warrants that correspond to 4.2% of the (future) voting capital and shares that correspond to 1% of the existing voting capital the investor has to notify the company. We only consider the 1% existing voting capital;
3. Listed firms can lower the notification threshold from 5% to 3% (but not lower than 3%);
4. When a shareholder leaves a voting pact that has previously notified a holding in excess of 5% (or 3%) and the shareholder, by leaving the voting pact, crosses a notification threshold, the investor has to notify the company. For example, a voting pact consists of three shareholder who each hold 3% of the voting capital. Together they hold 9% and have to notify. When one of the shareholders leaves the voting pact, he/she crosses the 5% threshold and has to notify.

We use and report the information the declaring blockholders provide. This, sometimes leads to inaccuracies. For example, one of the largest blockholders is the French Paribas parent and its Belgian subsidiary, the Cobepa Holding. Their holdings are not always declared under the heading “Paribas-Cobepa” but sometimes individually as “Paribas” and “Cobepa”. To be consistent with cases where we do not know the true identity of the blockholder - and to show the shortcomings of the transparency legislation - we consistently report these notifications individually. This introduces a downward bias into our blockholder statistics.

3.1.2 Direct Stakes and Group Blocks in Voting Blocks

The elements of voting blocks are direct stakes and group blocks. Direct stakes are the holdings of independent shareholders. Group blocks are the stakes of companies that are part of a business group that is subject to consolidation rules under Belgian law (that are derived from the various EU directives on consolidated accounts).

3.1.3 Direct Stakes and Shareholders

Because the Belgian transparency rules and practice force detailed notifications, the data on direct stakes is complete and very reliable. However, there is a truncation problem that should be taken into account when interpreting the summary statistics for direct stakes.

Like voting block statistics, direct stake statistics are truncated, but not necessarily at the 5% level. There are many reported direct stakes that are smaller than 5% (or 3%), but only when they form part of a voting block that is larger than 5% (or 3%, or they are subject to the exceptional circumstances set out in the voting block section). The truncation is endogenous because it is likely that there are more observed direct stakes smaller than 5% (3%) when there are large voting blocks that pool many small shareholders. For example, if there were voting blocks larger than 5% in Delhaize SA (see below), we would observe many small blocks too.

3.1.4 Float

We define “float” as the sum of notified blocks. Since the statistics on blocks are truncated, so are the statistics on float. Although we could have considered the 5 cases with no notifications as “100% float” we chose to exclude them from the summary statistics. Hence, all tables and figures in this Appendix refer to the 135 listed companies that were quoted on the Brussels official market on 31 December 1995.

3.1.5 No Notification

Table 2 lists the five listed companies (in December 1995) that had received no notification. Dispersion does not necessarily imply complete management control. For example, although there are no notifications for SOLVAC, it is well known in Belgium that SOLVAC is owned by the Solvay family members who each hold less than 5% of the voting stock.

Table 3 shows the attendance list of an extraordinary meeting of Delhaize SA (these listed are available at the company register and accessible by the public). It illustrates that “absenteeism” leads to a considerable degree of voting power concentration. However, this type of concentration is not comparable to the concentration through voting blocks because

attendance rates are endogenous. They are likely to be higher when important or controversial decisions are to be taken.

TABLE 2. COMPANIES WITH NO NOTIFICATION

<i>Name</i>	<i>Activity</i>	<i>Market</i>	<i>No. of Ordinary Shares (1995)</i>	<i>Market Value (BF, High in 1995)</i>
Delhaize “Le Lion”	Supermarket Chain	MaT	51,314,515	71,121,917,790
HSPL	Holding Company	MaC, SF	55,000	27,610,000
Koramnic Bulding Products	Brick Production and Distr.	MaT	5,699,483	9,261,659,875
SCF	Holding Company	MaC, SF	394,859	49,357,375
Solvac	Financial Transactions	MaC, DF	7,519,950+5,954,654	14,212,705,500+14,707,995,380

Notes: MaT refers to the *Marché à Terme* and MaC refers to the *Marché à Compte*, DF to double fixing and SF to single fixing. The *Marché à Terme* and the *Marché à Compte* are segments of the official market and should not be confused with the *Second Marchè* that is reserved for medium sized companies. In the *Marché à Terme*, stocks are traded continuously for nine hours or “semi-continuously” with at least two quotations a day. In the *Marché à Compte* prices are quoted once (single fixing) or twice a day (double fixing). Solvac has issued 5,954,654 voting shares (VVPR) that are subject to a different fiscal regime than the ordinary voting shares. The VVPR shares had a market value of BF 14,707,995,380 in 1995.

TABLE 3. ATTENDANCE LIST OF EXTRAORDINARY MEETING OF DELHAIZE SA

Shareholder	Registered	% of Total
16 Individuals	134,529	1.312%
COBEPA	4,950	0.048%
ASSUBEL-VIE S.A.	98,945	0.965%
COPPIETERS 't WALLANT J.C.	500	0.005%
ROYALE BELGE S.A.	7,200	0.070%
BANQUE DEGROF S.C.S.	100,000	0.975%
ASSUBEL LEVEN	11,820	0.115%
CA PERS COUNTY NATWEST	3,600	0.035%
CA PERS SCHRODER	21,400	0.209%
LA ROYALE BELGE	100	0.001%
WELLS FARGO INST TRUST CY	12,754	0.124%
STATE STREET BANK	25,270	0.246%
URBAINE UAP	8,251	0.080%
Total Registered	563,848	5.500%
Total Attending	366,154	3.572%
Total Number of Votes	10,251,645	100.000%

Note: On 3 May 1991, Delhaize Frères et Cie “Le Lion” held an extraordinary meeting that had to decide on a proposed increase in the company’s equity capital. The attendance lists of extraordinary meetings are deposited at the company register. To take extraordinary decisions, at least 50% of the eligible votes must be present at the meeting (quorum). If the first meeting does not meet the 50% requirement a second extraordinary meeting is called. At this meeting the decisions are taken by simple majority vote. We report the attendance list of the first meeting (that failed to attain the necessary attendance rate, which was only 3.57%). Only two shareholders that registered for the meeting almost hold 1% of the votes, Assubel S.A. and Banque Degroof S.C.S. - well below the notification threshold even if it were set at 3%. However, note that this evidence is not very reliable. Many shareholders, knowing that the quorum would not be attained, could have abstained from attending the first extraordinary meeting. The increase in capital authorised by the second 1991 extraordinary meeting allowed Delhaize to increase its ordinary shares from 10,251,645 in 1991 to 51,283,815 in 1992.

3.2 Summary Statistics by Company

TABLE 4. SUMMARY STATISTICS FOR DIRECT STAKES AND VOTING BLOCKS IN ALL LISTED COMPANIES (1 OF 5)

Company Name	Serial No.	No. Stakes	No. Group Blocks	No. Voting Blocks	Direct Stakes					Group Blocks					Voting Blocks					Float
					Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	
ABELOR	1	3	1	1	0.78	50.25	22.99	17.93	49.47	68.96	68.96	68.96	68.96	0.00	68.96	68.96	68.96	68.96	0.00	31.04
ACKERMANS & VAN HAAREN	2	2	2	2	7.49	28.32	17.91	17.91	20.83	7.49	28.32	17.91	17.91	20.83	7.49	28.32	17.91	17.91	20.83	64.19
AFRIFINA NV	3	5	4	4	0.64	71.34	17.07	4.52	2.63	3.12	71.34	21.34	5.46	35.05	3.12	71.34	21.34	5.46	35.05	14.63
AGRICOM SA	4	1	1	1	94.96	94.96	94.96	94.96	0.00	94.96	94.96	94.96	94.96	0.00	94.96	94.96	94.96	94.96	0.00	5.04
AGRIDEC	5	3	2	2	3.39	27.18	14.68	13.48	23.79	3.39	40.66	22.03	22.03	37.27	3.39	40.66	22.03	22.03	37.27	55.95
AGRIDUS	6	1	1	1	56.10	56.10	56.10	56.10	0.00	56.10	56.10	56.10	56.10	0.00	56.10	56.10	56.10	56.10	0.00	43.90
ALMANIJ	7	58	50	3	0.01	12.00	0.93	0.23	0.89	0.01	12.00	1.08	0.25	0.72	10.18	32.72	17.97	11.00	22.54	46.10
AUREX	8	1	1	1	56.26	56.26	56.26	56.26	0.00	56.26	56.26	56.26	56.26	0.00	56.26	56.26	56.26	56.26	0.00	43.74
AUXIMINES	9	1	1	1	15.76	15.76	15.76	15.76	0.00	15.76	15.76	15.76	15.76	0.00	15.76	15.76	15.76	15.76	0.00	84.24
AXA BELGIUM	10	4	3	3	0.48	65.49	23.47	13.96	41.83	0.48	88.77	31.30	4.64	88.29	0.48	88.77	31.30	4.64	88.29	6.11
BANQUE NATIONALE DE BELGIQUE	11	1	1	1	50.00	50.00	50.00	50.00	0.00	50.00	50.00	50.00	50.00	0.00	50.00	50.00	50.00	50.00	0.00	50.00
BANQUE BRUXELLES LAMBERT	12	15	10	2	0.22	12.32	4.50	3.10	7.22	0.22	20.06	6.75	4.45	11.82	7.23	60.31	33.77	33.77	53.08	32.46
BARCO	13	3	2	2	5.23	41.55	17.46	5.59	36.32	5.23	47.14	26.19	26.19	41.91	5.23	47.14	26.19	26.19	41.91	47.63
BEFIMMO SCA	14	1	1	1	33.61	33.61	33.61	33.61	0.00	33.61	33.61	33.61	33.61	0.00	33.61	33.61	33.61	33.61	0.00	66.39
BEHERMAN AUTO	15	3	1	1	5.67	37.68	21.70	21.75	32.01	65.10	65.10	65.10	65.10	0.00	65.10	65.10	65.10	65.10	0.00	34.90
BEKAERT	16	10	9	1	0.16	21.40	5.27	3.02	5.63	0.16	21.40	5.85	4.88	5.63	52.66	52.66	52.66	52.66	0.00	47.34
BELCOFI/ Belgian Finance Company	17	5	4	2	0.24	46.96	18.96	2.52	43.48	0.24	46.96	23.70	23.79	43.84	44.27	50.51	47.39	47.39	6.24	5.22
BELECTRIC	18	1	1	1	77.90	77.90	77.90	77.90	0.00	77.90	77.90	77.90	77.90	0.00	77.90	77.90	77.90	77.90	0.00	22.10
BELGO-KATANGA	19	3	2	1	4.49	55.80	21.93	5.50	51.31	5.50	60.29	32.90	32.90	54.79	65.79	65.79	65.79	65.79	0.00	34.21
BELGOLAISE	20	7	3	3	0.02	53.38	8.66	1.49	2.90	0.02	57.62	20.21	3.00	57.60	0.02	57.62	20.21	3.00	57.60	39.36
BEMAT	21	2	1	1	8.90	58.52	33.71	33.71	49.62	67.42	67.42	67.42	67.42	0.00	67.42	67.42	67.42	67.42	0.00	32.58
BERGINVEST	22	8	6	5	0.02	27.18	9.65	5.00	13.84	1.83	30.57	12.87	6.31	22.20	5.00	30.57	15.44	9.45	22.20	22.78
BERNHEIM-COMOFI	23	5	4	2	0.48	40.46	16.72	20.35	19.39	0.48	61.30	20.90	10.90	39.86	0.48	83.10	41.79	41.79	82.62	16.42
B.M.T.	24	6	6	3	4.26	26.35	9.70	6.31	4.99	4.26	26.35	9.70	6.31	4.99	5.00	43.22	19.40	9.99	38.22	41.79
BREDERODE	25	3	1	1	8.94	50.47	22.80	9.00	41.53	68.41	68.41	68.41	68.41	0.00	68.41	68.41	68.41	68.41	0.00	31.59
CAMPINE	26	4	3	2	9.58	25.86	19.32	20.93	11.22	17.85	35.44	25.76	24.00	17.59	17.85	59.44	38.65	38.65	41.59	22.71
PAPETERIES CATALA	27	2	2	1	10.01	16.00	13.01	13.01	5.99	10.01	16.00	13.01	13.01	5.99	26.01	26.01	26.01	26.01	0.00	73.99
CBR	28	2	2	2	0.03	44.41	22.22	22.22	44.38	0.03	44.41	22.22	22.22	44.38	0.03	44.41	22.22	22.22	44.38	55.56
CHANIC	29	3	3	2	0.01	55.94	22.61	11.88	55.93	0.01	55.94	22.61	11.88	55.93	11.88	55.95	33.92	33.92	44.07	32.17

SUMMARY STATISTICS FOR DIRECT STAKES AND VOTING BLOCKS IN ALL LISTED COMPANIES (2 OF 5)

Company Name	Serial No.	Direct Stakes			Direct Stakes					Group Blocks					Voting Blocks					Float
		No. Stakes	No. Group Blocks	No. Voting Blocks	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	
CHARBONNAGES D'ANS ET DE ROCOUR	30	2	2	1	2.08	57.79	29.94	29.94	55.71	2.08	57.79	29.94	29.94	55.71	59.87	59.87	59.87	59.87	0.00	40.13
CHARBONNAGES DU GOUFFRE	31	4	2	2	0.02	50.42	19.02	12.82	26.20	25.65	50.42	38.04	38.04	24.77	25.65	50.42	38.04	38.04	24.77	23.93
CHARBONNAGES NEERLANDAIS WILLEM SOPHIA CFE	32	1	1	1	21.25	21.25	21.25	21.25	0.00	21.25	21.25	21.25	21.25	0.00	21.25	21.25	21.25	21.25	0.00	78.75
CIE DU BOIS SAUVAGE	33	4	3	2	0.75	43.00	12.35	2.83	22.44	2.26	43.00	16.47	4.14	40.74	4.14	45.26	24.70	24.70	41.12	50.60
CIMESCAUT	34	11	5	4	0.09	56.32	6.34	0.85	2.34	0.14	56.32	13.95	2.95	8.31	0.14	65.65	17.44	1.99	33.72	30.24
CITY HOTELS	35	5	4	4	7.22	25.04	13.97	8.78	11.84	7.22	33.52	17.46	14.55	18.92	7.22	33.52	17.46	14.55	18.92	30.16
CMB	36	8	7	7	2.06	50.10	10.20	4.60	3.28	2.06	58.60	11.66	4.28	1.82	2.06	58.60	11.66	4.28	1.82	18.38
COBEPA	37	9	2	1	0.02	49.84	5.99	0.26	1.02	0.02	53.86	26.94	26.94	53.84	53.88	53.88	53.88	53.88	0.00	46.12
CO.BR.HA.	38	6	1	1	0.08	39.43	12.54	3.36	28.82	75.23	75.23	75.23	75.23	0.00	75.23	75.23	75.23	75.23	0.00	24.77
COCKERILL SAMBRE	39	3	2	2	19.61	35.28	26.96	26.00	15.67	35.28	45.61	40.45	40.45	10.33	35.28	45.61	40.45	40.45	10.33	19.11
COFINIMMO SA	40	1	1	1	79.79	79.79	79.79	79.79	0.00	79.79	79.79	79.79	79.79	0.00	79.79	79.79	79.79	79.79	0.00	20.21
COKERIES D'ANDERLUES	41	12	7	7	0.20	7.57	3.52	3.73	2.38	3.24	12.57	6.03	4.38	4.05	3.24	12.57	6.03	4.38	4.05	57.78
COLRUYT	42	3	3	1	7.19	19.48	14.58	17.06	12.29	7.19	19.48	14.58	17.06	12.29	43.73	43.73	43.73	43.73	0.00	56.27
COMPAGNIE IMMOBILIERE DE BELGIQUE	43	7	4	2	1.32	17.44	7.40	5.46	12.45	2.76	38.38	12.95	5.34	17.94	5.21	46.60	25.91	25.91	41.39	48.19
COMPAGNIE ROYALE ASTURIENNE DES MINES	44	12	6	2	0.03	30.59	5.55	1.93	5.97	0.03	30.66	11.09	8.36	9.03	5.06	61.50	33.28	33.28	56.44	33.44
CORONA-LOTUS	45	1	1	1	59.34	59.34	59.34	59.34	0.00	59.34	59.34	59.34	59.34	0.00	59.34	59.34	59.34	59.34	0.00	40.66
CREDICOM	46	2	2	1	14.59	55.41	35.00	35.00	40.82	14.59	55.41	35.00	35.00	40.82	70.00	70.00	70.00	70.00	0.00	30.00
CREDIT GENERAL	47	10	6	6	0.84	68.99	9.65	2.53	3.08	0.98	84.15	16.08	2.53	2.57	0.98	84.15	16.08	2.53	2.57	3.55
CREYF'S INTERIM	48	9	5	2	0.01	63.93	9.16	1.84	5.64	0.02	76.05	16.49	1.84	1.60	6.40	76.05	41.23	41.23	69.65	17.55
DECEUNINCK PLASTICS INDUSTRIES	49	7	5	3	0.01	50.10	9.17	2.82	3.91	0.01	52.92	12.84	3.36	2.03	2.94	57.90	21.40	3.36	54.96	35.80
DEFINANCE SA	50	2	2	2	14.99	25.61	20.30	20.30	10.62	14.99	25.61	20.30	20.30	10.62	14.99	25.61	20.30	20.30	10.62	59.40
DESIMPEL KORTEMARK COMPANY	51	8	8	8	3.11	35.56	9.00	4.88	3.77	3.11	35.56	9.00	4.88	3.77	3.11	35.56	9.00	4.88	3.77	27.98
D'IETEREN	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EGECIM	53	3	2	2	2.03	50.10	18.27	2.68	48.07	4.71	50.10	27.41	27.41	45.39	4.71	50.10	27.41	27.41	45.39	45.19
ELECTRABEL	54	6	3	2	2.78	17.48	8.93	7.61	10.76	7.68	23.92	17.85	21.96	16.24	7.68	45.88	26.78	26.78	38.20	46.44
ELECTRAFINA	55	3	3	2	1.84	50.87	19.29	5.16	49.03	1.84	50.87	19.29	5.16	49.03	5.16	52.71	28.94	28.94	47.55	42.13
	56	27	7	2	0.01	26.34	1.81	0.12	0.38	0.09	26.34	6.98	2.04	15.03	3.30	45.58	24.44	24.44	42.28	51.12
	57	9	4	3	0.02	33.38	7.94	1.67	9.49	0.19	46.18	17.87	12.55	28.35	0.19	53.37	23.82	17.90	53.18	28.54

SUMMARY STATISTICS FOR DIRECT STAKES AND VOTING BLOCKS IN ALL LISTED COMPANIES (3 OF 5)

