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Companies must be able to refuse access to their share registry

Companies should be able to refuse charities, brokers, investment companies, genealogical research companies and other self-interested parties raiding their share registry to gain access to shareholder contact information for marketing purposes.

Commenting on Treasury's paper *Access to company registers and related issues*, Chartered Secretaries Australia (CSA) argues that shareholder rights will not be compromised in any way as they are already enshrined in law.

Existing protections ensure that shareholders can access the register for a proper purpose. For example, they can ask a company for a copy of the register if they propose to call a meeting. They can give a company notice that they plan to call a general meeting which the company then has to distribute to other shareholders. In addition, they can ask the company to distribute statements to other shareholders that could be considered at a general meeting.

But where an applicant's purpose is improper, irrespective of whether it is a shareholder or otherwise, the company should be entitled to refuse access.

"Denying a company the right to control access to its share register is akin to denying a bank the right to protect credit card information," said CSA's chief executive, Tim Sheehy. "The government is proposing sufficient checks and balances to ensure it won't be a free-for-all."

"In addition, shareholders can also review the top 20 shareholders of a listed company and contact fellow investors if they have concerns about the governance and management of the company," Mr Sheehy said.

Nor are companies likely to abuse the proper purpose test. The courts can, and will, impose appropriate sanctions, including awarding costs against the company for refusing a legitimate request.

CSA has campaigned vigorously for the introduction of a 'proper purpose' test to gain access to the register and welcomes the government's proposals.

"These proposals are a great win for shareholders who can now take comfort in the knowledge that their personal contact details will not be able to be accessed by all and sundry for commercial gain," Mr Sheehy said.

MEDIA RELEASE

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About Chartered Secretaries Australia

Chartered Secretaries Australia (CSA) is the independent leader in governance, risk and compliance. As the peak professional body delivering accredited education and the most practical and authoritative training and information in the field, we are focused on improving organisational performance and transparency.

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