**REPORT**

3.2.1 Background

Q1: What is the nature of your involvement in the proxy advisory industry (proxy advisor, investor, issuer, proxy solicitor etc.)? To facilitate the comprehensibility of your response to this Call for Evidence, please describe your role in and your interaction with the industry.

I am a corporate lecturer of San Ignacio de Loyola University (Peru) who works a relevant research about the impact of activity of proxy advisors in Peru.

Q2: Have you previously had concerns with the functioning of any areas of the proxy advisory industry? If yes, please specify.

Yes, from 2012 while I was researching the principles of corporate governance I took notice about the value of proxy advisers in financial markets.

Q3: Did you become aware of the BPP at the time of their publication, i.e. March 2014? If yes, how did you become aware of the BPP? If no, when did you become aware of the BPP and how?

No, I became beware of BPP four months ago while I was collecting information and data for working a relevant research about the impact of proxy advisors in Peru.

Q4: What is your view on the width and clarity of the scope5 of entities covered by the BPP (i.e. do you consider that the BPP cover the European proxy advisory market appropriately)? Please explain.

Personally, it doesn’t because in some cases proxy advisory market covers another faculties of investors related to right vote. For example in the case of the right of request information additional information to complement the research an evaluation of a decision to be discussed by shareholders.

Q5: In your view, are the BPP drafted in a way so that they address the following areas identified in ESMA’s 2013 Final Report? Please provide examples to support your response.

1. Identifying, disclosing and managing conflicts of interest;

I think BPP principles tries to cover the most possible circumstances which could create a conflict of interest in the proxy advisory industry. But, the problem is the lack of a concrete consequence in case of a conflict of interest detected. It is not enough to say “you must disclose” instead of say “you must disclose and resign and if not to be fined, or reported to the regulators, and taken to courts”.

1. Fostering transparency to ensure the accuracy and reliability of the advice;

No it doesn’t because there is no general and specific recommendations on how to foster transparency. BPP could recommend examples of corporate policies related to transparency. For example it must propose the terms between a conflict of interest is detected and reported to the investors and the regulators, in case it is a relevant affair.

1. Disclosing general voting policies and methodologies;

Yes, It does.

1. Considering local market conditions;

BPP takes this point as part of proxy advisors research methodology. In comparison to ESMA’s final report, it is incomplete and irrelevant. It is necessary the autoregulation of proxy advisory firms should include exclusive situations related to transnational operations (cross-borders) because, in many cases, they are different in contrast to national.

1. Providing information on engagement with issuers.

Yes it does.

Q6: What is your overall assessment of the quality of the signatory statements? Please provide examples referring to the areas identified under Q5.

I think they are the most important companies that make impact in the related area of proxy advisory. My personal opinion is the areas identified under Q5 will improve their job.

Q7: In your view, are there proxy advisors which possibly fall within the scope of the BPP and have not signed the BPP?

No.

Q8: How would you describe the impact which the BPP have had on the proxy advisory industry in practice? Please provide examples to support your response.

Very important because they have to adapt their work according to principles in common to give transparency and reliability to the markets.

Q9: Have you observed any changes in signatories’ practices in the areas mentioned under Q5 since the publication of the BPP in March 2014 and specifically during the 2015 proxy season? Please provide examples to support your view and specify whether these changes addressed the concerns you mentioned in response to Q2, if any.

Particularly, I didn’t notice any relevant change.

Q10: To what extent do you consider the conduct of BPP non-signatories in relation to the areas identified under Q5 to be different from that of BPP signatories? Please provide examples to support your view. No comments.

Q11: Do you consider other measures than the BPP necessary to increase understanding of and confidence in the proxy advisory industry? If yes, please explain why and specify the measures which would in your opinion be suitable.

No.

Q12: Do you have any other general comments that ESMA should take into account for the purposes of its review? No.