Company Name	Serial No.				Direct Stakes					Group Blocks					Voting Blocks					Float
		No. Stakes	No. Group Blocks	No. Voting Blocks	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.	
ELECTRORAIL	58	6	2	1	0.26	13.90	3.58	1.91	2.36	0.56	20.90	10.73	10.73	20.34	21.46	21.46	21.46	21.46	0.00	78.54
ENGRAIS ROSIER	59	3	2	2	4.89	29.61	20.58	27.25	24.72	4.89	56.86	30.88	30.88	51.97	4.89	56.86	30.88	30.88	51.97	38.25
FABRIQUE DE FER DE CHARLEROI	60	2	2	1	22.24	28.32	25.28	25.28	6.08	22.24	28.32	25.28	25.28	6.08	50.56	50.56	50.56	50.56	0.00	49.44
FIMEUSE	61	1	1	1	79.75	79.75	79.75	79.75	0.00	79.75	79.75	79.75	79.75	0.00	79.75	79.75	79.75	79.75	0.00	20.25
FINANCIERE D'OBourg	62	7	1	1	0.08	59.84	10.28	2.49	3.36	71.98	71.98	71.98	71.98	0.00	71.98	71.98	71.98	71.98	0.00	28.02
FINANCIERE DE TUBIZE	63	6	2	2	0.10	25.00	12.14	12.80	12.16	5.00	67.86	36.43	36.43	62.86	5.00	67.86	36.43	36.43	62.86	27.14
FINOUTREMER	64	3	2	2	1.47	55.16	19.38	1.51	53.69	1.51	56.63	29.07	29.07	55.12	1.51	56.63	29.07	29.07	55.12	41.86
FLORIDIENNE	65	3	2	2	8.38	19.72	13.39	12.08	11.34	12.08	28.10	20.09	20.09	16.02	12.08	28.10	20.09	20.09	16.02	59.82
FORD MOTOR COMPANY (BELGIUM)	66	1	1	1	84.17	84.17	84.17	84.17	0.00	84.17	84.17	84.17	84.17	0.00	84.17	84.17	84.17	84.17	0.00	15.83
FORGES DE CLABECQ	67	3	2	2	4.87	32.07	15.11	8.40	27.20	13.27	32.07	22.67	22.67	18.80	13.27	32.07	22.67	22.67	18.80	54.66
FORTIS AG	68	10	8	2	0.03	19.30	3.77	1.15	4.55	0.03	19.37	4.71	1.15	7.51	6.94	30.71	18.83	18.83	23.77	62.35
FRANKI	69	2	2	1	5.48	55.00	30.24	30.24	49.52	5.48	55.00	30.24	30.24	49.52	60.48	60.48	60.48	60.48	0.00	39.52
GENERALE DE BANQUE	70	12	5	3	0.01	27.16	2.73	0.04	1.09	0.01	27.54	6.55	1.75	2.27	1.76	28.14	10.92	2.87	26.38	67.23
GROUPE BRUXELLES LAMBERT	71	12	6	3	0.01	44.23	5.43	0.93	3.17	0.09	44.23	10.86	1.07	18.30	0.65	62.82	21.72	1.69	62.17	34.84
GEVAERT	72	29	26	1	0.02	17.83	2.09	0.76	0.83	0.02	18.84	2.34	0.75	0.96	60.72	60.72	60.72	60.72	0.00	39.28
GIB	73	7	6	3	0.08	14.90	3.24	1.43	3.57	0.23	14.90	3.78	1.54	3.11	3.08	15.82	7.57	3.80	12.74	77.30
GLACES DE CHARLEROI	74	5	5	1	0.69	19.52	9.01	9.84	4.68	0.69	19.52	9.01	9.84	4.68	45.05	45.05	45.05	45.05	0.00	54.95
GLACES DE MOUSTIER	75	4	4	2	5.00	19.99	12.45	12.40	9.92	5.00	19.99	12.45	12.40	9.92	5.00	44.79	24.90	24.90	39.79	50.21
GLAVERBEL	76	1	1	1	67.53	67.53	67.53	67.53	0.00	67.53	67.53	67.53	67.53	0.00	67.53	67.53	67.53	67.53	0.00	32.47
CHARBONNAGES DU HASARD	77	1	1	1	46.36	46.36	46.36	46.36	0.00	46.36	46.36	46.36	46.36	0.00	46.36	46.36	46.36	46.36	0.00	53.64
HENEX	78	5	5	1	4.51	16.63	10.91	9.97	3.48	4.51	16.63	10.91	9.97	3.48	54.53	54.53	54.53	54.53	0.00	45.47
HER-FIC	79	1	1	1	79.96	79.96	79.96	79.96	0.00	79.96	79.96	79.96	79.96	0.00	79.96	79.96	79.96	79.96	0.00	20.04
LA HERSEAUTOISE	80	2	1	1	29.96	52.37	41.17	41.17	22.41	82.33	82.33	82.33	82.33	0.00	82.33	82.33	82.33	82.33	0.00	17.67
HSPL	81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IBEL	82	4	2	1	0.27	68.00	19.28	4.43	36.03	0.27	76.85	38.56	38.56	76.58	77.12	77.12	77.12	77.12	0.00	22.88
IMPERIAL INVEST	83	5	5	1	5.00	15.35	8.58	7.38	0.42	5.00	15.35	8.58	7.38	0.42	42.91	42.91	42.91	42.91	0.00	57.09
KORAMIC	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KREDIETBANK	85	6	1	1	0.09	38.57	6.73	0.42	0.50	40.35	40.35	40.35	40.35	0.00	40.35	40.35	40.35	40.35	0.00	59.65

SUMMARY STATISTICS FOR DIRECT STAKES AND VOTING BLOCKS IN ALL LISTED COMPANIES (4 OF 5)

<i>Company Name</i>	<i>Serial No.</i>				<i>Direct Stakes</i>					<i>Group Blocks</i>					<i>Voting Blocks</i>					<i>Float</i>
		<i>No. Stakes</i>	<i>No. Group Blocks</i>	<i>No. Voting Blocks</i>	<i>Min.</i>	<i>Max.</i>	<i>Mean</i>	<i>Med.</i>	<i>Intqr.</i>	<i>Min.</i>	<i>Max.</i>	<i>Mean</i>	<i>Med.</i>	<i>Intqr.</i>	<i>Min.</i>	<i>Max.</i>	<i>Mean</i>	<i>Med.</i>	<i>Intqr.</i>	
LA LIEVE	86	3	3	3	5.01	13.99	10.29	11.86	8.98	5.01	13.99	10.29	11.86	8.98	5.01	13.99	10.29	11.86	8.98	69.14
LONRHO BELGIUM	87	2	2	2	5.00	81.83	43.42	43.42	76.83	5.00	81.83	43.42	43.42	76.83	5.00	81.83	43.42	43.42	76.83	13.17
MECANIVER	88	4	3	2	4.52	73.82	24.81	10.44	39.72	4.52	89.33	33.07	5.37	84.81	9.89	89.33	49.61	49.61	79.44	0.78
MERCANTILE-BELIARD	89	3	3	3	0.08	99.76	33.32	0.13	99.68	0.08	99.76	33.32	0.13	99.68	0.08	99.76	33.32	0.13	99.68	0.03
MONCEAU-ZOLDER	90	3	1	1	12.18	47.93	27.52	22.45	35.75	82.56	82.56	82.56	82.56	0.00	82.56	82.56	82.56	82.56	0.00	17.44
MOSANE (EX-COFILIM)	91	5	1	1	0.48	38.70	15.34	1.59	34.86	76.71	76.71	76.71	76.71	0.00	76.71	76.71	76.71	76.71	0.00	23.29
MUSSON & HALANZY (new Cie foncière Vauban)	92	1	1	1	69.79	69.79	69.79	69.79	0.00	69.79	69.79	69.79	69.79	0.00	69.79	69.79	69.79	69.79	0.00	30.21
NATIONALE PORTEFEUILLEMAATSCHAPPIJ	93	14	6	3	0.04	48.81	5.21	1.46	3.31	0.28	51.44	12.15	4.92	9.24	3.06	59.54	24.30	10.29	56.48	27.11
PCB	94	2	2	1	41.37	45.46	43.42	43.42	4.09	41.37	45.46	43.42	43.42	4.09	86.83	86.83	86.83	86.83	0.00	13.17
PEK société de participations	95	1	1	1	39.49	39.49	39.49	39.49	0.00	39.49	39.49	39.49	39.49	0.00	39.49	39.49	39.49	39.49	0.00	60.51
PETROFINA	96	19	9	1	0.02	22.79	2.41	0.40	2.35	0.03	29.58	5.10	0.74	2.29	45.86	45.86	45.86	45.86	0.00	54.14
PICANOL	97	2	1	1	2.33	55.10	28.72	28.72	52.77	57.43	57.43	57.43	57.43	0.00	57.43	57.43	57.43	57.43	0.00	42.57
PLANTATIONS NORD-SUMATRA	98	4	4	2	4.64	25.11	13.71	12.55	13.03	4.64	25.11	13.71	12.55	13.03	4.64	50.20	27.42	27.42	45.56	45.16
POWERFIN	99	10	3	3	0.02	60.06	6.42	0.17	0.33	0.12	63.66	21.39	0.40	63.54	0.12	63.66	21.39	0.40	63.54	35.82
PROFRIGO	100	1	1	1	94.98	94.98	94.98	94.98	0.00	94.98	94.98	94.98	94.98	0.00	94.98	94.98	94.98	94.98	0.00	5.02
PROMINTER	101	1	1	1	65.78	65.78	65.78	65.78	0.00	65.78	65.78	65.78	65.78	0.00	65.78	65.78	65.78	65.78	0.00	34.22
QUICK RESTAURANTS	102	11	2	2	0.01	57.44	5.86	0.24	1.73	6.99	57.44	32.22	32.22	50.45	6.99	57.44	32.22	32.22	50.45	35.57
RECTICEL	103	2	1	1	0.03	69.95	34.99	34.99	69.92	69.98	69.98	69.98	69.98	0.00	69.98	69.98	69.98	69.98	0.00	30.02
ROTON COMPAGNIE INDUSTRIELLE ET FINANCIERE	104	2	2	2	7.61	82.73	45.17	45.17	75.12	7.61	82.73	45.17	45.17	75.12	7.61	82.73	45.17	45.17	75.12	9.66
ROYALE BELGE	105	9	4	2	0.03	52.10	8.18	2.94	3.24	0.03	55.07	18.41	9.28	33.00	0.03	73.62	36.83	36.83	73.59	26.35
SABCA	106	2	2	2	42.80	52.96	47.88	47.88	10.16	42.80	52.96	47.88	47.88	10.16	42.80	52.96	47.88	47.88	10.16	4.24
SABECH	107	1	1	1	96.58	96.58	96.58	96.58	0.00	96.58	96.58	96.58	96.58	0.00	96.58	96.58	96.58	96.58	0.00	3.42
SAIT-RADIOHOLLAND	108	3	3	2	0.38	64.34	24.36	8.37	63.96	0.38	64.34	24.36	8.37	63.96	8.75	64.34	36.55	36.55	55.59	26.91
SAPEC	109	11	6	3	0.35	33.40	6.91	3.15	11.45	1.00	55.21	12.67	3.17	11.36	3.15	69.71	25.35	3.18	66.56	23.96
SCF	110	0	1	1						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
SIDRO	111	1	1	1	71.40	71.40	71.40	71.40	0.00	71.40	71.40	71.40	71.40	0.00	71.40	71.40	71.40	71.40	0.00	28.60
SIPEF NV	112	5	4	4	3.34	5.22	4.50	4.92	1.20	3.91	8.45	5.63	5.07	2.42	3.91	8.45	5.63	5.07	2.42	77.50

SUMMARY STATISTICS FOR DIRECT STAKES AND VOTING BLOCKS IN ALL LISTED COMPANIES (5 OF 5)

Company Name	Serial No.	Direct Stakes			Group Blocks					Voting Blocks					Float					
		No. Stakes	No. Group Blocks	No. Voting Blocks	Min.	Max.	Mean	Med.	Intqr.	Min.	Max.	Mean	Med.	Intqr.		Min.	Max.	Mean	Med.	Intqr.
SOCIETE BELGE DES BETONS	113	10	10	3	0.07	20.55	6.78	4.86	6.90	0.07	20.55	6.78	4.86	6.90	6.25	41.00	22.60	20.55	34.75	32.20
SOCFIN	114	9	4	4	0.15	44.43	9.61	5.28	7.77	7.85	44.43	21.63	17.12	26.16	7.85	44.43	21.63	17.12	26.16	13.48
SOCOBOM	115	3	2	2	5.12	50.58	25.41	20.52	45.46	5.12	71.10	38.11	38.11	65.98	5.12	71.10	38.11	38.11	65.98	23.78
SOCOCLABECQ	116	4	3	3	0.92	30.83	19.82	23.76	20.39	18.33	31.75	26.42	29.19	13.42	18.33	31.75	26.42	29.19	13.42	20.73
SOCIETE GENERALE DE BELGIQUE	117	13	6	2	0.01	49.38	5.85	0.66	3.75	0.19	62.60	12.68	0.95	10.07	10.73	65.34	38.04	38.04	54.61	23.93
SOFINA	118	6	6	4	3.18	12.60	6.83	5.97	3.26	3.18	12.60	6.83	5.97	3.26	5.01	18.08	10.25	8.95	10.19	59.01
SOGEFOR	119	1	1	1	53.39	53.39	53.39	53.39	0.00	53.39	53.39	53.39	53.39	0.00	53.39	53.39	53.39	53.39	0.00	46.61
SOLVAC	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOLVAY	121	1	1	1	25.01	25.01	25.01	25.01	0.00	25.01	25.01	25.01	25.01	0.00	25.01	25.01	25.01	25.01	0.00	74.99
SPADEL	122	2	2	2	34.83	49.00	41.92	41.92	14.17	34.83	49.00	41.92	41.92	14.17	34.83	49.00	41.92	41.92	14.17	16.17
SPECTOR	123	8	4	4	0.60	50.21	8.78	2.80	2.87	2.97	56.97	17.56	5.15	28.66	2.97	56.97	17.56	5.15	28.66	29.76
SUN INTERNATIONAL	124	4	3	3	7.24	43.60	20.11	14.79	21.78	7.24	54.79	26.81	18.39	47.55	7.24	54.79	26.81	18.39	47.55	19.58
SURONGO	125	3	1	1	0.32	67.43	23.48	2.68	67.11	70.43	70.43	70.43	70.43	0.00	70.43	70.43	70.43	70.43	0.00	29.57
TELINFO	126	7	2	2	0.21	30.03	10.48	6.51	18.80	28.40	44.93	36.67	36.67	16.53	28.40	44.93	36.67	36.67	16.53	26.67
TER BEKE	127	4	3	3	3.09	51.36	17.55	7.87	26.06	5.94	54.45	23.39	9.79	48.51	5.94	54.45	23.39	9.79	48.51	29.82
TESSENDERLO CHEMIE	128	1	1	1	54.83	54.83	54.83	54.83	0.00	54.83	54.83	54.83	54.83	0.00	54.83	54.83	54.83	54.83	0.00	45.17
TEXAF	129	3	2	1	6.70	48.31	27.12	26.34	41.61	33.04	48.31	40.68	40.68	15.27	81.35	81.35	81.35	81.35	0.00	18.65
TRACTEBEL	130	24	11	1	0.01	27.63	2.79	0.10	1.36	0.01	40.30	6.09	0.06	4.28	67.03	67.03	67.03	67.03	0.00	32.98
TRUSTMETAL	131	1	1	1	55.89	55.89	55.89	55.89	0.00	55.89	55.89	55.89	55.89	0.00	55.89	55.89	55.89	55.89	0.00	44.11
UCB	132	2	2	2	4.87	32.13	18.50	18.50	27.26	4.87	32.13	18.50	18.50	27.26	4.87	32.13	18.50	18.50	27.26	63.00
UCO NV	133	3	2	1	2.03	34.77	16.05	11.35	32.74	13.38	34.77	24.08	24.08	21.39	48.15	48.15	48.15	48.15	0.00	51.85
CARRIERES UNIES DE PORPHYRE	134	10	10	2	0.42	20.08	2.99	0.42	0.99	0.42	20.08	2.99	0.42	0.99	9.86	20.08	14.97	14.97	10.22	70.06
UNION MINIERE	135	5	2	2	0.03	46.51	10.99	3.26	4.37	4.76	50.19	27.48	27.48	45.43	4.76	50.19	27.48	27.48	45.43	45.05
UNIWEAR SA	136	5	5	3	0.58	39.84	13.45	5.90	18.88	0.58	39.84	13.45	5.90	18.88	0.58	60.76	22.41	5.90	60.18	32.76
VERELST NV	137	2	2	1	14.80	80.08	47.44	47.44	65.28	14.80	80.08	47.44	47.44	65.28	94.88	94.88	94.88	94.88	0.00	5.12
WALIBI	138	8	5	1	1.15	34.84	8.26	5.78	5.80	4.67	37.15	13.21	8.03	0.15	66.06	66.06	66.06	66.06	0.00	33.94
WERISTER	139	5	3	2	0.23	38.74	10.43	3.67	8.80	0.23	42.76	17.38	9.15	42.53	0.23	51.91	26.07	26.07	51.68	47.86
WITTOCK VAN LANDEGHEM	140	5	5	5	4.07	48.57	17.70	6.93	19.08	4.07	48.57	17.70	6.93	19.08	4.07	48.57	17.70	6.93	19.08	11.51

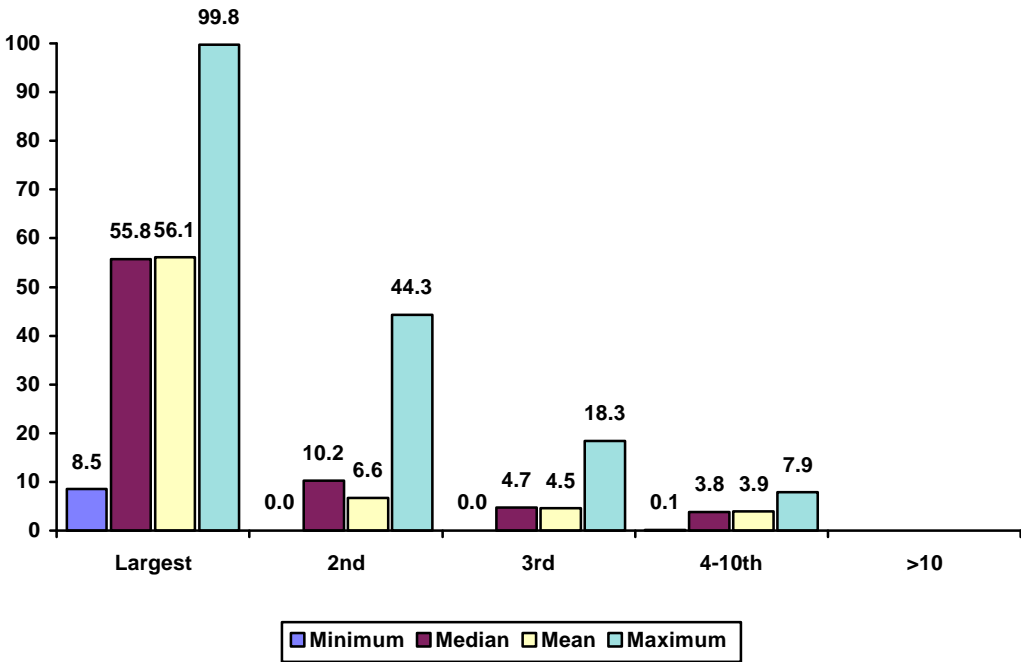
3.3 Voting Blocks

TABLE 5. FREQUENCY DISTRIBUTION OF STAKES AND BLOCKS

No.	Direct Stakes			Group Blocks			Voting Blocks		
	Freq.	Percent	Cum.	Freq.	Percent	Cum.	Freq.	Percent	Cum.
1	25	18.52	18.52	38	28.15	28.15	60	44.44	44.44
2	19	14.07	32.59	35	25.93	54.07	43	31.85	76.3
3	23	17.04	49.63	17	12.59	66.67	19	14.07	90.37
4	11	8.15	57.78	12	8.89	75.56	7	5.19	95.56
5	13	9.63	67.41	10	7.41	82.96	2	1.48	97.04
6	7	5.19	72.59	10	7.41	90.37	1	0.74	97.78
7	6	4.44	77.04	3	2.22	92.59	2	1.48	99.26
8	5	3.7	80.74	2	1.48	94.07	1	0.74	100
9	5	3.7	84.44	2	1.48	95.56	-	-	-
10	6	4.44	88.89	3	2.22	97.78	-	-	-
11	3	2.22	91.11	1	0.74	98.52	-	-	-
12	4	2.96	94.07	-	-	-	-	-	-
13	1	0.74	94.81	-	-	-	-	-	-
14	1	0.74	95.56	-	-	-	-	-	-
15	1	0.74	96.3	-	-	-	-	-	-
19	1	0.74	97.04	-	-	-	-	-	-
24	1	0.74	97.78	-	-	-	-	-	-
26	-	-	-	1	0.74	99.26	-	-	-
27	1	0.74	98.52	-	-	-	-	-	-
29	1	0.74	99.26	-	-	-	-	-	-
50	-	-	-	1	0.74	100	-	-	-
58	1	0.74	100	-	-	-	-	-	-
Notified	135	100		135	100		135	100	
Not Noti.	5			5			5		
Total	140			140			140		

Note: The table compares the number of stakes per company with the number of group blocks and the number of voting blocks per company. There is one company with 58 direct stakes, one company with 50 group blocks and one company with 9 voting blocks. In terms of numbers, group blocks and voting blocks concentrate the voting power considerably. Again, note that there are 5 companies without notification that could be considered to have “zero” stakes, group and voting blocks.

FIGURE 1. VOTING BLOCKS BY RANK OF BLOCK FOR ALL LISTED COMPANIES



Note: For each of the 135 notified companies the blocks were ranked. For blocks of equal size the same value the average rank was assigned. This was never the case for the largest stake. For each category the minimum, median, mean and maximum were computed for all stakes in the category.

The median and the mean of the largest direct block in a listed Belgian firm is around 56%, which is already above the simple majority level. It follows that, on average, the biggest blockholder in a listed firm has, alone, the absolute control on the firm. The second observation is that the second largest blockholder lags far behind the first one, with a median stake around 10%, and a mean stake even smaller. Further ranks do not attain 5% of the votes on average. We can see here that direct voting blocks are characterised by the control exercised by a single blockholder, when other minor blockholders stay around 10% of 5% of the votes.

