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CAD-01251

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To:

Sir Adrian

*-confirming copy*

From:

Nigel Peace

INSTITUTION SHAREHOLDERS COMMITTEE

I have arranged for us to see Mike Sandland, Chairman of the Institutional Shareholders Committee, at 1130 on Monday 15 July at Moorgate Place.

2 You asked about the relationship between the Institutional Shareholders Committee (ISC) and other associations in the field. The ISC has the following constituent members:

Association of British Insurers  
Association of Investment Trust Companies  
British Merchant Banking and Securities Houses Association  
National Association of Pension Funds  
Unit Trust Association.

The way in which the Committee has become accustomed to operate is to take papers which have already been digested by one of the constituent associations. Thus the Committee's 'Statement of Best Practice on the Role and Duties of Directors' started life as an ABI discussion paper and the paper on 'The Responsibilities of Institutional Shareholders' is still at the same formative stage. Mike Sandland says that the ABI tends to be the most productive of the constituent associations and likes to get publicity for its initiatives.

3 There is one more association to mention - the Institutional Fund Managers Association (IFMA) which is not a member of the ISC because it specifically represents fund managers as opposed to shareholders - the distinction is that fund managers act on behalf of shareholders but are not shareholders themselves. However in practice the distinction is often unimportant and as it happens the Chairman of IFMA (Mr Nunneley) is a member of the ISC wearing another hat, so the two bodies know what the other is doing. IFMA is currently working on two papers which were mentioned at the CBI meeting yesterday - 'Communications of Business Plans and Insider Dealing', and 'Voting by Institutional Shareholders'. Both are likely to be of relevance to our Committee, and I have arranged to receive copies as soon as they are at a stage when IFMA is ready to release them. I will give them a mention in my background paper.

*N*

NDP  
26 June 1991