TABLE 6. FREQUENCY DISTRIBUTION OF C1, C3, C5, C20 AND C_{ALL}

Range	C1		C3		C5		C20		C _{all}	
	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.
0-4.99	-	-	-	-	-	-	-	-	-	-
5-9.99	1	0.74	-	-	-	-	-	-	-	-
10-14.99	2	2.22	-	-	-	-	-	-	-	-
15-19.99	3	4.44	2	1.48	1	0.74	1	0.74	1	0.74
20-24.99	3	6.67	3	3.7	4	3.7	4	3.7	4	3.7
25-29.99	6	11.11	4	6.67	3	5.93	3	5.93	3	5.93
30-34.99	8	17.04	3	8.89	3	8.15	3	8.15	3	8.15
35-39.99	2	18.52	5	12.59	5	11.85	4	11.11	4	11.11
40-44.99	10	25.93	7	17.78	8	17.78	9	17.78	9	17.78
45-49.99	12	34.81	8	23.70	8	23.7	8	23.7	8	23.7
50-54.99	18	48.15	16	35.56	15	34.81	15	34.81	15	34.81
55-59.99	16	60.00	9	42.22	9	41.48	9	41.48	9	41.48
60-64.99	8	65.93	8	48.15	8	47.41	7	46.67	7	46.67
65-69.99	15	77.04	21	63.70	19	61.48	19	60.74	19	60.74
70-74.99	7	82.22	11	71.85	12	70.37	13	70.37	13	70.37
75-79.99	8	88.15	15	82.96	15	81.48	14	80.74	14	80.74
80-84.99	8	94.07	10	90.37	9	88.15	10	88.15	10	88.15
85-89.99	3	96.3	2	91.85	5	91.85	5	91.85	5	91.85
90-94.99	3	98.52	7	97.04	6	96.3	6	96.3	6	96.3
95-100	2	100.00	4	100.00	5	100.00	5	100.00	5	100.00
Total	135		135		135		135		135	

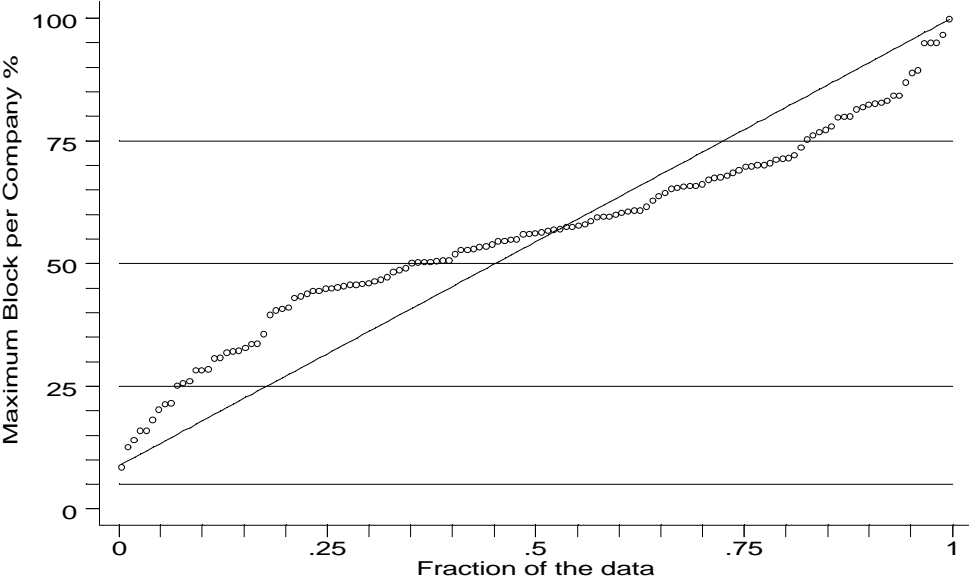
TABLE 7. SUMMARY STATISTICS AND CORRELATION OF C1, C3, C5, C20 AND C_{ALL}

Measure	Mean	Std. Dev.	Min.	Max.		C1	C3	C5	C20	C _{All}
C1	55.77	19.80	8.45	99.76		1				
C3	62.60	19.03	15.76	99.97		0.8552	1			
C5	63.19	19.08	15.76	99.97		0.8272	0.9943	1		
C20	63.37	19.07	15.76	99.97		0.8181	0.9883	0.9980	1	
C _{All}	63.37	19.07	15.76	99.97		0.8181	0.9883	0.9980	1.0000	1

The first 5 columns show the mean, standard deviation, minimum and maximum of the five concentration measures for voting blocks. The last five columns show a correlation matrix for the five measures.

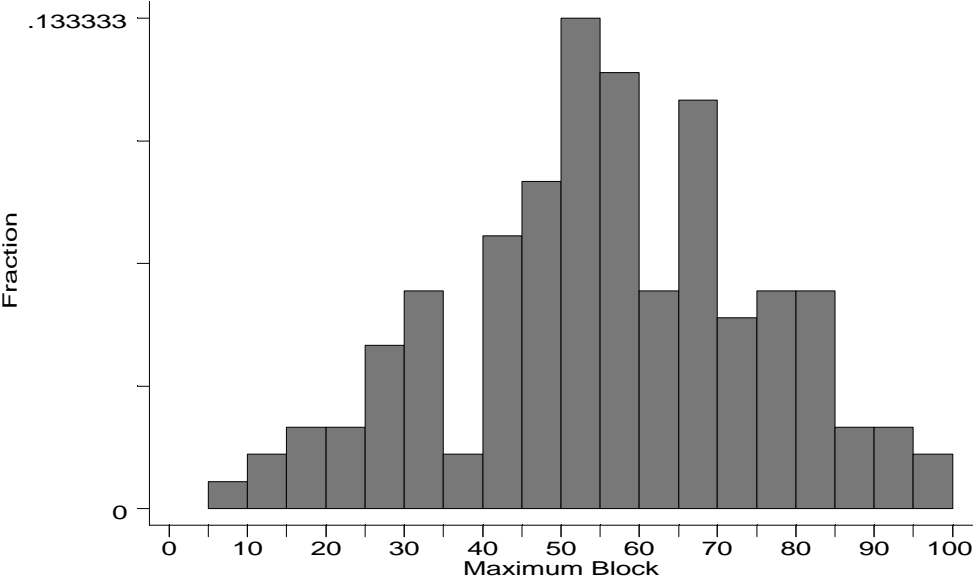
As the data on the previous figure already showed, concentration measures are very high when we consider voting blocks, since the first blockholders has control on the firm and that the difference between his holdings and the whole registered ownership is below 10%.

FIGURE 2. PERCENTILE PLOT OF MAXIMUM VOTING BLOCK



Note: Percentile plot of the maximum voting block for 135 notified companies. The five companies with no notified stake are not included. A step at 50% is visible. Based on the same data, the histogram below is more speaking.

FIGURE 3. HISTOGRAM OF MAXIMUM VOTING BLOCK



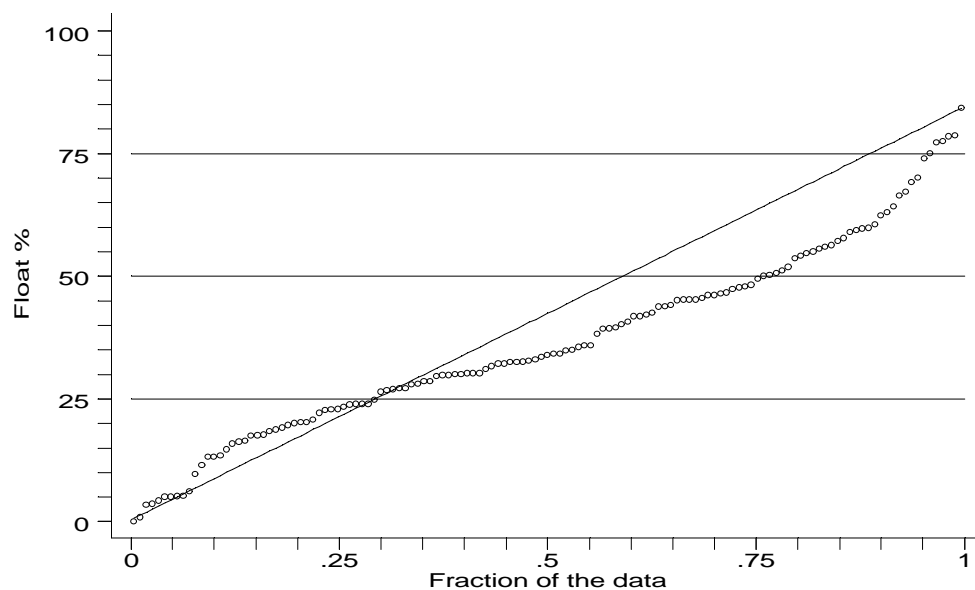
Note: Histogram with the maximum voting block for 135 notified companies. The five companies with no notified stake are not included. There are no maximum voting blocks smaller than 5%.

The histogram indicates three clear peaks : 50%-55%, 55%-60%, and 65%-70%. The first peak obviously corresponds to the 50% majority level. The last peak corresponds to the “qualified majority” of two third of the votes, required for certain decisions at the General Meeting. The second peak however - 55% to 60% - is harder to justify. Another surprising result, compared for instance to a country like Germany, is the absence of peak at 75%, which is the threshold required in Belgian law to modify the statutes of a firm.

However, these two last facts might be related to the influence of the float that can strongly increase the influence of voting blocks in practice. With 65% of the total votes and 35% of float on average, a blockholders controls the entire ownership known.

A remarkable point is the sharp frequency decrease for 35%-40% band. This phenomenon can possibly be explained by the Belgian legislation on take-overs. In the 1989 law, a buyer that acquires 33% (or more) of the stocks of a given company has the obligation to make a public offering for the totality of the stocks. This might explain why smaller blockholders keep their holdings below 33%, or jump to the next step, seeking for control. With an average float of 35%, a blockholding of 40% is sufficient to have the majority of the ownership known : $40\% / 65\% = 62\%$.

FIGURE 4. PERCENTILE PLOT OF “FLOAT”



Note: “Float” is defined as 100% minus the sum of all notified direct stakes (which, in the case of Belgium, is equal to the sum of all notified blocks). The float is rather homogeneously distributed among listed Belgian firm. The minimum value is zero, for a few companies that are fully owned by one shareholder. The maximum value is 100% for the five listed firms for which no notification is registered. The median is at 34%, roughly corresponding to the value of the mean. One quarter of the listed firms have, however, a float exceeding 50% of the votes.

TABLE 8. SUMMARY STATISTICS FOR FLOAT

<i>Statistic</i>	<i>Value</i>
Min.	0.03
1%	0.78
5%	5.04
10%	13.17
25%	22.88
50%	33.94
75%	49.44
90%	62.35
95%	73.99
99%	78.75
Max.	84.24
Mean	36.63
Std. Dev.	19.07

Note: Summary statistics for 135 observations on “float”. The five companies with no notification (100% float) are not included.

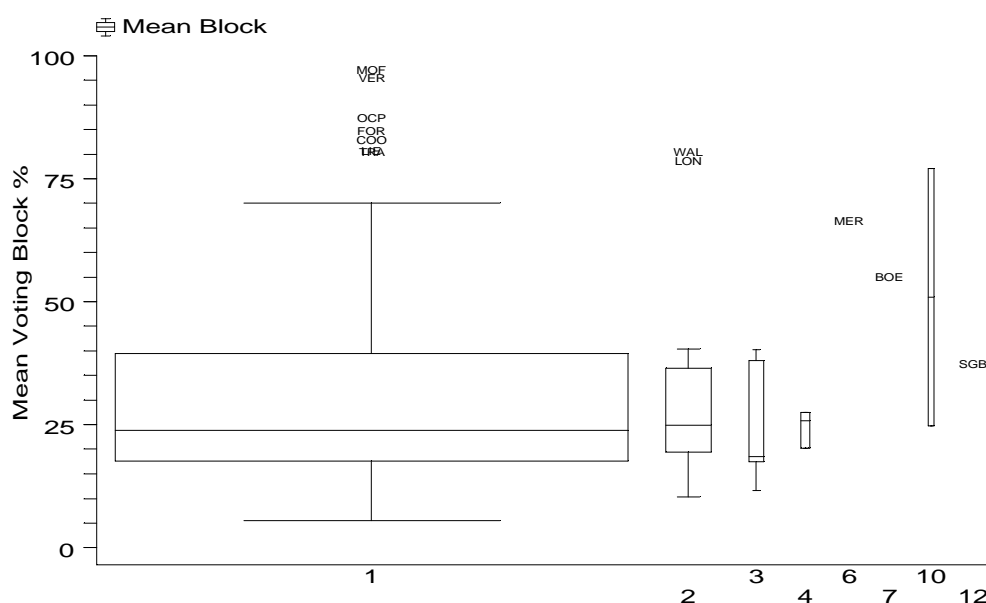
3.4 Portfolios of Blockholders

TABLE 9. FREQUENCY DISTRIBUTION OF VOTING BLOCK HOLDERS

No. of Blocks held per Blockholder	Freq.	Percent	Cum.
1	167	85.64	85.64
2	15	7.69	93.33
3	5	2.56	95.90
4	3	1.54	97.44
6	1	0.51	97.95
7	1	0.51	98.46
10	2	1.03	99.49
12	1	0.51	100
Total	195	100	

Note: This section considers the point of view of the blockholder. Data show that most (85.64%) voting blockholder control a single block. That is, they have only one voting block in one listed firm in their investment portfolio. Largest blockholders however have a much larger perimeter of control, up to 12 blocks in 12 firms. This largest investor is the group SUEZ-SGB (Société Générale de Belgique). The sizes of the blocks for each blockholder are detailed in the plot below.

FIGURE 5. BOX PLOT OF MEAN HOLDING BY NUMBER OF HOLDINGS



Note: This box plot represents the size of the blocks in a blockholders' portfolio. The horizontal axis shows the number of holdings per blockholder, the vertical axis shows the mean percentage of the votes outstanding held. The width of the box is proportional to the number of blockholders with one holding, two holdings and up to 12 holdings. The outliers are printed with the first three letters of their mnemonic.

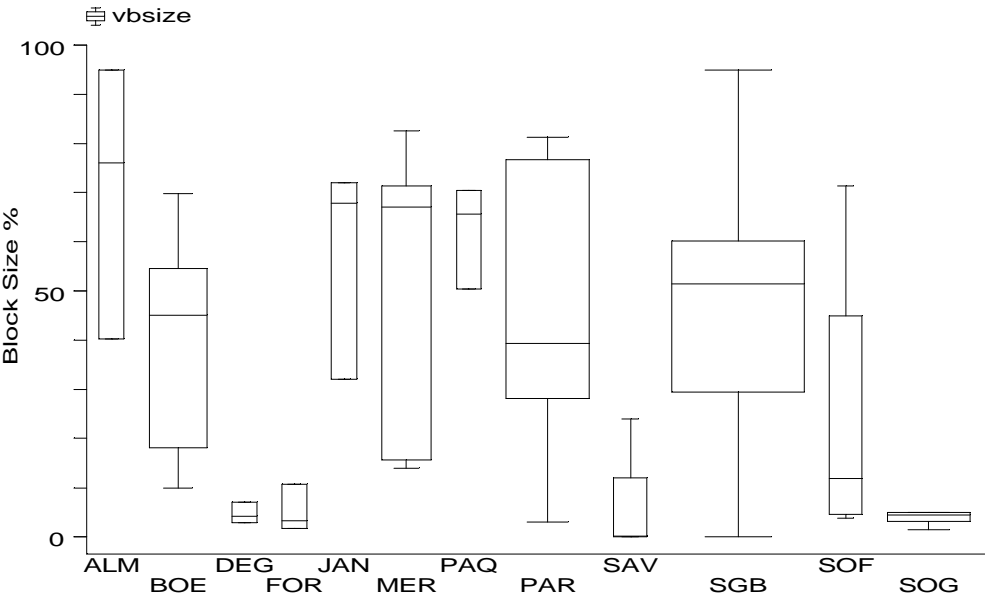
Data show that blockholders controlling one or two blocks hold on average about 25% the votes in the firm(s) they invest, which corresponds to a blocking minority. More powerful blockholders, controlling six or more blocks (Family group Boël, French group Paribas, Suez-SGB,...) hold larger blocks on average, such that they are powerful both by the number of the blocks and by the size of the blocks they control. The origin and full names of these blockholders are detailed in the table below.

TABLE 10. NUMBER AND SIZE OF VOTING BLOCKS PER BLOCKHOLDER

<i>Voting Blockholder Name</i>	<i>Voting Blockholder Mnemonic</i>	<i>Number of Companies</i>	<i>Min. Block</i>	<i>Max. Block</i>	<i>MeanBlock</i>	<i>Median</i>	<i>Intrquart.. Range</i>
Société Générale de Belgique - Compagnie Financière de Suez (Fr)	SGB_SUEZ	12	0.03	94.96	40.15	45.42	39.81
Banque Paribas - Cobepa (Fr)	PARCOB	10	3.06	81.35	45.44	39.36	48.61
Soges Star Fund (B)	SOGES	10	1.51	5	3.96	4.43	1.74
Groupe familial Boel (B)	BOELGrf	7	9.89	69.79	41.81	45.05	36.45
Groupe familial Van der Mersch (B)	MERSCH	6	13.99	82.56	52.97	67.1	55.58
Société Générale de Belgique (B-Fr)	SGB	4	50.19	69.98	59.31	58.53	15.03
Sofina (B)	SOFINA	4	3.8	71.4	24.7	11.8	40.39
Famille Saverys (B)	SAVERYS	4	0.02	24	6.07	0.12	11.99
Almanij Holding Group (B)	ALMGr	3	40.35	94.98	70.46	76.05	54.63
Mr. Guy Paquot (B)	PAQUOT	3	50.42	70.43	62.17	65.65	20.01
Groupe familial Janssen (B)	JANSGrf	3	32.13	71.98	57.32	67.86	39.85
Groupe AG - Fortis (B)	FORTIS	3	1.76	10.73	5.26	3.3	8.97
Banque Degroof (B)	DEGROOF	3	2.94	7	4.74	4.28	4.06
Lonrho Belgium (B)	LONRHO	2	77.9	81.83	79.87	79.87	3.93
Groupe Bruxelles Lambert (B)	GBL	2	60.31	73.62	66.96	66.96	13.31
Groupe Danone (Fr)	DANGr	2	5.3	89.33	47.32	47.32	84.03
Région Wallonne (B)	WALLONNE	2	13.27	79.79	46.53	46.53	66.52
Banques Paribas (Fr)	PARIBAS	2	7.68	75.23	41.46	41.46	67.55
Heideberg Zement Groupe (G)	HZEMGr	2	33.52	44.41	38.97	38.97	10.89
Artois - Piedboeuf - Interbrew Groupe (B)	ARTGr	2	34.83	35.28	35.06	35.06	0.45
Gewestelijke Investerings- maatschappij voor Vlanderen (B)	GIMV	2	9.99	47.14	28.56	28.56	37.15
Ackermans Van Haaren Groupe (B)	ACKGr	2	3.39	50.51	26.95	26.95	47.12
Royale Belge / Union des Assurances de Paris Groupe (B/Fr)	SCUAP	2	3.49	14.99	9.24	9.24	11.5
Groupe des Assurances Generale de France (Fr)	AGFGr	2	7.24	8.75	7.99	7.99	1.51
Mutuelle Solvay (B)	MSOL	2	2.87	12.6	7.74	7.74	9.73
Groupe Familial Verbert (B)	VERBERT	2	5	5	5	5	0
Mercury Asset Management Group (UK)	MERCURY	2	4.64	4.76	4.7	4.7	0.12
Cobepa Holding (B-Fr)	COB	2	0.65	7.41	4.03	4.03	6.76
Total Holders w. 2 Blocks or more		102					
Total All Blockholders		269					

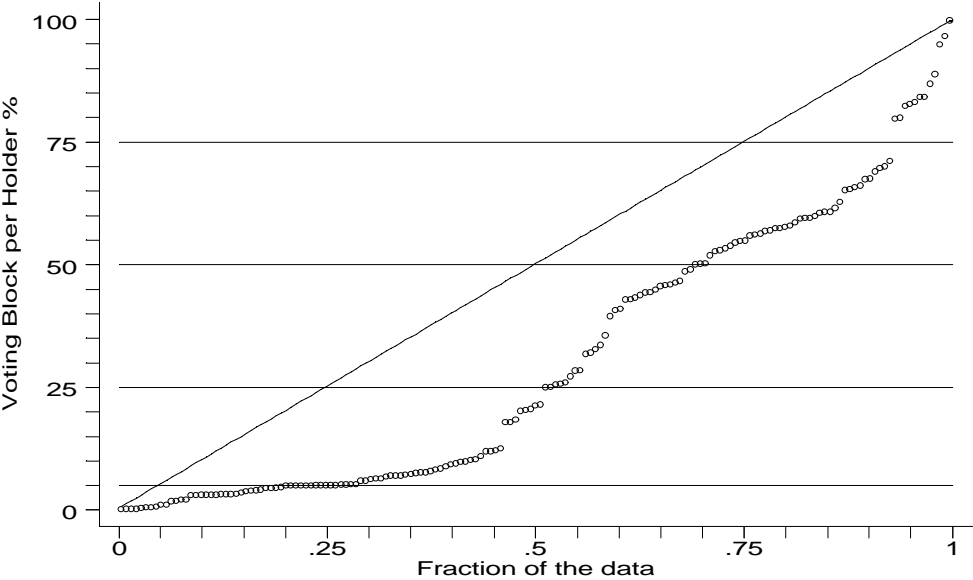
Note : The table reports summary statistics over these classes. Among blockholders, the case of the SUEZ / Générale de Belgique (SGB) group, with a portfolio of 73 stakes in 16 different listed firms (12 + 4), is the most striking example of the presence of French shareholders on the Brussels Stock Exchange. Paribas is another significant example of it. Soges is a special case since it is an investment fund. Besides this, Belgian family groups are important in the country : Boël, Janssen, Van der Mersch are large family holding often controlling blocks in several listed firms. Soges belongs to the GBL group but it acts independently for its investments. This type of shareholder holds relatively small stakes (no more than 5%) and it is not an active shareholder.

FIGURE 6. BOX PLOT OF VOTING BLOCKS HELD BY HOLDERS OF 2 OR MORE BLOCKS



Note: The horizontal axis is split up by blockholder, the vertical axis shows the size of the blocks held. The width of the boxes is proportional to the number of blocks held. The central bar of the box corresponds to the mean, the rectangle spans the 25th to 75th percentile and the extended lines end at the 10th and 90th percentile. Outliers (below the 10th percentile or beyond the 90th percentile) are marked individually. More detailed than the previous box plot, this figure shows the high variance between blockholdings across investors.

FIGURE 7. PERCENTILE PLOT OF VOTING BLOCKS HELD BY HOLDERS WITH A SINGLE BLOCK



Note: There are 167 voting blockholders with a single block. For each one of them the size of the holding is plotted here. As we could note in the summary statistics, single blockholders concentrate around 25% stakes, constituting a blocking minority at the Assembly. 70% of the single blockholders control less than 50% of the votes.

TABLE 11. SUMMARY STATISTICS BY BLOCKHOLDER TYPE

<i>Blockholder Type</i>	<i>Mnemonic</i>	<i>Number of Blockholders of this Type</i>	<i>Mean</i>	<i>Min.</i>	<i>Max.</i>	<i>Median</i>	<i>Interqr.</i>
Belgian State	ETAT	1	50	50	50	50	0
Individuals (Belgian)	PP	51	27.66	0.02	82.33	13.99	47
Individuals (Foreign)	PPE	2	39.48	7.85	71.1	39.48	63.25
Individuals (French)	PPF	1	84.15	84.15	84.15	84.15	0
Belgian Listed Firm	SBC	25	32.69	0.19	81.83	32.07	50.89
Belgian Listed Firm - Foreign French Firm	SBC_SEF	1	62.82	62.82	62.82	62.82	0
Belgian Non Listed Firm	SBN	49	25.06	0.14	96.58	9.25	35.74
Belgian Non Listed Firm - Foreign Firm	SBN_SE	1	69.71	69.71	69.71	69.71	0
Belgian Non Listed Firm - Foreign French Firm	SBN_SEF	3	58.31	53.88	61.5	59.54	7.62
Foreign Firm	SE	4	24.14	3.24	60.76	16.28	37.47
Foreign German Firm	SEDEU	1	33.52	33.52	33.52	33.52	0
Foreign French Firm	SEF	22	32.44	0.03	88.77	30.35	47.95
Foreign French Firm - Belgian Listed Firm	SEF_SBC	1	45.86	45.86	45.86	45.86	0
Foreign French Firm - Belgian Non Listed Firm	SEF_SBN	1	65.34	65.34	65.34	65.34	0
Foreign Italian Firm	SEI	1	0.58	0.58	0.58	0.58	0
Foreign Japanese Firm	SEJ	2	37.24	6.94	67.53	37.24	60.59
Foreign Firm of Luxembourg	SEL	13	29.02	3.12	59.87	20.32	28.51
Foreign Dutch Firm	SEPB	3	39.44	3.91	57.43	56.97	53.52
Foreign Swiss Firm	SESU	3	4.74	3.11	5.9	5.22	2.79
Foreign British Firm	SEUK	3	5.6	4.76	6.99	5.06	2.23
Foreign American Firm	SEUS	4	37.77	3.05	84.17	31.93	68.07
Flemish Government	VLA	1	99.76	99.76	99.76	99.76	0
Walloon Government	WALL	1	13.27	13.27	13.27	13.27	0
State of Zaire	ZAIRE	1	11.88	11.88	11.88	11.88	0

Note: Each of the 195 blockholders was classified. The table reports summary statistics over these classes. Non listed Belgian firms and individuals dominate overall, followed by French firms, sometimes associated with a Belgian firm - either listed or not- inside a voting block. Large Belgian listed firms show a significant presence in the ownership of the other listed firms.

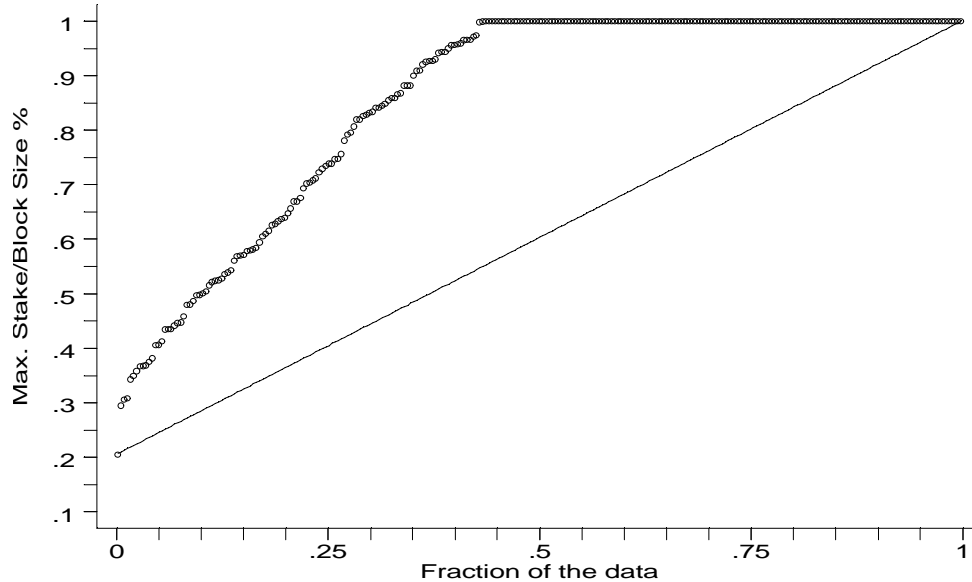
3.5 Stakes and Group Blocks in Voting Blocks

TABLE 12. NUMBER OF STAKES IN VOTING BLOCK

<i>No. of Stakes in a Voting Block</i>	<i>Freq.</i>	<i>Percent</i>	<i>Cum.</i>
1	150	55.76	55.76
2	43	15.99	71.75
3	21	7.81	79.55
4	15	5.58	85.13
5	11	4.09	89.22
6	6	2.23	91.45
7	5	1.86	93.31
8	3	1.12	94.42
9	5	1.86	96.28
10	3	1.12	97.4
11	1	0.37	97.77
14	1	0.37	98.14
19	1	0.37	98.51
20	1	0.37	98.88
24	1	0.37	99.26
29	1	0.37	99.63
49	1	0.37	100
Total No. of Voting Blocks	269	100.00	

Note: The table shows the number of stakes in a voting block. Contrary to what one could have expected, voting blocks include many distinct shareholders. This is really not the case. In more than 50 percent of the cases, the voting blocks is only composed of one single shareholder and can hardly be called “blocks”. Blocks including between 2 and 5 shareholders represent one third of the data. The maximum value is 49 shareholders in one block. It is a coalition of mainly individuals and non listed firms voting in the holding Almanij. Globally, with 269 voting blocks for 750 direct stakes, it make an average of less than 3 (2.8) shareholders per voting block which supposes narrow and stable voting blocks.

FIGURE 8. PERCENTILE PLOT OF FRACTION OF LARGEST STAKE IN VOTING BLOCK



Note: The percentile plot shows plots the distribution of the fraction of the largest stake in each one of the 269 voting blocks. Nevertheless, some voting pacts, resulting from a simple contractual agreements, might be temporary or fragile, especially in bad times, so that they do not always reflect the real voting structure of a General Assembly. It is the reason why voting blocks are not always taken into account by certain studies, or by the firm itself, and by the other shareholders.

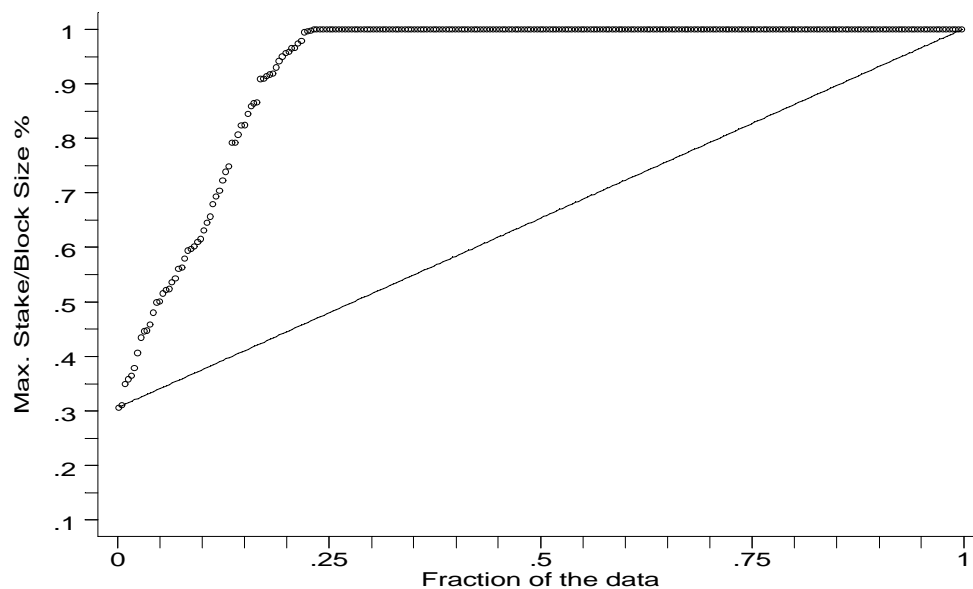
The percentile plot here (figure 10) is therefore very useful to estimate the stability of voting blocks in Belgian listed firms. The figure expresses the part of the votes the largest shareholders inside one block holds. For blocks with a single shareholder, the share of votes is 100% of course. But it is interesting to see that, for blocks composed of two shareholders or more, the largest investor controls more than 50% of the votes, in 75% of the cases. Such that, we can estimate the structure of a voting block as a coalition between a large investor and several smaller owners. If this is the case, the breaking up of voting block will not affect the voting structure of the firm much, since small investors allied in blocks around one large shareholder, do not have much weight.

TABLE 13. NUMBER OF GROUP BLOCKS IN VOTING BLOCK

<i>No. of Group Blocks in Voting Block</i>	<i>Freq.</i>	<i>Percent</i>	<i>Cum.</i>
1	205	76.21	76.21
2	31	11.52	87.73
3	14	5.20	92.94
4	4	1.49	94.42
5	6	2.23	96.65
7	1	0.37	97.03
8	1	0.37	97.40
9	4	1.49	98.88
11	1	0.37	99.26
26	1	0.37	99.63
46	1	0.37	100.00
Total No. Voting Blocks	269	100	

Note: The table shows the number of group blocks in a voting block. In three quarters of the cases, a group block corresponds to a voting block : shareholders belonging to the same group of firms form a coalition of voters with no external members. In 25% of the cases however, one or several voters joint an existing group block to vote. Or, individuals and stand-alone firms decide to vote jointly, without necessarily being part of an industrial group.

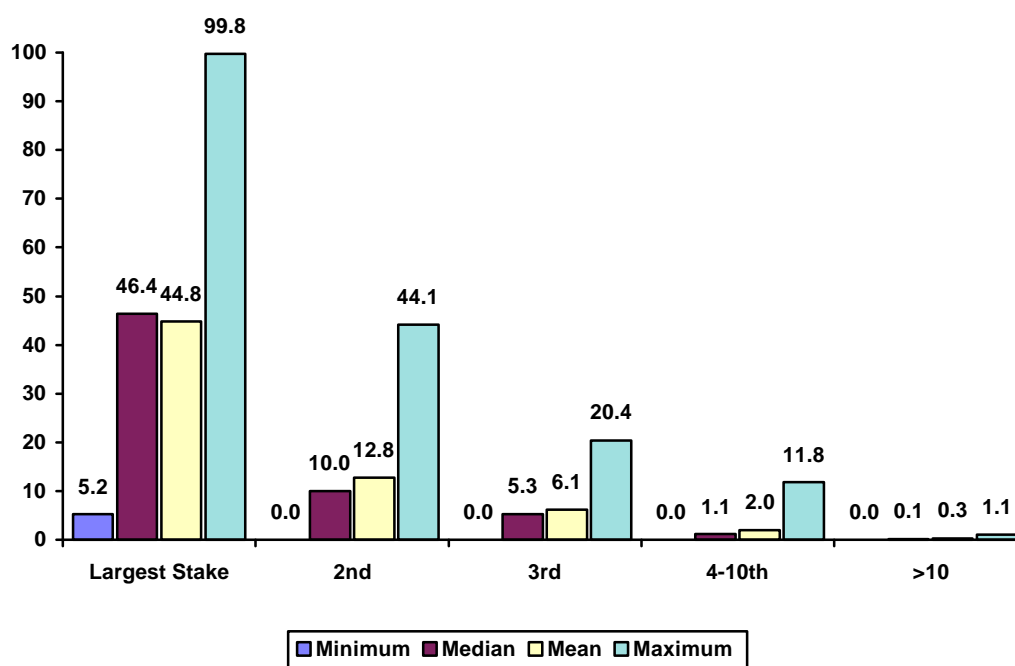
FIGURE 9. PERCENTILE PLOT OF FRACTION OF LARGEST GROUP BLOCK IN A VOTING BLOCK



Note: The percentile plot shows the distribution of the fraction of the largest group block in each one of the 269 voting blocks. The very large majority of voting blocks (95%) are dominated by a group block controlling more than 50% of the votes of the coalition, making those ensembles very stable.

3.6 Direct Stakes

FIGURE 10. DIRECT STAKES BY RANK OF STAKE FOR ALL LISTED COMPANIES



Note: For each of the 135 notified companies the stakes were ranked. For blocks of equal size (ties) the average rank was assigned. This was never the case for the largest stake. For each category the minimum, median, mean and maximum were computed for all stakes in the category.

The median and the mean of the largest direct stake in a listed Belgian firm is around 45%, which is below the majority level. It follows that, on average, the biggest shareholder in a listed firm does not have, alone, the absolute control on the firm, although the float might change this situation in practice.

The second result we can tell from this graph is that the second largest shareholders lags neatly behind the first one, with a median stake and a mean stake around 11%, which is two times less than a blocking minority. The third rank of stakes is even much smaller, around five percent, and the rest is negligible. It follows that direct shareholdings are characterised by a small number of significant shareholders - one to three - but each rather small since the largest investor lies below the majority level, and the second largest lies below the blocking minority level.

TABLE 14. SUMMARY STATISTICS FOR DISTRIBUTION OF DIRECT STAKES

	<i>Min. Stake</i>	<i>Max. Stake</i>	<i>Median Stake</i>	<i>Interq. Range</i>	<i>Mean Stake</i>	<i>Std. Dev. Stake</i>
Min.	0.0	5.2	0.0	0.0	1.0	0.0
1%	0.0	7.6	0.1	0.0	1.8	0.0
5%	0.0	14.0	0.3	0.0	3.0	0.0
10%	0.0	17.5	0.9	0.0	5.3	0.0
25%	0.2	27.2	3.1	1.1	9.0	4.3
50%	3.1	46.4	10.4	7.1	17.8	12.0
75%	13.4	56.2	29.3	28.0	31.8	20.7
90%	56.3	73.8	56.3	49.6	56.3	32.6
95%	79.8	81.8	79.8	65.1	79.8	38.1
99%	95.0	96.6	95.0	76.8	95.0	54.3
Max.	96.6	99.8	96.6	99.7	96.6	57.5
Obs	135	135	135	135	135	135

Note: For the distribution of stakes held in each of the 135 notified listed companies the minimum, maximum, median, interquartile range, mean and standard deviation was computed. The table gives percentiles for the resulting seven times 135 values for these summary statistics.

TABLE 15. SUMMARY STATISTICS BY DIRECT SHAREHOLDER TYPE

<i>Investor</i>	<i>Minimum</i>	<i>Median</i>	<i>Mean</i>	<i>Maximum</i>	<i>Number</i>
Belgian Listed	0.02	11.71	22.11	94.98	122
Belgian Non-Listed Industrial	0.01	2.68	10.53	99.76	323
Federal Government	50.00	50.00	50.00	50.00	1
Wallonia Region	8.18	8.40	32.12	79.79	3
Belgian Non-Listed Insurance	0.01	0.39	3.13	65.49	58
Belgian Non-Listed Banks	0.24	1.88	2.47	7.23	9
France	0.02	3.45	10.21	67.53	38
United Kingdom	0.09	5.00	15.72	73.82	37
Luxembourg	0.02	1.50	7.24	81.83	15
Netherlands	0.03	1.93	9.70	68.99	56
Other Countries	0.01	2.93	15.12	84.17	16
Individuals	0.01	2.07	5.19	50.10	78
Float	0.03	34.2	38.6	100.00	unknown

Note : The most important group of direct Belgian shareholders of listed Belgian firms are non listed industrial firms (323 direct stakes for 299 shareholders) and individuals (78 direct stakes and shareholders), followed by the listed Belgian firms themselves (122 stakes and 51 shareholders).

Note that banks and institutional investors are absent of the list, due to the institutional structure of the country. After the big crisis of the thirties, the 1935 law that forbid universal banking in the country. Belgian bankers, who lost the expertise of being a shareholders in industrial matters, did not take participations in non financial industries when the law changed in 1992 with the transposition of EU 2nd banking directive.

Foreign investors became important in Belgium over the last decade (162 stakes and 151 shareholders in 1995). Among them, France have the leading position with 29 investors and 38 stakes, followed by the United Kingdom (14 investors) the Netherlands (13 investors). French investors are large groups investing in Belgian holdings : the SUEZ holding group through the Générale de Belgique, UAP insurance companies allied to Frere-Bourgeois - Royale Belge and the Financière de PARIBAS, holding, via its Belgian subsidiary Cobepa. Such that, with rather few direct stakes, those groups play a significant role in the economic life of some large listed Belgian firms and their subsidiaries, indirectly.

The links between Belgium and the Netherlands are characterised by several small shareholdings in various industrial Belgian listed companies. There is also links between Belgian and Deutsch banks, like ING (large Deutsch bank) and BBL (second Belgian commercial bank). Most of UK investors are members of a single group (Henderson). Finally the most numerous foreign direct investors in Belgium are from Luxembourg (55). Nevertheless, these are, in some cases, subsidiaries of Belgian companies, located there for fiscal reasons so that Luxembourg, for the Belgian point of view, is not exactly a foreign country.

TABLE 16. FREQUENCY DISTRIBUTION OF C1, C3, C5, C20 AND C_{ALL}

Range	C1		C3		C5		C20		C _{all}	
	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.	Frequency	Cum. Pct.
0-4.99	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
5-9.99	2	1.48	0	0.00	0	0.00	0	0.00	0	0.00
10-14.99	6	5.93	0	0.00	0	0.00	0	0.00	0	0.00
15-19.99	11	14.07	4	2.96	1	0.74	1	0.74	1	0.74
20-24.99	5	17.78	2	4.44	4	3.70	4	3.70	4	3.70
25-29.99	15	28.89	4	7.41	4	6.67	3	5.93	3	5.93
30-34.99	10	36.30	8	13.33	3	8.89	3	8.15	3	8.15
35-39.99	9	42.96	8	19.26	6	13.33	4	11.11	4	11.11
40-44.99	8	48.89	10	26.67	8	19.26	8	17.04	8	17.04
45-49.99	11	57.04	5	30.37	10	26.67	8	22.96	8	22.96
50-54.99	17	69.63	13	40.00	14	37.04	15	34.07	15	34.07
55-59.99	15	80.74	14	50.37	8	42.96	10	41.48	10	41.48
60-64.99	3	82.96	9	57.04	11	51.11	6	45.93	6	45.93
65-69.99	8	88.89	19	71.11	15	62.22	19	60.00	19	60.00
70-74.99	3	91.11	7	76.30	13	71.85	12	68.89	12	68.89
75-79.99	4	94.07	11	84.44	14	82.22	15	80.00	15	80.00
80-84.99	4	97.04	9	91.11	9	88.89	10	87.41	10	87.41
85-89.99	2	98.52	2	92.59	5	92.59	6	91.85	6	91.85
90-94.99	2	100.00	6	97.04	5	96.30	5	95.56	5	95.56
95-100	2	100.00	4	100.00	5	100.00	6	100.00	6	100.00
Total	135		135		135		135		135	

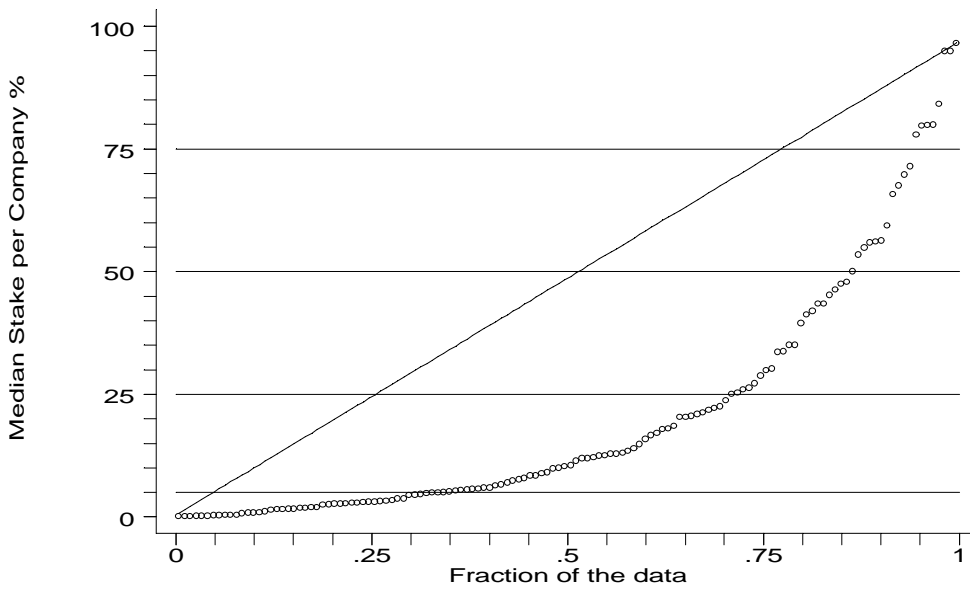
TABLE 17. SUMMARY STATISTICS AND CORRELATION OF C1, C3, C5, C20 AND C_{ALL}

Measure	Mean	Std. Dev.	Min.	Max.	C1	C3	C5	C20	C _{ALL}
C1	44.75	20.88	5.22	99.76	1				
C3	59.28	20.10	15.25	99.97	0.8050	1			
C5	62.25	19.42	15.76	99.97	0.7314	0.9770	1		
C20	63.75	19.20	15.76	99.97	0.6777	0.9380	0.9826	1	
C _{ALL}	63.83	19.18	15.76	99.97	0.6724	0.9337	0.9788	0.9993	1

The first 5 columns show the mean, standard deviation, minimum and maximum of the five concentration measures for 5% beneficial owner blocks. The last five columns show a correlation matrix for the five measures. If there were just one direct stake, the correlation between C1 and all other measures would be 1.

Concentration figures give the same trend of results than the ranks of stakes. There is a large gap between the largest shareholder and the top three. But the distance gets reduced as the ranks of shareholders get bigger : the top three direct shareholders own a cumulated percentage of 59.3% of the votes, while the top five own 62.3% and the total of shareholders (float expected) own together 63.8% of the votes of the firm.

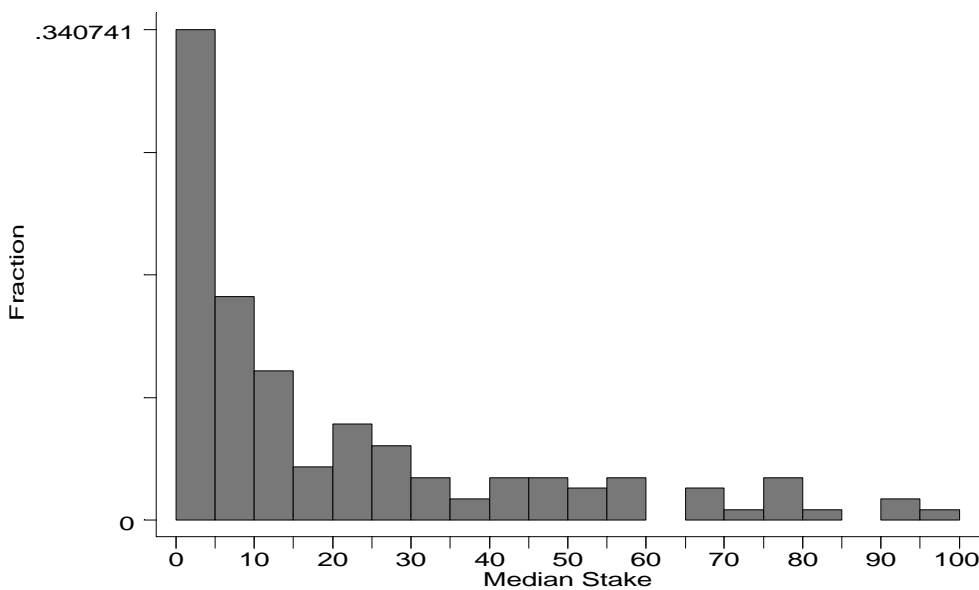
FIGURE 11. PERCENTILE PLOT OF MEDIAN DIRECT STAKES



Note: Percentile plot of median direct stake for 135 notified companies. The five companies with no notified stake are not included.

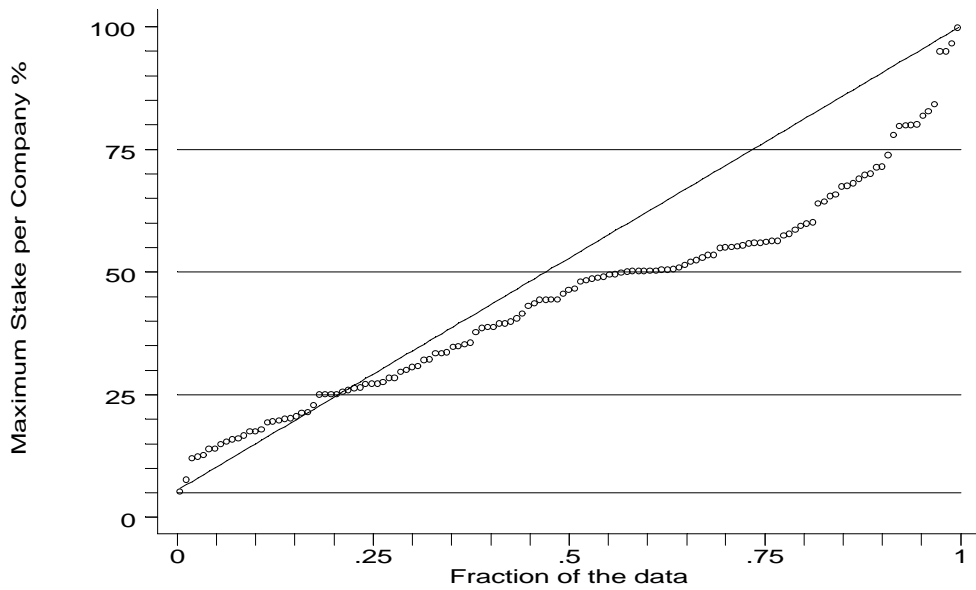
Even more clearly than the statistics on ranks, the percentile plot reveals the myriad of small direct shareholders registered on the Brussels Stock Exchange. Almost one third of the data are stakes below 5%, the notification threshold. Why all these people notify? The most obvious explanation to this, especially after reviewing the data on blockholders, is that they belong to some voting blocks. Smallest shareholders excepted, it remains that 70% of the data are stakes below 25%, the blocking minority. This extreme dispersion of direct stakes on the Brussels Stock Exchange explains, partly at least, the need for shareholders to regroup in voting blocks.

FIGURE 12. HISTOGRAM OF MEDIAN DIRECT STAKES



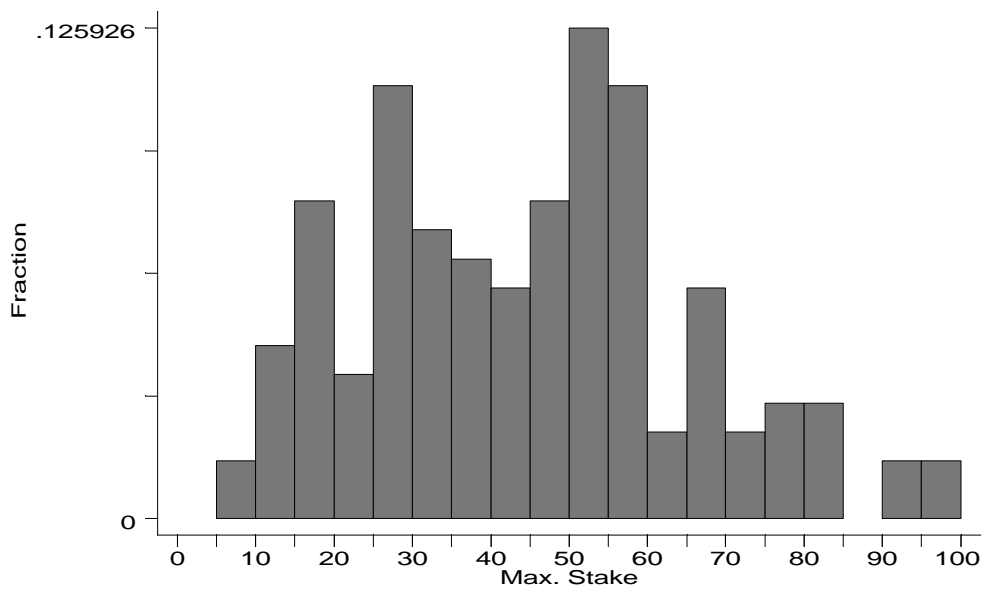
Note: Histogram with median stake for 135 notified companies. The five companies with no notified stake are not included. The observations in the interval 0-4.99 are below 5%. The observations for direct stakes originate from block notifications. Since all stakes that make up the block have to be notified individually it is possible to have direct stakes that are smaller than 5% (or 3%). Indeed, most of the small stakes in the first bin come from the Almanij Group that has 58 direct stakes but only three voting blocks.

FIGURE 13. PERCENTILE PLOT OF MAXIMUM DIRECT STAKE



Note: Percentile plot of the maximum direct stake for 135 notified companies. The five companies with no notified stake are not included. Some steps are visible. This is confirmed in the histogram below.

FIGURE 14. HISTOGRAM OF MAXIMUM DIRECT STAKE



Note: Histogram with the maximum direct stake for 135 notified companies. The five companies with no notified stake are not included. The steps in the percentile plot show up as peaks in the 25-29.99% and 50-54.99% bins. There are additional peaks for the 15-19.99, the 55-59.99% and 65-70% bins. The same histogram for voting blocks is more revealing since any of the smaller direct stakes could actually come from a larger group or voting block.

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5. Appendix

5.1 Legal Forms

5.1.1 Company Types

5.1.1.1 Common features

Before going into the specific characteristics of the different legal forms of firms in Belgium, it may be useful to mention the **common features** to all of them.

There are five fields where common rules apply to commercial firms. These are :

- Social relationships inside the firm : councils, collective and individual relationships between workers and with employers. Social Law that is relevant for this field.
- The name of the firm
- Disclosure.
- The use of languages inside the firm. Administrative Law that is relevant for this field.
- The accounting and annual accounts of firms.

We detail shortly two of these common fields which are of interest for Corporate Governance: the publicity of the firm, and the annual accounts of firms.

5.1.1.1.1 Publicity of the Firm

Various types of disclosure are organised by law in order to inform the stakeholders of the firm. Some of them relate to the firm itself. They collect information about the firms' activities, its owners and its registered offices. These are :

- the *Registre de Commerce* (Company Register) : where all types of companies have to be registered at their foundation. The Register is a public repertoire of the commercial firms created by a law of 1924. The obligation of registration is completely general :

all commercial firms, either national or foreign, of all types, have to be registered before starting an activity. The agreement is provided by the Commercial Court where the headquarters of the firm are. The registration comprises information that is of interest to third parties : description of the activities, identity of the owner(s) (name, domicile, civil status), identity of the persons having a managing or a representative power in the firm. Moreover, each time a change occurs during the life of the firm, the latter must make a modifying registration (*inscription modificative*),. For example, a change in the identity of owners or managers or a bankruptcy judgement. There are civil and penal sanctions in case of violation of these rules.

- a file that is kept at the office of the clerk of the Commercial Court (*le greffe*) in the name of the commercial firms, containing about the same information.

Other types of disclosure concern certain operations initiated by the firm (change in the statutes, capital increases) or certain situations in which firms can be (bankruptcy, mergers).

5.1.1.1.2 Accounting Rules

It is only in 1975, with the law of July 17: "*Loi relative à la comptabilité et aux comptes annuels des entreprises*" that the Belgian Code really defined the accounting legislation in the country. This law has been modified and completed several times since then.

Several big principles apply for the accounting of the firm: it is mandatory for all. The enterprise (or the shopkeeper) that does not holds accounts may incur penal sanctions. It must be appropriate to the nature of the enterprise's activities. The accounts must be complete and include all the operations of the enterprise and not only those affecting the patrimony. Each transcription has to be based on justifying pieces. The rubrics have to follow a harmonised minimum accounting plan (*Plan Comptable Minimum Normalisé*).

Two books have to be hold:

- The "*livre journal*" (daily book): it includes all the daily operations made by the firm,
- The "*livre des comptes annuels*" (annual accounts book): it includes the inventory, the balance sheet, the profit & loss account, theirs annexes and the justifying pieces.

5.1.1.1.3 Publicity of Annual Accounts

Annual accounts have to be deposited at the Central Bank (Centrale des Bilans) and sent also to the office of the clerk (*Greffe*) of the Commercial Court. This publicity yields only for enterprises constituted as commercial companies (capital firms, sprl, cooperatives, and private firms where all the partners are not individuals (see below). The rule does not apply to individual shopkeepers, and individual retailers nor to private firms where all partners are individuals.

As far as the structure and the extent of annual accounts are concerned, the law makes three distinctions between firms:

- Small firms: these are the individual exercising a commercial activity, or private unlimited firms (*sociétés de personnes*) of which the gross sales do not exceed a limit fixed by *Arrêté Royal* (royal decree) - it is currently BEF 20 millions a year - . Small firms are exempted to follow an accounting plan (*plan comptable*). They must provide annual accounts but these are not submitted to legal requirements of form and contents.
- Medium firms : these are firms in which the number of workers, the gross sales or the total of the balance-sheet exceed some thresholds defined by decree. These are :
 - maximum 50 workers employed, on annual average
 - gross sales of BEF 170 million, VTA excluded.
 - balance-sheet total of BEF 85 million, except if the number of workers employed exceeds 100 people.

Medium firms have to follow a standardised accounting plan and they have to register all their operations in their accountancy. They must follow legal requirements on the form and the contents of the annual accounts. However, they are allowed to make and to provide annual accounts according to an abridged scheme, less detailed than the full one.

- Big firms : these are all the firms exceeding one of the thresholds mentioned above. Big firms are due to provide full annual accounts, plus complementary information in certain situations, like consolidated accounts.

5.1.1.2 *Types of company*

A major legal distinction between various types of Belgian companies concerns whether they do or not exist as a separate legal entity (*personnalité morale*) in their own right. The distinction here concerns whether or not a firm exists as a legal entity clearly separable from the individual or the others companies that have brought together the resources.

5.1.1.2.1 **Type I : Enterprises without a separate legal entity**

Firms without a separate legal entity are the property of the partners (either firms or individuals) who brought its resources and who are linked by a co-operative agreement. The differences between these firms - rather named associations - and the ones with a legal entity are the following :

- The agreement constituting the association is not submitted to formal rules and does not even have to be written.
- The association has no own patrimony, distinct from the partners resource. It follows that the creditors can exercise their rights on the goods that partners have put in common.
- The association can not sue or be sued in its own name. Actions have to be taken by or against each of the partner, or by a delegated-partner.
- The association can not go bankrupt, only the partners individually can.
- The liquidation is ruled differently than for the other type of firms. The dissolution leads to the splitting of profits and losses and the distribution of the resources in common between the partners.

There are two forms of companies of this type. Each of them has their own characteristics:

- ***la société momentanée*** (temporary association) : this firm can only be created for the realisation of precise and temporary objectives, like the building of a plant, or some specific furnishing, etc. The partners are jointly liable to third parties. However, inside their mutual agreement, partners can organise the reliability of debt as they like. The management is in principle the task of everyone. In practice however, the statutes delegate the day-to-day management to a committee or to one of the partners.

Global directions are taken by a "direction committee" with the same powers as an administration committee in other firms.

- **la société en participation** (participation firm): the main characteristic of this association is its occult character. The managing partner is the only one to deal with stakeholders and he is the only one who can sue or be sued by them. The third parties have no juridical link whatsoever with the other partners. They often ignore who the other partners are.

5.1.1.2.2 Firms that constitute legal entities

These are the largest and most important type of firms. They can be divided in three groups: private firms (*sociétés de personnes*), public firms (*sociétés de capitaux*) and mixed firms (*sociétés mixtes*). In private firms, the identity of the partners is directly linked to the existence of the firm. In public firms (*sociétés de capitaux*), the identity of the partners does not matter for the firm's existence. In mixed firms (*sociétés mixtes*), the transferability of ownership certificates is restricted like in private firms, but that are ruled and controlled like public firms.

The first type is now almost non existent in the country, essentially because of the unlimited liability of the partners to the firm's debts. The mixed type, essentially represented by the SPRL (*société privée à responsabilité limitée*) is predominant, especially among small and medium firms. The public type, finally, is essentially represented by the SA (*Société Anonyme*). It is the other predominant type of firm in the country. We will detail below the main characteristics, the common features and the main differences between SA and SPRL.

5.1.1.2.3 Type I : Les sociétés de personnes (private firms)

The existence of this type of firms is directly linked to the identity of their partners, and it brings the following common features to all private firms :

- the shares of the partners are, in principle, non transferable without the agreement of all the other partners
- the death, the interdiction or the bankruptcy of one of the partners causes, in principle, the dissolution of the firm

- the faulty agreement of one of the partners at the foundation of the firm causes its nullity
- the social pact can not be modified without the agreement of all partners
- the partners may not exert any personal activity that could be harmful to the firm (for example by working for a competitor)

5.1.1.2.3.1 Legal forms of private firms :

- the *Société en Nom Collectif* (Collective Name Firm) : it is the association that two or more partners form in order to run commercial activities. Partners are personally, jointly and indefinitely responsible for the debts of the firm. Because of the unlimited liability, there are almost no firm of this type in practice.
- the *Société en Commandite Simple* (Partnership with two types of partners) : this form is the same as the precedent, except that there are two types of partners : passive (*les commanditaires*) and active (*les commandités*). The passive partners bring funds into the firm and they delegate the management to one or more active partners. The active partners manage the firm and are personally, jointly, and indefinitely responsible for the firm's liabilities. Here again, one can consider that this type of firm does not exist anymore.

5.1.1.2.4 Type II : Les Sociétés Mixtes

5.1.1.2.4.1 The SPRL (*Société Privée à Responsabilité Limitée* : Limited Liability Partnerships)

In 1935 the SPRL was introduced in the law as a private firm with limited liability for partners, limited number of partners, restrictions to some activities and different rules of control form capital firms. In 1985 and in the following years, a large reform changed the statute of the SPRL and suppressed the limitation in the number of partner and the restrictions on activities. Some of the rules of the SA were applied to SPRL and other firms were allowed to be partners in an SPRL.

Since the SPRL and SA are the most important legal forms in the country, we will first review their common points before coming to their specific features. SA will be fully described in the next paragraph related to public firms.

Common points between SPRL and SA :

- *Limited liability* : partners of SPRL and shareholders of SA are both liable to the extent of the funds they have brought into the firms. They are not liable on their personal goods. There are two exceptions to this rule : the non respect of the legal conditions when founding the company, and a fraudulent behaviour leading to the bankruptcy of the firm (*faillite frauduleuse*). The last case yields also in case of financial losses of the firm, but is harder to prove in practice.
- *Procedures for founding a company* : Registration procedures are the same for all types of firms. The legal entity is set up by notary's deed, deposited to the Company Register, and published in the annexes of the *Moniteur Belge*, the official legal newspaper.
- *Minimum number of partners / owners* : is two. For SPRL, however, there exists a special case of SPRLU (SPRL Unique). SPRLU is an individual partnership, created in 1988 essentially for liberal professions (lawyers and doctors) who wanted to be able to separate their professional activities from their personal activities and to benefit from the same fiscal advantages that firms do. SPRLU are submitted to the same legal regime as SPRL but, of course, with simpler organisational structures. The unique partner of an SPRLU must be an individual (*personne physique*) and not a firm (*personne morale*). Another major advantage of the SPRLU is to allow individuals to transfer their business to heirs - or others- with a highly simplified procedure (via a simple transfer of shares) .
- *Rights attached to ownership certificates* (parts sociales): like in all other types of firms, the capital is divided into a number of legal shares ("*parts d'intérêts*" for SPRL "*actions*" for SA), distributed to the shareholders in counterpart to their contribution. Each share gives the same rights to :
 - the profits of the firm,
 - attend the General Meeting (*Assemblée Générale des Actionnaires*),

- vote at the General Meeting,
 - be informed about the situation of the firm,
 - be answered to the questions asked at the General Meeting,
 - participate, after the dissolution of the firm, to the distribution of the remaining assets, according to a strict equality between the partners
 - subscribe by priority to new issues of shares (this right is the same for non-voting shareholders).
- *Organisational structure* of the SPRL has been organised by law following the model of the SA. There is thus a managing organ, a controlling organ, and a deliberating organ.
 - **Management (SPRL):** it is assumed by one or several managers that can either be partners or not. The number of managers is fixed by the statutes. The managers are appointed either by the constituent act of the firm, or by the General Meeting. Their appointment has to be published (the information is deposited at the Company Register). There is no limit to the duration of their function, except if the statutes mention one. The end of the function of a manager can be: death, interdiction, bankruptcy, resignation and revocation. Each of the managers has the full power to accomplish the social goals of the firm, except the powers reserved to the General Meeting. Managers of SPRL have the same responsibilities as the administrators of the SA, including the penal responsibility in case of bankruptcy or insufficiency of the assets.
 - **Management (SA) :** The board (Conseil d'administration) : members are minimum three. They are appointed and revoked by the shareholders in General Meeting. Their mandate is limited to 6 years, but they re-eligible indefinitely. Their remuneration is either fixed by the statutes or decided by the General Meeting. The board is a deliberating organ. The statutes define the frequency of the meeting and the procedures of decision taking. The board has all the managing power to act in the firm's best interests. The General Meeting cannot overlap on its competence. Administrators have the full representative power of the firm. It

often happens that they delegate the power to a delegated administrator that will act in the name of the firm. The name of the delegated administrator is published. Administrators are responsible contractually in case of professional faults, penal in case of violation of the law, and legally in case of bankruptcy or insufficiency of the assets.

- **Control (SA and SPRL):** the control of the annual accounts and the financial situation of the SPRL and the SA is identical. The control of the actions of the administrators is delegated by the shareholders to specific representatives (the *commissaires*). It is only in 1985 that the law required a specific expertise to be *commissaire*. For larger firms at least, they have to be agreed auditors (*réviseurs d'entreprise*). Auditors are independent according to their professional statutes. Their task is to verify the accountancy of the firm and check for any irregularity. They have the full power to fulfil their mission. They make a report on their activities and their observations and they submit the report to the General Meeting of Shareholders.

The number and the identity of the controllers are decided by the General Meeting. The duration of the mandate is three years but it may be renewed. The auditors can not be revoked by the General Meeting. This principle is to guarantee their independence. They can not resign during the time of their mandate, except at a General Meeting and the reason has to be notified in a specific report. The remuneration is fixed and defined by the General Meeting.

- **Deliberation (SA and SPRL):** the deliberating organ is the General Meeting. All the rules of SA apply for SPRL. The tasks that the law reserves to the General Meeting are the following :
 - to appoint and to revoke the administrators,
 - to vote de discharge of the administrators,
 - to approve the balance-sheet and the allocation of the profits,
 - to decide the issue bonds and stocks,
 - to modify the statutes.

The ordinary meeting is mandatory. It is organised once a year. Every shareholders may attend the meeting and they may vote (according to the one share - one vote principle) themselves or via a proxy. Requirements for proxy voting are organised by the statutes. Vote by mail are possible if the statutes allow for it. All the other meetings are "extraordinary" meetings. They are necessary each time the statutes are to be modified (like in case of bond issues for example). (see below).

- *Annuals accounts and allocation of profits* : the sequence of tasks for the ending of a fiscal year is the following :
 1. Provision of the annual accounts,
 2. Provision of the "rapport de gestion" (management report) of the managers of which the contents has been recently described by the law :
 - Comments on the annual report and summary of the evolution of the business and the situation of the firm.
 - Information on the major events that could have arisen after the end of the fiscal year.
 - Information on the circumstances that are likely to have a major incidence on the firms' development.
 - Information about the R&D activities.
 3. Verification of the annual accounts and of the management report by auditors (*commissaires-reviseurs*), and written report of its comments
 4. Communication to the partners/shareholders for SA before the shareholders meeting (General Meeting), of all the documents mentioned above.
 5. Shareholder meeting
 6. Publication of the annual accounts via a depositing to the Central Bank, followed by a mention at the office of the clerk of the Commercial Court and in the annex of the *Moniteur Belge* (Official Legal Journal).
- *Modification of the statutes*: it implies the convocation of an extraordinary meeting if it does not coincide with the ordinary annual shareholder meeting. To modify the statutes, shareholders representing minimum one half of the voting capital must attend the meeting. If they do not, another assembly has to be convoked and decisions

can be taken whatever the number of shareholders to attend. A "qualified majority" (3/4 of votes) are required to modify the statutes. The modifications have to be acted by notary's deed. In case of capital raise, the incumbent shareholders have a preferential right on the subscription over the new partners/shareholders. Since a capital raise needs a modification of the statutes, it falls into the competence field of the general Meeting. However, since 1984, the law allows the General Meeting to define a limit under which the board can decide to raise the capital: the "authorised capital" (*capital autorisé*).

- *Acquisition of own shares.* Decision to buy own shares is taken by the General Meeting. The statutes organise the modality of the buying: amount duration, price, etc. Acquisition is proposed to all shareholders at the same conditions. Loans cannot be made to buy own shares: they should be bought only with reported profits. The voting rights of the shares are suspended as long as the shares are detained by the firm. The rules are the same as for SA and SPRL, except that own shares can not be distributed to employees in SPRL.

Specific features to SPRL:

- *Minimum capital:* capital requirements are smaller for SPRL (BEF 750,000 and 250,000 released) than for SA (BEF 2,500,000 and released fully). Contributions in nature must be fully released (but only partially for SA).
- *Form of ownership certificates (parts d'intérêts).* The existence of a "part d'intérêts" is not materialised by a piece of paper, but by an inscription into the Partner Register (*Registre des associés*) prescribed by law. The register mentions the identity of the partners, the number of shares they have, the payments made to release them, and the transfers made.
- *Transferability of ownership certificates :* the regime of the ownership certificates of SPRL is very close to the one of nominative shares in the SA (*actions nominatives*). Compared to usual shares of SA (*actions au porteur*) their transferability is restricted by law. Statutes can always reinforce the restrictions to the transferability of shares, but not reduce them. The main principles concerning transferability of shares are the following :

- transfers to other partners, their conjoint or direct ascendant and descendant or to a person agreed by the statutes are free;
- transfers to other type of persons are subordinated to the agreement of half the partners representing 75% of the capital;
- if this agreement is refused, the partner concerned may sue the opponent and ask the Court to solve the disagreement. The partner may always sell its shares to the other partners if he wants to be out of the firm.
- the transfers of shares are effective (opposable to the tiers) only once they are registered in the *Registre des associés* (Partners Register).
- *Bonds issue* : since 1991, SPRL are allowed to issue bonds, but under more restrictive conditions than the SA. Bonds can only be nominative. Their juridical statutes is the same as for SA. SPRL are not allowed to issue bearer bonds (*obligations au porteur*) nor convertible bonds (*obligations convertibles*) into shares or into rights to subscription, like SA do.
- *Preferred stocks* (parts privilégiées ou de préférence) : they are not allowed for SPRL.

5.1.1.2.4.2 Other type of mixed firms

It is economically less important. We will present it shortly.

- *The Société Coopérative* (Cooperative firm) : in co-operatives, the number of partners is variable : partners can enter or resign without affecting the functioning of the firm. The capital is variable above fixed amount of BEF 750.000 minimum. New stakes can be issued in case of a new partner, or stakes can be cancelled when one of the partners leaves the firm. Shareholders stakes are in not transferable to others than the existing partners, except in case of death and at very restrictive conditions. The liability of partners can either be limited or unlimited. In practice, one find only co-operative with limited liability. Three partners minimum are needed to found a co-operative.

Two points in the statutes of co-operatives are remarkable. Stakes representing the capital have all the same value but each partner has one vote regardless of the number of stakes he holds. Profits and losses of the firm are divided for one half, in equal parts among the partners, and for the other half, in parts proportional to the number of stakes of each partner.

The firm holds a register where the identity, the quality, and the stakes held by each partner is registered and up to date. Usually, the statutes organise the management of the firm the same way as for SA and SPRL. Accounting rules and the control of annual accounts are the same as in SA and SPRL.

5.1.1.2.5 Type III : Les sociétés de capitaux (public firms)

Pure public capital firms may take two different legal forms : the **Société Anonyme (SA)** or the **Société en Commandite par Actions (SCA)**. SA are, by far, the most important form of the two.

5.1.1.2.5.1 The Société en Commandite par Actions (SCA)

SCA has two types of partners (commandités - commanditaires) active and passive, like the SC in private firm. But, besides this particularity, the SCA is governed by the same rules as the SA.

5.1.1.2.5.2 The Société Anonyme (SA, a Limited "Anonymous" Public Firm)

One can define the SA as a firm where the partners, named *shareholders* hold rights represented by tradable assets, named *shares*. Shareholders are reliable to the firm only within the limit of their contribution.

The SA is thus a legal mechanism aimed at raising capital and where the identity of the shareholders is not important. Founders excepted, shareholders do not know each other often. They come in and out of the firm via the buying and selling of shares and are not often active in the life of the firm. The SA is usually seen as an institution, meaning a permanent organisation completely detached from the social contract. The firm is not the resultant of a mutual consent between partners, but it comes from the unilateral willingness of each shareholder to adhere to the institution.

The SA plays a major role in the economic life of the country. All listed firms are SA by definition, and the majority of biggest non listed firms are SA (84% of firms over 100 millions of total assets are SA). One find also many SA of small size, although SPRL are most numerous among smaller companies firms (99% of SPRL are firms under BEF 100 millions of total assets).

Constitution and accountancy of SA are common to all types of firms, as we already detailed before. Conditions for existence and rules of functioning are, moreover, quite close to SPRL, as it has been exposed in earlier paragraphs. Therefore, we will only here focus on the features specific to SA and relevant for Corporate Governance. Those are essentially related to the types and the transferability of shares.

Specific features to SA:

- *Minimum capital and share value*: capital requirements are higher for SA than for SPRL: a minimum BEF 2,500,000 has to be released fully. Contributions in nature must be fairly evaluated. Each share has to be released at least for one quarter of its value. As for SPRL, the value of a share corresponds to the amount of the capital divided by the total number of shares. It is the *pair* value. One cannot issue shares under its pair value. A financial plan (*plan financier*) must be set up by the founders to justify the capital brought into the firm. The amount must be at least sufficient to ensure the normal functioning of the firm for two years.
- *Types of assets issued* : they can be three : stocks (*actions*) beneficiary parts (*parts bénéficiaires*) and bonds (*obligations*).
- The same rights are attached to the stocks of an SA than to the partners shares of an SPRL. The value can either or not be mentioned on the stock. Its value is the value of the own funds of the firm, divided by the number of existing shares. SA may issue preferred stocks that SPRL may not : those stocks give right to a first dividend on annual profit and to a priority reimbursement in case of the firm liquidation. Since 1991, the law allows non voting stocks for SA. The goal is to allow a shareholder to contribute to a large part in a capital raise, without taking the control of the firm. Non voting stocks can be issued either at the firm foundation or during a capital raise, or through the conversion of existing voting stocks. These shares are representative of the capital. They have the same rights to

dividends and profits as the preferred stock, plus a bonus in case of liquidation in compensation of the absence of voting power.

- The beneficial parts are assets non representative of the capital and that are in most cases issued to remunerate the contribution of a founder that is not always valuable in money. These assets are often named "founders shares" (*parts de fondateur*). They give right to a share of the profit, as organised by the statutes. The statutes define also if these assets have a voting right or not. However, the law restricts the voting right in order to leave the priority to ordinary shareholders. A written procedure is needed to transfer the part within the two years following its issue.
- *Transferability of stocks* : stocks can be either bearer (*actions au porteur*) or registered (*actions nominatives*). A bearer stock is represented by a document. It is anonymous, liquid, and it can be transferred to an other person simply by giving the asset. A registered stock is materialised by an inscription in a register kept by the firm. The transfer is made by a modifying inscription dated and signed by the giving person and the given person. The statutes define freely what stock will be bearer and registered. However, a stock is registered until it has been completely released. Any stockholder can ask the conversion of its stock from bearer type to registered type.
- *Shareholders equality*: this rule means that all shareholders have the same rights when they are in the same situation. When they are different categories of stocks, it implies that no discrimination is allowed inside a given category of stocks. Consequences of this rule are the sanctions against majority abuses and the protection of minority shareholders.
- *Cross-shareholdings*: two principles are defined by law: (1) cross-shareholdings between two firms cannot exceed 10% of the voting capital. This rule applies for two independent firms when one of the two firms has its headquarters in Belgium. It applies also between a mother firm and its subsidiaries: the subsidiaries taken together may not hold more than 10% of the mother's voting capital. (2) Firms are obliged to liquidate the cross-shareholdings acquired in violation (or ignorance) of the law. Shares have to be liquidated within one year and the votes attached to the shares are suspended before the alienation.

Company Types : Liability, Partners and Managers

<i>Names</i>	<i>Limited Liability</i>	<i>Minimum Capital</i>	<i>Smallest Number of Owners</i>	<i>Smallest Number of Managers</i>	<i>Number of Firms in Belgium</i>
Private Firms					
Société en Nom Collectif (SNC)	No	No	2	1	0
Société en Commandite Simple (SCS)	No for the active managers (commandités) and yes for passive managers (commanditaires)	No	2	1	0
Mixed firms					
Société Privée à responsabilité Limitée (SPRL)	Yes	BEF 750,000	2	1	91,000
Société Privée à responsabilité Limitée Unique (SPRLU)	Yes	BEF 750,000	1 (Single Owner Firm)	1	13,300
Société Coopérative (SC)	Yes, if specified in the statutes.	BEF 750,000	3	1	16,600
Public Firms					
Société en Commandite par Actions (SCA)	Yes	BEF 2,500,000	2	3 (the managers are partners designated by the statutes of the firm)	250
Société Anonyme (SA)	Yes	BEF 2,500,000	2	3	92,000

Company Law : Foundation, Transfers, Transparency

<i>Names</i>	<i>Deposit of statutes and of list of owners at foundation</i>	<i>Transfer procedures</i>	<i>Manager's ownership</i>	<i>Buy-out of own shares</i>	<i>Publicity of the list of the partners</i>
Private Firms					
Société en Nom Collectif (SNC)	Yes	Submitted to the agreement of all other partners. Notified in the firm's register.	No limit	Not allowed	No
Société en Commandite Simple (SCS)	Yes	Submitted to the agreement of all other partners. Notified in the firm's register.	No limit for active partners.	Not allowed	No
Mixed firms					
Société Privée à responsabilité Limitée (SPRL)	Yes	Restricted to agreed partners or submitted to the agreement half of the other partners. Notified in the firm's register.	No limit	No limit. Must be bought with reported profit. Voting rights are suspended as long as owned by the firm.	No
Société Privée à responsabilité Limitée Unique (SPRLU)	Yes	Submitted to the agreement of the single partner. Transform the firm into a SPRL or another SPRLU. Notified in the firm's register.	100%	-	-
Société Coopérative (SC)	Yes	No transfer allowed	No limit	Not allowed	No
Public Firms					
Société en Commandite par Actions (SCA)	Yes	No restriction to transfer. Notification in the register if shares are nominative.	No limit for active partners.	Same rules as for SA	No
Société Anonyme (SA)	Yes	No restriction to transfer. Notification in the register if shares are nominative.	Ruled by the statutes	Same rule as for SRPL. Distribution to employees allowed.	No

Accounting Rules : Form, Contents and Control of Annual Accounts

<i>Names</i>	<i>Obligation to make and deposit annual accounts</i>	<i>Form of annual accounts</i>	<i>Information on ownership in annual accounts</i>	<i>Information on shareholdings in annual accounts</i>	<i>External control of annual accounts</i>	<i>Consolidated accounts</i>
Private Firms						
Société en Nom Collectif (SNC)	Yes	Full or Abridged : it depends on the firm size.	No	No	No	No
Société en Commandite Simple (SCS)	Yes	id.	No	No	No	No
Mixed firms						
Société Privée à responsabilité Limitée (SPRL)	Yes	id.	No	No	Yes. Rules for SA apply.	No
Société Privée à responsabilité Limitée Unique (SPRLU)	Yes	id.	Yes, by definition.	No	Yes	-
Société Coopérative (SC)	Yes	id.	No	No	Yes. Rules for SA and SPRL apply.	No
Public Firms						
Société Anonyme (SA)	Yes	id.	Yes, for shareholders owning more than 10% of the votes.	Yes, from 10% of one category of shares in a firm.	Yes. Auditors must be officially agreed (<i>réviseurs</i>) if the firm exceeds a certain size.	Yes if the firm is large enough controls one or more other firms.
Société en Commandite par Actions (SCA)	Yes	id.	id.	id.	id.	id.

5.1.2 Basic Demographics

The following section presents some figures about firms in Belgium, both listed and non listed, in order to draw a schematic picture of the industrial environment of the country.

Small country of 10 million inhabitants, Belgium counts many firms of small size. The total number of firms in the country approximates 220,000 among which half of them count less than five employees or less than BEF 10 million of total assets.

Main sectors of activity are sales and trade, real estate and construction, and services and hotels. These three sectors represent the activity of about 150,000 firms in the country.

In the legal field, two types of firms dominate : the Limited Private Firm (SPRL : Société Privée à Responsabilité Limitée) and the Public Firm (SA : Société Anonyme). There are about 90,000 firms of each type in the country.

There are 14 Belgian firms listed on the Brussels stock exchange in 1995. The largest listed Belgian firm is ELECTRABEL (Electricity distributor) with a market capitalisation of BEF 380,4 billion and total assets of BEF 377 billion. The smallest listed Belgian firms have market capitalisation around a couple of hundreds million of BEF. As one can see in the following plots, market capitalisation is highly concentrated : the 10 largest firms listed on the Brussels Stock Exchange represent more than 50% of the total market capitalisation, and the 50 largest firms account for 95% of the whole market capitalisation.

Sectors of listed firms are slightly different from sectors of activity in the country. Holding companies account for 23% of the market capitalisation, while electricity and gas companies represent one fifth of the capitalisation on the Brussels Stock Exchange, followed by banks and financial services, chemical companies and insurance companies.

Finally, some figures about the Bel 20 Index, including 20 large firms of the Stock Exchange, from a panel of sectors, are presented. Market capitalisation of the Bel 20 Index is of about three quarters of the capitalisation of the 140 domestic securities, and the turnover of the Bel 20 is of about 82% of the market, suggesting a relatively low turnover of the minor Belgian securities.

5.1.2.1 Legal Forms

TABLE 18. NUMBER OF COMPANIES BY LEGAL FORM

<i>Legal form</i>	<i>Number of firms</i>
Unlimited liability	0
Limited Liability	
Private Forms / Partnerships	
Société en commandite simple (SCS)	n.a.
Société en nom collectif (SNC)	n.a.
Mixed Forms	
Société privée à responsabilité limitée (SPRL)	104 442
among them, SPRLU (one owner)	13 340
Société coopérative, limited liability (SC)	16 590
Public Forms	
Société anonyme (SA)	91 952
Société en commandite par actions (SCA)	261
Various others	620
TOTAL	213 865

Source: BNB CD-ROM and own calculations

5.1.2.2 Type of Account Statement

TABLE 19. NUMBER OF COMPANIES BY TYPE OF ANNUAL ACCOUNT

<i>Form of annual accounts</i>	<i>Number of firms</i>
Consolidated	
industrial	
banks	
insurance	
Complete	17 547
Abbreviated	196 318

Source: BNB CD-ROM and own calculations

5.1.2.3 Activity

TABLE 20. NUMBER OF FIRMS BY TYPE OF ACTIVITY

<i>Sector (NACE)</i>	<i>Number of firms</i>
Sales & Trade	65 000
Real Estate & Construction	43 000
Services & Hotels	41 000
Raw Material & Transportation	22 800
High tech & Manufacturing	8 200
Finance	8 200
Extra territorial	8 100
Metal Industry	7 100
Public Goods	6 000

Source: BNB CD-ROM and own calculations

5.1.2.4 Size Distribution

TABLE 21. DISTRIBUTION BY TOTAL ASSETS

<i>Totals assets</i>	<i>Number of firms</i>
less than 5 million	81 911
5 - 10 million	38 605
10 - 20 million	34 715
20 - 50 million	30 838
50 - 100 million	12 540
over 100 million	14 622
n.a.	2 634
TOTAL	213 865

Source: BNB CD-ROM and own calculations

TABLE 22. DISTRIBUTION BY TOTAL NUMBER OF EMPLOYEES

<i>Employees per firm</i>	<i>Number of firms</i>
0	6 550
1 to 5	108 819
5 to 10	17 454
10 to 100	20 983
100 or more	1 925
n.a.	58 134
TOTAL	213 865

Source: BNB CD-ROM and own calculations

5.1.2.5 Sectors

TABLE 6. DISTRIBUTION BY SECTORS OF ACTIVITY

<i>Sectors of Belgian Firms</i>	<i>Nbr of firms</i>
<i>Sales & Trade</i>	<i>65 000</i>
<i>Real Estate & Construction</i>	<i>43 000</i>
<i>Services & Hotels</i>	<i>41 000</i>
<i>Raw Material & Transportation</i>	<i>22 800</i>
<i>High tech & Manufacturing</i>	<i>8 200</i>
<i>Finance</i>	<i>8 200</i>
<i>Extra territorial</i>	<i>8 100</i>
<i>Metal Industry</i>	<i>7 100</i>
<i>Public Goods</i>	<i>6 000</i>

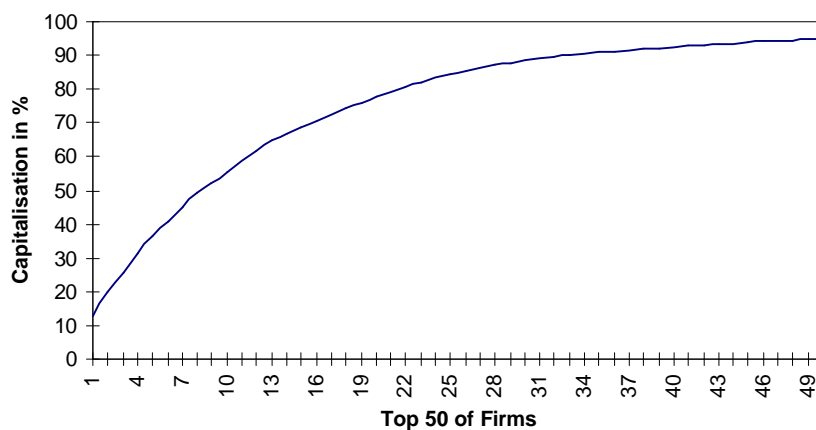
5.1.2.6 Listed firms

5.1.2.6.1 Size

TABLE 7. DISTRIBUTION BY MARKET CAPITALISATION

<i>Top 10</i>	<i>Names</i>	<i>BEF Millions</i>	<i>% Cap</i>	<i>Cum.</i>
<i>1</i>	<i>Electrabel</i>	<i>380 400</i>	<i>12.74</i>	<i>12.74</i>
<i>2</i>	<i>Petrofina</i>	<i>209 523</i>	<i>7.02</i>	<i>19.76</i>
<i>3</i>	<i>Générale de Belgique</i>	<i>171 914</i>	<i>5.76</i>	<i>25.52</i>
<i>4</i>	<i>Tractebel</i>	<i>167 144</i>	<i>5.6</i>	<i>31.12</i>
<i>5</i>	<i>Générale de Banque</i>	<i>155 694</i>	<i>5.22</i>	<i>36.34</i>
<i>6</i>	<i>Solvay</i>	<i>132 619</i>	<i>4.44</i>	<i>40.78</i>
<i>7</i>	<i>Fortis AG</i>	<i>129 533</i>	<i>4.34</i>	<i>45.12</i>
<i>8</i>	<i>Kredietbank</i>	<i>117 935</i>	<i>3.95</i>	<i>49.07</i>
<i>9</i>	<i>BBL</i>	<i>95 563</i>	<i>3.2</i>	<i>52.27</i>
<i>10</i>	<i>GBL</i>	<i>95 412</i>	<i>3.2</i>	<i>55.47</i>

Cumulated Percentage of Market Capitalisation



5.1.2.6.2 Sectors

TABLE 8. DISTRIBUTION BY SECTORS OF ACTIVITY

<i>Sectors</i>	<i>% Capitalisation</i>	<i>Nbr. of firms</i>
<i>Holdings</i>	<i>22.53</i>	<i>45</i>
<i>Electr. & Gas</i>	<i>21.45</i>	<i>3</i>
<i>Banks and fin. services</i>	<i>13.8</i>	<i>7</i>
<i>Chemicals</i>	<i>9.11</i>	<i>11</i>
<i>Insurance</i>	<i>7.79</i>	<i>3</i>
<i>Oil</i>	<i>7.12</i>	<i>2</i>
<i>Retailing</i>	<i>4.58</i>	<i>3</i>
<i>Met.-Electro-Electron.</i>	<i>3.38</i>	<i>8</i>
<i>Building</i>	<i>2.71</i>	<i>10</i>
<i>Miscellaneous services</i>	<i>2.18</i>	<i>11</i>
<i>Non-ferrous</i>	<i>1.65</i>	<i>2</i>
<i>Property</i>	<i>1.1</i>	<i>6</i>
<i>Miscellaneous industries</i>	<i>0.99</i>	<i>8</i>
<i>Food</i>	<i>0.81</i>	<i>7</i>
<i>Steel</i>	<i>0.48</i>	<i>3</i>
<i>Tropical</i>	<i>0.29</i>	<i>5</i>
<i>Temporary</i>	<i>0.01</i>	<i>6</i>
TOTAL		140

5.1.2.6.3 Bel 20

CHART1. CAPITALISATION COMPARED TO DOMESTIC SECURITIES

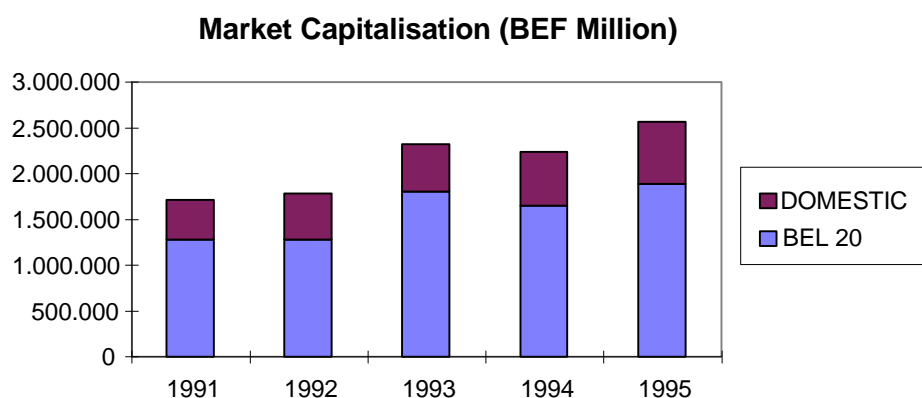
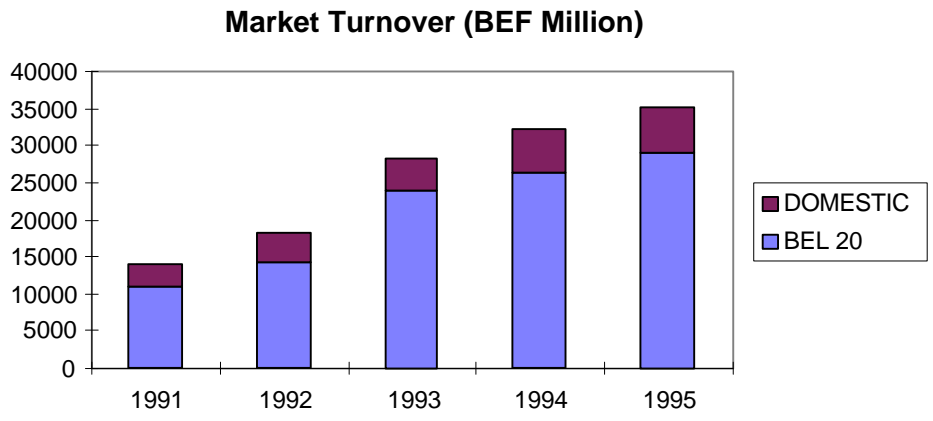


CHART2. TURNOVER COMPARED TO DOMESTIC SECURITIES



5.2 Data Sources: Details

5.2.1 Equity Capital and Share Types

We can review here the main characteristics of the different types of ownership certificates one can find in different legal forms of firms. We keep here the same classification between private, mixed and public firms, like in the previous section about legal forms.

5.2.1.1 Private firms

Their shares are nominative, they give right to cash-flow and they are voting. The shares of the partners are, in principle, non transferable without the agreement of all the other partners. Private firms barely exist.

5.2.1.2 Mixed firms

The regime of the ownership certificates of mixed firms (SPRL) is very close to the one of nominative shares in the SA. Like in all other types of firms, the capital is divided into a number of legal shares ("*parts d'intérêts*" for SPRL "*actions*" for SA), distributed to the shareholders in counterpart to their contribution. Each share gives the same rights as described in the previous section about legal forms.

Ownership certificates are not materialised by a piece of paper, but by an inscription into the Partner Register (*Registre des associés*) prescribed by law. The register mentions the identity of the partners, the number of shares they have, the payments made to release them, and the transfers made.

Transferability of certificates in mixed firms is restricted by law. Statutes can always reinforce the restrictions but not reduce them. The main principles are that transfers to other partners or to a person agreed by the statutes are free and transfers to other type of persons are subordinated to the agreement of half the partners representing 75% of the capital. Preferred stocks (*parts privilégiées ou de préférence*) are not allowed in SPRL.

Since 1991, SPRL are allowed to issue bonds, but under more restrictive conditions than the SA. Bonds can only be nominative.

As far as the availability of data is concerned, private firms and mixed firms are generally very obscure. Indeed, since all the ownership certificates are nominative in those firms, owners (partners) are registered in a Register of Partners (Régistre des Associés) kept at the firm's headquarters. This register is only accessible to the partners themselves, to the fiscal authorities, and to third parties having an interest in the firm, like debtors and creditors. The public cannot have access to the Register, even for scientific reasons. It is thus quite impossible to build a complete database including the identity of owners of firms other than public firms.

5.2.1.3 Public firms

Public firms (SA) : Stocks can be either bearer (*actions au porteur*) or registered (*actions nominatives*). A bearer stock is represented by a document. It is anonymous, liquid, and it can be transferred to an other person simply by giving the asset. A registered stock is materialised by an inscription in a register kept by the firm, like in mixed firms. The transfer is made by a modifying inscription dated and signed by the giving person and the given person. The statutes define freely what stock will be bearer and registered.

The rights attached to the stocks are the same both types and they are mentioned above. Stocks can be either voting and non voting, but, as we mentioned already, non voting stocks barely exist, unifying this way control rights and cash flow rights for shareholders. There exist also shares named "AFV" or "VVPR", they carry the same rights as usual stocks. The only difference concern the fiscal regime with a reduced tax (*précompte mobilier*) from 25% to 15% for the VVPR shares and exoneration of inheritance taxes (*droits de succession*) for AFV types.

According to the rule of shareholders equality, all shareholders have the same rights when they are in the same situation. When they are different categories of stocks, it implies that no discrimination is allowed inside a given category of stocks.

All different possible types of ownership certificates per legal form can be reviewed in the table below :

Share Types	Public firms SA and SCA	Mixed firms SPRL	Private Firms SCS, SNC
Nominative	Yes	Yes (100%)	Yes (100%)
Bearer (Anonymous)	Yes	No	No
Voting	Yes	Yes	Yes
Non Voting	Yes	No	No
No mention of Value	Yes	No	No
AFV / VVPR	Yes	No	No
Preferred Stock	Yes	No	No

In the three following sections, we will review the legal dispositions that make possible a data collection about the ownership of listed firms, first, and of other SA's (public firms) more generally. For listed firms, it is the Transposition of the EU Transparency Directive (section B). For non listed public firms, there two other company laws (section C). Finally, there are rules for consolidated accounts that apply for all firms (section D).

5.2.2 Transposition of The EU Transparency Directive

5.2.2.1 Background

The Belgian transposition of the EU Transparency Directive was accomplished through the law of 2 March 1989 “concerning the declaration of important holdings in listed companies and the regulation on public offerings and acquisitions”.¹ The legislation was published on 24 May 1989 in the Belgian Official Journal (*Moniteur Belge*) and most of the relevant rules became effective on 3 June 1989.

Despite its title, the legislation is about the declarations of “important holdings of voting rights” and not about “important holdings of capital”. Since violations of “one-share-one-vote” are possible under Belgian company law there is a difference between the two concepts. The Belgian transposition did not take advantage of the option, provided for in the EU Directive, of forcing shareholders to declare important holdings of capital as well as of voting rights.

The Belgian transposition and the practical arrangements that implement it try to contribute to achieving the purpose of the EU Transparency Directive:

Whereas a policy of adequate information of investors in the field of transferable securities is likely to improve investor protection, to increase investors' confidence in securities markets and thus to ensure that securities markets function correctly; Whereas, by making such protection more equivalent, coordination of that policy at Community level is likely to make for greater inter-penetration of the Member States' transferable securities markets and therefore help to establish a true European capital market;

Whereas to that end investors should be informed of major holdings and of changes in those holdings in Community companies the shares of which are officially listed on stock exchanges situated or operating within the Community;

¹ *Loi du 2 mars 1989 relative à la publicité des participations importantes dans les sociétés cotées en bourse.*

Whereas coordinated rules should be laid down concerning the detailed content and the procedure for applying that requirement; Whereas companies, the shares of which are officially listed on a Community stock exchange, can inform the public of changes in major holdings only if they have been informed of such changes by the holders of those holdings;

Whereas most Member States do not subject holders to such a requirement and where such a requirement exists there are appreciable differences in the procedures for applying it; whereas coordinated rules should therefore be adopted at Community level in this field.

COUNCIL DIRECTIVE of 12 December 1988 on the information to be published when a major holding in a listed company is acquired or disposed of (88/627/EEC), Preamble

5.2.2.2 The Mechanics of the Notification Process

In the Belgian case, the “competent authority” mentioned in the EU Directive is the Banking Commission (Commission Bancaire). The Banking Commission is in charge of supervising the banking sector as well as the Belgian financial markets. Although the practical arrangements for the Belgian notification process involve the Banking Commission, they are centred on the stock exchange. Figure 15 illustrates the mechanics of the notification process. A shareholder who crosses a notification threshold has to notify the Banking Commission and the listed company. There are two possible exceptions to this process.

1. Until 31 December 1990, natural persons could send a confidential notification to the Banking Commission. The Banking Commission would then pass on the notification without revealing the identity of the notifying person.
2. The notified company can always apply for a notification exemption with the Banking Commission. If an exemption is granted, the notification is not published. An exemption can be granted if the publication of the notification would result in a serious injury for the notified company.

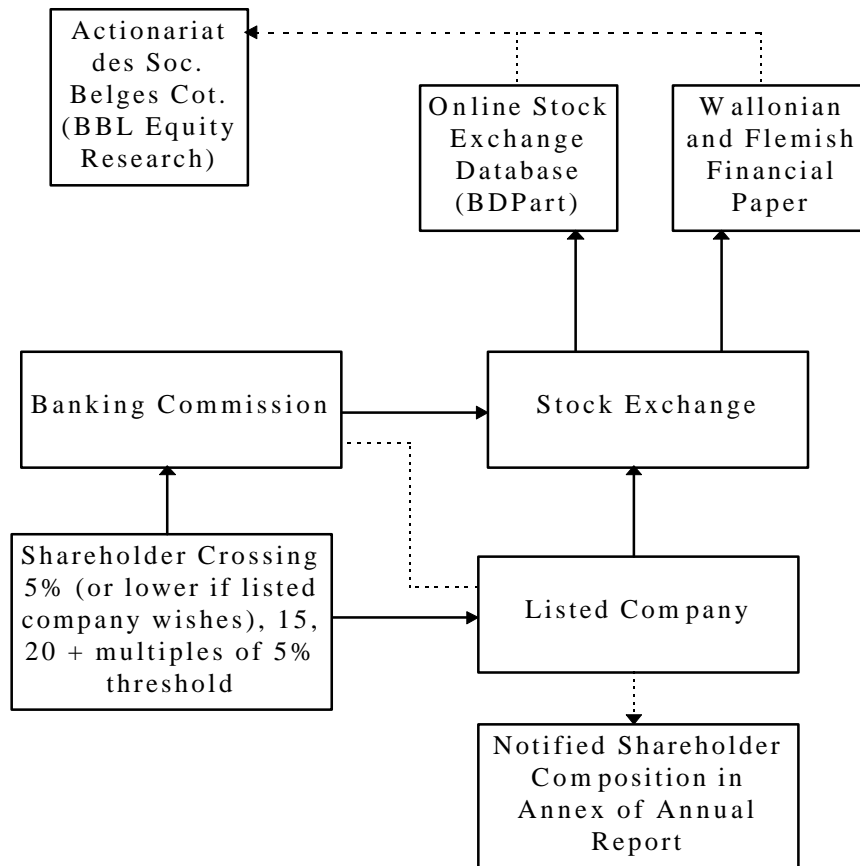
Notifications are made on standardised sheets that were appended to a note in which the Banking Commission laid down the practical guidelines for implementing the law of 2 March 1989.¹ The forms ensure a degree of homogeneity in the declarations.

The Stock Exchange uses these sheets to prepare newspaper publications which are published in a Wallonian (French language) and a Flemish (Dutch language) financial newspaper. The information is also entered in a special online database. The notified listed companies are obliged to publish their notified shareholder structure in the annex of their annual report.

From the day a shareholder passes a threshold to the time the shareholder notifies the company and the Banking Commission, a maximum of two working days may pass. The company or the Banking Commission (at the expense of the company) has to publish the information on the next day.

¹ Lettre Circulaire, Brussels, 26 May 1989, No. 139, Commission Bancaire.

FIGURE 15. THE MECHANICS OF THE NOTIFICATION AND PUBLICATION PROCESS



Note: When one of the notification rules “triggers” a notification (see Section 5.2.2.3) the shareholder has to notify the Banking Commission and the listed company. The listed company and the Banking Commission notify the Stock Exchange that prepares the announcement that is published in a Wallonian and a Flemish Financial Newspaper. The Stock Exchange also posts the change in a special online database (BDPart). To our knowledge the Equity Research Department of the Banque Bruxelles Lambert is the only institution that uses these publications to publish “snapshots” of the ownership situation (at irregular intervals).

5.2.2.3 Who has to Notify?

The notification requirement extend to all natural persons and legal entities in public or private law who acquire or dispose of, directly or through intermediaries, holdings in Belgian companies that are listed on the official market of an EU Member State. Shareholders of companies that are listed on regulated and over-the-counter markets are excluded. Somewhat different rules apply to first time and subsequent notifications.

5.2.2.3.1 Initial Notifications

Initial notifications (*declaration de base*) provided a picture of the distribution of votes at the time the law of 2 March 1989 became effective. The initial notifications provide the basis for subsequent “snapshots” of the distribution of voting rights that must be computed from the first time notifications and the subsequent, notified changes in the voting structure.

For initial notifications, different requirements applied for natural persons and for natural and legal persons holding votes in companies with less than BF 250,000,000 of equity capital. The exemption for natural persons that was valid until 31 December 1991 was mentioned in the previous section. Natural persons could make declarations only to the Banking Commission and remain anonymous.

Shareholders of listed companies with less than BF 250,000,000 equity capital, at the time the legislation came into force, enjoyed a “grace period”. They only had to make their initial declaration by 31 December 1991. Shareholders of larger companies had to make the initial declaration during the month the new legislation came into force. If, before 31 December 1991, the company’s equity capital exceeded the BF250,000,000 threshold a notification had to be made. Shareholders of larger companies had to make the first declaration during the month the new legislation came into force.

All shareholders who controlled more than 5% of the votes in a listed company had to notify. The company statute of the listed company could reduce the notification threshold, but not lower than 3% of the total votes. For direct individual shareholders the notification requirements were clear. For shareholders who acted jointly (“in concert”, through voting pacts or similar arrangements) and for shareholders that are linked through group structures the notification requirements were more complicated. The Belgian transparency rules provide clear guidelines, also in these cases.

For business groups, declarations could be made by the ultimate controlling agent in the groups. In such a case the control structure had to be explained, preferably in the form of an organisational chart (*organigramme*). Each member of the business group had to make a separate declaration. Even if there is joint control of a company in a business group (the business group controls 50% of the voting stock and another natural or physical person controls the other 50%) this company had to make a declaration. This is an important difference to transpositions of the Transparency Directive and due to Article 3 of the Law of

2 March 1989. It clearly states that companies that control, directly or indirectly, a company that controls 5% or more of the votes of a listed company has to make a separate notification. Article 3 also stipulates that, in the case of joint control, each shareholder has to file a separate notification.

In the case of voting pacts, the same rules as for business groups apply. A legal person that held less than 5% (or 3%, if the statute of the listed company prescribed this minimum reporting threshold) had to notify. For natural persons this rule did not apply. Indeed, in the case of voting agreements each member of the agreement had to make a separate declaration.

5.2.2.3.2 Subsequent Notifications

For subsequent notifications, similar but somewhat “tougher” rules than for initial notifications apply. The “grace period” concessions for natural persons no longer apply. Also, notifications resulting from holdings that cross (upwards or downwards) a 20% or higher threshold must be accompanied by a statement why the holding was increased or decreased (see Section 5.2.2.4.5.2.2.4.2).

A natural or physical person who crosses a notification threshold of 5%, 10%, 15%, 20% (or multiples of 5% thereafter) has to notify the Banking Commission and the listed company. The 5% bottom threshold can be lowered individually by the listed company, but only to 3% and not lower. For groups of natural or physical persons the same thresholds apply.

5.2.2.4 Contents of the Notifications

Like in the case of the notification rules, the contents of first time and subsequent notifications differ.

5.2.2.4.1 Contents of Initial Notifications

First time modifications are made on Form 1 and 2. Form 1 contains the details of the declaration. Form 2 clarifies the control structure of business groups that make a notification. Notifications on the basis of Form 1 contained the following information (a facsimile of the form can be found in Appendix I):

1. An indication whether the declaration is made on own account, on behalf of a third party, a part of a business group and/or a voting pact;
2. The name of the listed company that is notified;

3. The identity of the natural or legal persons making the notification (subject to the anonymity clause for natural persons that was in force until 31 December 1990, see above);
 - 3.1. In the case of natural persons the name and address.
 - 3.2. In the case of a legal person the legal form, place of registration, address, company register address, VAT number and the position of the person signing the declaration.
4. A declaration whether the person that made the notification is part of a business group or has a voting agreement with someone else. In both cases the names of the natural or legal person that are part to this relationship or agreement had to be provided. Alternatively, the declaration had to contain a separate sheet for such a natural or legal person.
5. The date at which the notified holding structure was valid.
6. A breakdown of the holdings by type and an explicit calculation of the notified percentages:
 - 6.1. The number of votes that can be exercised by the shareholder at the time the notification is made and correspond to the issued equity capital of the listed company. The percentage these votes represent in the total number of votes must also be declared.
 - 6.2. The number of votes that can be exercised by the shareholder at the time the notification is made and do not correspond to the issued equity capital of the listed company. This special case arises from the fact that, in Belgium, it is possible to issues share that have a vote but no par value. The percentage these votes represent in the total number of votes that do not correspond to issued par value had to be declared as well.
 - 6.3. The number of votes that might become available in the future and the investor already has a claim on. For example, the number of votes that can be obtained from warrants, convertible bonds, claims, options and similar instruments that have been issued but have not yet been converted into shares

with par value and voting rights or shares without par value but voting rights. The percentage of these potential votes in the total number of votes corresponding to the total number of votes when all instruments are converted must also be declared. Form 1 distinguishes between four different classes of instruments that fall into this category: convertible bonds, convertible loans, warrants, other drawing rights on shares that will be created (and have been approved by the general assembly).

- 6.4. The number of existing votes the shareholder has a claim on. An example would be the ownership of a call option on shares of the listed company. Again, the percentage of these claims on the total number of shares for which such claims exist must be reported as well. Form 1 distinguishes four different classes of claims that fall into this category: traded options, warrants on issued capital, claims resulting from a contract, others (with the obligation to specify the nature of the claim).

All the information collected on Form 1 and Form 2 can be found in the published notification that appears in the newspaper.

5.2.2.4.2 Contents of Current Notifications

Current notifications are made on Form 3 and 4 (a facsimile of these forms can be found in the Appendix). Form 3 is very similar to Form 1 and contains all the quantitative information. Form 4 corresponds to Form 2. It captures the possibility of control transfers that occur because a company that holds a stake in a listed company is, for example, sold to a third company that takes control of the notified stake. The type of control transfer and the identity of the parties to the control transfer are notified using Form 4.

The Banking Commission distinguishes two types of ongoing notifications: first time notifications and subsequent notifications. Furthermore, there are two types of subsequent declarations: notifications that result from changes in a holding that results from crossing a threshold and notifications that result from the conversion of “potential votes” into actual votes (e.g. through exercising an option or the conversion of warrants).

First time notifications are not identical to the initial notifications discussed in the previous section. The need to make a first time notification can arise from the fact that:

1. a shareholder crosses a notification threshold for the first time
2. a company Belgian company is listed for the first time on an official market of a Member State of the EU (initial public offering)

Subsequent notifications can be triggered by two events. One, a shareholder crosses a threshold. Two, a shareholder converts “potential votes” into “actual votes”, for example by converting warrants or by exercising an option. Even if the conversion of warrants does not result in crossing a threshold, a declaration must be made.

In terms of contents, there are hardly any differences between first time and subsequent notifications that are triggered by crossing a threshold. The main differences between the contents of such notifications and the contents of the initial notifications are:

1. A declaration of the nature of the notification
 - 1.1. A change in the stake that is held (without a change in the total number of votes) that led to crossing a declaration threshold. This is the rule encountered with Form 1 and the quantitative information that must be provided is almost identical. In addition to the information provided on Form 1, the change in the holding compared to the previous declaration must be notified as well.
 - 1.2. An update due to a change in the total number of votes (e.g. due to an increase in capital). In this case, a part of Form 3 has to be filled in. Logically, there is no corresponding section on Form 1.
2. When the 20% or a higher threshold is crossed, the notification must be accompanied by a statement that sets out the reason for the increase/decrease in the holding.
3. The “statement of policy” must be accompanied by a declaration that shows how many shares and other instruments were acquired/sold during the 12 months before the current notification. The declaration must show whether the holdings were acquired/sold through the stock exchange or by other means.

Again, all the information on Forms 3 and 4 is contained in the published notification. The published notification also contains the number of notified shares prior to the current notification and the change from the previous with respect to the current notification (in absolute numbers and percentages).

5.2.2.5 Sample Notifications

5.2.2.5.1 Simple Group Notification

On 20 June 1996 Société Générale de Belgique SA made an initial notification of its holding in Distrigaz. The notification contained five sheets and an organisational chart. Sheet one contained the notification of the interests of 1 company controlled by SGB (Tractebel SA) and two companies that acted in concert with the SGB group but that are not part of the group (Belgian Shell SA and Socogaz SA). Sheet 2 contained the notified holdings of the SGB group without Belgian Shell SA. Sheet 3 contained the declaration of Tractebel SA (part of the SGB group). Sheet 4 contained the notification of Belgian Shell (acting in concert with Tractebel SA). Sheet 5 contained the notification of Socogaz SA (acting in concert with Tractebel SA). The organisational chart showed that Tractebel SA is controlled by SGB and that SGB is controlled by Cie de Suez.

FIGURE 16. NOTIFICATION OF SGB GROUP FOR HOLDING IN DISTRIGAZ

N. 71 Bourse de Bruxelles		Distrigaz	
20.06.96 Déclarant : Société Générale de Belgique SA - Première déclaration			
Origine droits de vote	Nombre	%	
Dénominateur	702 636		
T.R.C.			
Tractebel SA, Place du Trône 1, 1000 Bruxelles, agissant de concert avec Belgian Shell SA, Socogaz SA	404 250	57,53	
T.R.C.			
Belgian Shell SA, Cantersteen 47, 1000 Bruxelles, agissant de concert avec Tractebel SA, Socogaz SA	117 106	16,67	
T.R.C.			
Socogaz SA, rue Royale 55, 1000 Bruxelles, agissant de concert avec Tractebel SA, Belgian Shell SA	63 881	9,09	
T.R.C.			
Total détenu par les sociétés du groupe de la Société Générale de Belgique et du groupe de la Compagnie de Suez, y inclut les participations des sociétés avec lesquelles les susnommées agissent de concert	585 237	83,29	
T.R.C.			
T.R.C. = Titres représentatifs du capital			
Organigramme			
Cie de Suez → SGB → Tractebel → Distrigaz			

Source: *Echo de la Bourse*

The sheets show that the four companies hold votes that correspond to issued equity capital (Category 1 on Form 1; see previous Section).

In the published notification the information from each of the five sheets is reproduced in five boxes. The organisational chart is reproduced as well.

The organisational chart and the notification sheets did not show the holding of SGB in Tractebel SA and the holding of Cie de Suez in SGB. However, since Tractebel SA and SGB are Belgian listed companies, this information is available from the notifications these

companies received. In June 1996, the Suez/SGB group held 40.45% of the voting stock of Tractebel SA. The Cie de Suez groups notified to hold 62.59% of SGB (BBL 1996).

5.2.2.5.2 Complex Group Notification

This example shows a group notification of Groupe Bruxelles Lambert SA (GBL SA). The Group notified an increase in its holding in Electrafina SA. The notification was triggered by two events that each could have triggered a notification.

- GBL Group and GBL SA crossed the 55% and 35% notification thresholds respectively. This resulted from the subscription in a capital increase of Electrafina SA.
- GBL Groups converted warrants into voting stock. Such an action must always be notified and accompanied by a declaration of the breakdown of the total capital after the conversion of the warrants.

Since the GBL Group and GBL SA hold more than 20% of the voting stock of Electrafina SA, the notification is accompanied by a “statement of policy” (bottom box, above control chart). GBL SA declares (on behalf of the group) that the change in its stake is the result of a subscription to a capital issue undertaken by Electrafina SA. The GBL Group has a “friendly shareholder” agreement with Electrafina SA and the subscription to increases in equity capital are part of this agreement. The GBL Group declares that there is no change in its policy *vis-a-vis* Electrafina SA which is said to represent an important strategic participation for the GBL Group. The “statement of policy” also contains a declaration that shows the total number of shares that were purchased by GBL Group in the 12 months prior to the current notification. Most shares were purchased off the exchange (4,592,103 versus 329,750 traded shares).

FIGURE 17. NOTIFICATION OF THE GBL GROUP FOR HOLDING IN ELECTRAFINA

N. 122 Bourse de Bruxelles & Anvers			Electrafina		
27.7.94 Déclarant : GBL, av. Marnix 24, 1050 Bxl - Déclaration Subséquente					
Origine	Précédent 15.4.94		Modif.	Nouveau	
droits de vote	Nombre	%	(+/-)	nombre	%
Dénominateur					
T.R.C.	26.482.950		+3.310.368	29.793.318	
1. GBL et sociétés liées					
T.R.C.	14.182.117	53,55	+1.720.178	15.902.295	53,37
2. GBL S.A.					
T.R.C.	11.033.566	41,66	-1.089.744	9.943.822	33,37
2a. Sagerpar S.A., liée à GBL					
T.R.C.	274.695	1,04	+34.337	309.032	1,04
2b. Natural Resources Consultants, liée à GBL					
T.R.C.	0	0	+3.137.553	3.137.553	10,53
2c. Fonds de Pension de GBL, lié à GBL					
T.R.C.	6.807	0,03	+851	7.658	0,03
3. Royale Belge S.A. et sociétés liées, liée à GBL					
T.R.C.	1.891.349	7,14	+252.214	2.143.563	7,19
3a. Royale Belge S.A., liée à GBL					
T.R.C.	1.448.185	5,47	+196.817	1.645.002	5,52
3b. L'Assurance Liégeoise, liée à Royale Belge					
T.R.C.	63.393	0,24	-63.393	0	0
3c. L'Ardenne Prévoyante, liée à Royale Belge					
T.R.C.	270	0	+34	304	0
3d. Urbaine UAP S.A., liée à Royale Belge					
T.R.C.	366.501	1,38	-366.501	0	0
3e. Le Foyer belge, liée à Royale Belge					
T.R.C.	13.000	0,05	-13.000	0	0
3f. Royale Belge 1994, liée à Royale Belge					
T.R.C.	0	0	+498.257	498.257	1,67
4. CNP S.A. et sociétés liées, liée à GBL					
T.R.C.	738.307	2,79	-738.307	0	0
4a. CNP S.A., liée à GBL					
T.R.C.	421.376	1,59	-421.376	0	0
4b. SLP S.A., liée à CNP					
T.R.C.	302.911	1,14	-302.911	0	0
4c. Financière de la Sambre S.A., liée à CNP					
T.R.C.	8.020	0,03	-8.020	0	0
4d. Bureaux du Centre, liée à CNP					
T.R.C.	3.000	0,01	-3.000	0	0
4e. Haras de la Biercaire, liée à CNP					
T.R.C.	3.000	0,01	-3.000	0	0
5. Belgian Sky Shops S.A. et sociétés liées, liée à GBL					
T.R.C.	237.393	0,90	+123.274	360.667	1,21
5b. Agespar S.A., liée à Belgian Sky Shops S.A.					
T.R.C.	237.393	0,90	+123.274	360.667	1,21
T.R.C. = Titres représentatifs du capital					
Cette déclaration résulte de plusieurs éléments et principalement de:					
1. la restructuration interne de la participation de GBL dans Electrafina et notamment le glissement de 10,53% de titres Electrafina détenus par GBL dans Natural Resources Consultants "NRC", filiale à 100% de GBL récemment acquise à Electrafina et Finance et Participations.					
2. la mise à jour due à l'émission de 3.310.368 nouvelles parts sociales Electrafina qui a été décidée le 14.6.94 par le Conseil d'Administration de cette société et dont la période de souscription vient d'être définitivement clôturée le 26 juillet dernier.					
3. d'un déplacement à l'intérieur du groupe Royale Belge à la suite d'une restructuration.					
Organigramme de contrôle					
<pre> graph TD CNP --> Parjointco Parjointco --> Pargesa Pargesa --> GBL CNP --> BSS[Belgian Sky Shops] BSS --> Agespar CNP --> Sagerpar CNP --> NRC GBL --> Electrafina GBL --> RV[Royale Vendôme] RV --> RB[Royale Belge] RB --> Electrafina </pre>					

Source: Echo de la Bourse

The “threshold notification” was made on 12 sheets that correspond to the twelve numbered boxes on the declaration form. The “conversion of warrants” notification was made on a separate sheet and corresponds to the to box that has no number. Box 1 shows the number of shares held.

The first notification (Box 1) is for the GBL Groups as a whole. It shows an increase in the total holding of the GBL Group in Electrafina from 53.37% to 56.62%. A second block of notifications is for GBL SA and three companies that are directly associated with it (Boxes 2, 2a-2c). A third block is for the Royale Belge Group, a group by itself, that is tied to the GBL Group (Box 3, 3a-3c). The holding of the Royale Belge Group is reported in Box 3. The holding of Royale Belge SA, the company, is reported in Box 3a. The Royale Belge Group holds 7.89% of Electrafina, Royale Belge SA holds 5.63% and Royale Belge 1994 holds 2.27%. A fourth block is held by the Belgian Sky Shops Group that is also part of the GBL Group (Box 4, 4a-4b). The Belgian Sky Shops Group holds 0.91% of Electrafina (Box 4), 0.24% directly (Box 4a) and 0.67% indirectly through Agespar (Box 4b). Agespar must be a 100% owned subsidiary of Belgian Sky Shops (from the organisational chart and the fact that $0.24\% + 0.67\% = 0.91\%$).

The BDPart database contains the direct holdings from the notifications but not the group holdings. We compare a backup of the BDPart database from 29 December 1995 at 9.16 with the GBL notification (Table 23). The entries that correspond to the the GBL Group refer to the notification of 27 July 1994 referred to as “Précédent 27.7.94” in Figure 17. At the time, only the companies in Block 2 (Box 2, 2a-c) were declared to belong to the GBL Group. The Royale Belge Group was not affiliated with the GBL Group but with the French UAP Group. This fact was notified on 27 July 1997 and the entered into the PDPart database on 1 August 1994. The entries for the GBL Group exactly corresponds to the information found in the published notification. What is important for our purposes is to note that PDPart contains the holdings of the individual companies that formed part of the GBL Group (GBL SA, Sagerpar SA, Natural Resources Consultants and Fonds de Pension de GBL) not only the overall holding of the GBL Group. As will become clearer when we discuss the construction of our dataset, this is very important for our purposes. We are interested in the holdings of the individual companies, not the GBL Group.

TABLE 23. SHAREHOLDERS OF ELECTRAFINA SA IN DBPART DATABASE ON 29 DECEMBER 1995 AT 9:06

Code Holder	Code Origin	Date and Exercise	Code Group	Number Declared	Number Issued	Percent	Date Declaration	Last Update
AGESPAR	11		0 GBL	360,667.000	29,793,318.000	1.210	19940727	19940801
ARDENNE	11		0 SCUAP	304.000	29,793,318.000	0.001	19940727	19940801
BIL	11		0 CREDCOM	57,000.000	29,793,318.000	0.191	19910916	19910920
GBL	11		0 GBL	9,943,822.000	29,793,318.000	33.376	19940727	19940801
GENEAUX	11		0 GENAUX	5,332,009.000	29,793,318.000	17.896	19940418	19940425
NATURAL	11		0 GBL	3,137,553.000	29,793,318.000	10.531	19940727	19940801
PENSGBL	11		0 GBL	7,658.000	29,793,318.000	0.025	19940727	19940801
ROB	11		0 SCUAP	1,645,002.000	29,793,318.000	5.521	19940727	19940801
ROB1994	11		0 SCUAP	498,257.000	29,793,318.000	1.672	19940727	19940801
SAGERPAR	11		0 GBL	309,032.000	29,793,318.000	1.037	19940727	19940801

Legend:

Company		Group	
AGESPAR	Agespar SA	GBL	Groupe Bruxelles Lambert
ARDENNE	L'Ardenne	GENEAUX	Gen. Des Eaux Cie (France)
BIL	Banque Int. Lux. SA	SCUAP	Soc. Centrale UAP (France)
GBL	Groupe Bruxelles Lambert SA	CREDCOM	Credit Communal de Belgique
GENEAUX	Gen. des Eaux Cie		
NATURAL	Natural Resources Consultants	Codes	
PENSGBL	Fonds de Pension de GBL	11	Equity
ROB	Royale Belge		
ROB1994	Royale Belge 1994		
SAGERPAR	Sagerpar SA		

5.2.2.6 Shortcoming of the Belgian Transposition

The Belgian transposition of the EU Transparency Directive, but especially the implementation rules put into place by the Banking Commission are satisfactory. The weaknesses of the Belgian transposition stem from inadequacies in the EU Directive and some remaining practical problems.

5.2.3 Company Law

For non listed public firms, there are three legal rules that can be a source of data for a research on ownership. However, these yield for bearer shares only. For nominative shares of SA and SCA, indeed, the same rule of Register of Partners applies as for private and mixed firms and the Register is not available to the general public.

The potential sources of information here are :

- the obligation made for all SA's to publish, in their annual report, the content of their shareholdings portfolio in others firms, either Belgian or foreign, and of any legal form. Then, by gathering all these information on shareholdings in other firms, it is possible to identify the shareholders of a given firm when they are Belgian SA's. Indeed, the Central Bank (*Banque Nationale de Belgique, Centrale des Bilans*) does this in collaboration with a software company (*Bureau Van Dijk*) that publishes regularly a CD-ROM gathering the annual accounts of all Belgian firms from which they deduct the shareholdings and shareholders of all possible firms. This is the main source of information on ownership for non listed firms in the country.
- Besides this, Belgian company law contains a separate provision that is comparable to the Transparency Directive rules for listed companies. The rules applies, exclusively, to *Société Anonyme* (SA). According to Article 52(6) Paragraph 2 of the *Lois Coordonnées sur les Sociétés Commerciales* (Coordination Officielle au 13 Avril 1995), any company that becomes the shareholder of a *Société Anonyme* registered in Belgium and holds more than 10% of the total votes in one category of shares has to notify that company. The company that made the acquisition notify the SA by registered mail. The notification must be made on the same day the acquisition took place. When the notified holding is decreased to less than 10% another notification must be made. Unfortunately, however, empirical research showed that this rule is not respected in practice.

- Finally, the last legal element that can provide us some information on ownership is the law on consolidated accounts. It is described in the section below.

5.2.4 Annual and Consolidated Accounts

Shareholdings of a firm into other firms have to be mentioned in the annual accounts under the rubric "Financial assets" (Immobilisations financières). They are separated into three groups, in a decreasing order of importance.

5.2.4.1 Tied firms ("*Entreprises liées*")

The firms tied to another firm are :

- the firms that control her,
- the firms that she controls,
- the firms with whom she forms a consortium,
- the other firms that, to the knowledge of the board, are controlled by one of the firms mentioned above.

The "control" of a firm is defined by law as the power to exert a significant influence on the majority of the board members or the managers or on the orientation of its management.

To determine the extent of this control rights:

- the rights held indirectly via a subsidiary is added to the rights held directly;
- the suspensions of voting rights and limitation the exercise of voting rights are not taken into account
- the voting rights held into a firm are calculated after the deduction of the shares and the social rights of that this firm or its subsidiary hold in itself.

5.2.4.2 The firms with whom there exists a participation link

Are included in this category :

the firms, other than tied firms, in which the firm or its subsidiary holds directly, or indirectly, a participation

A participation is either

- the holding of at least 10% of the own funds, or of one category of shares in a firm,
- or the holding of rights representing less than 10%, but when the addition of the rights held by the shareholder firm and by its subsidiary exceeds 10% of the capital or 10% of one category of shares, or when there is a special agreement between smaller shareholders exceed 10% when taken together.

5.2.4.3 Other financial assets

Here are mentioned the social rights held in other firms that do not constitute a participation, but when these shareholdings are aimed at contributing to the activities of a firm by establishing a specific and durable link with this firm.

5.2.4.4 Consolidated accounts

5.2.4.4.1 Principle

The general principle of consolidated accounts is the gather the annual accounts of the firms of a group as if they were a single firm. Three methods are therefore used as we detail below.

5.2.4.4.2 Contents and publicity

Contents and publicity of consolidated accounts are similar to annual accounts. The accounts include a balance-sheet, a profit and loss account, and the annex, plus a management report. The structure is similar to the annual accounts, and they must reflect a true image of the patrimonial situation of the group. They are established in the same delays as the annual accounts and put at the disposal of the administrators at the same time. They are presented to the General Meeting and published together with annual accounts. The control of the accounts are made by auditors named by the General Meeting.

Consolidated accounts are also provided to the central bank and can be consulted at request by the public, just like annual accounts

The extent of consolidation ("Périmètre de consolidation")

The "consolidating firm" is the mother firm, head of the group, that will establish and publish the consolidated accounts. The "consolidated firms", included into the accounts are all the subsidiaries of the consolidating firm. However, some firms may be exempted from establishing consolidated accounts, these are the smaller firms of which neither the consolidating firm nor its subsidiary exceed more than one of the following limits :

- gross sales below 1700 million BEF
- total of the balance-sheet below 850 million BEF
- number of person employed below 500
- There is no exemption for listed firms.

5.2.4.4.3 Methods of consolidation

The method of consolidation applied depends on the importance of the shareholdings of the consolidating firm in its subsidiaries :

5.2.4.4.3.1 *Global integration*

For the subsidiaries in which the consolidating firm exerts an exclusive control.

The global integration implies the summation of all the rubrics of annual accounts of the subsidiary and of the consolidating firm, of which one can deduct the proportion represented by the "intérêt des tiers" (other shareholders than the consolidating firm and its other subsidiaries).

5.2.4.4.3.2 *Proportional integration*

For the subsidiaries in which the consolidating firm exerts a joint control. (The firms acts jointly with one or several other large shareholders to control the subsidiary).

The proportional integration implies the summation of the rubrics of annual accounts in proportion of the capital owned by the consolidating firm alone into the firm (and not together with the other subsidiaries like in global integration).

5.2.4.4.3.3 Equivalence ("*Mise en équivalence*")

Either for the subsidiaries in which the consolidating firm exerts a joint control ("filiales communes"), but having activities that are too different from those of the consolidating firm to reflect a faithful image of the reality, or for the associated firms, meaning in which the consolidating firm holds a shareholding exceeding 20% of the capital.

The equivalence results only in adding a rubric "Entreprise mises en équivalence" (firms consolidated by equivalence) in the balance sheet of the consolidated accounts. The amount is the fraction of the capital held in the consolidated firm.

5.2.4.4.3.4 Annex of the consolidated accounts

It must include the criteria applied to establish the various consolidation methods and the identification of the consolidated firms with each methods :

- list of the firms consolidated by global integration
- list of the firms consolidated by proportional integration
- list of the firms consolidated by equivalence.

The annex might add also the list of firms not included in the consolidated accounts but in which the group have shareholdings comprised between 10% and 20% of the capital.