



ELDR Party
CONGRESS RESOLUTIONS

THURSDAY AND FRIDAY 30-31 OCTOBER 2008
CLARION SIGN HOTEL
STOCKHOLM, SWEDEN

Sovereign wealth funds

The European Liberal Democrat and Reform Party, convening in Stockholm, Sweden, on 30th and 31st October 2008:

- Reaffirms its support for a policy of openness to investments and the free movement of capital.
- Notes that Sovereign wealth funds (SWFs) are globally considered to hold a value of approximately 2300 billion dollars, and that the funds are estimated to grow by another 1200 billion dollars in the coming five years.
- Acknowledges that SWFs have proven beneficial in the current global financial instability, through crucially supplying liquidity, bolstering or even saving major financial institutions and choosing long term investment strategies providing much needed stability.
- Underlines that a sound level playing field must be upheld in the economic sphere of the European market place and that a smooth running of the financial system presupposes that principles of transparency and disclosure are respected and upheld.
- Considers that SWFs have not caused any disruption of capital markets, but that their structure, size and rapid growth call for a careful analysis of their role and influence.
- Notes that the approach to transparency and governance of SWFs differ, giving rise to concerns among certain European Member States, not least in light of the current financial instability.
- Stresses the focus on a European common approach on SWF, rather than national initiatives and to ensure that any such recommendations adhere to international standards such as the Santiago principles agreed under IMF supervision
- Stresses, therefore, that the economic power held by the SWFs must be firmly leveraged by clear rules and standards that will ensure that active SWFs offer a clear understanding of their structure and motivation.
- Believes that the active Norwegian SWF can serve as an international example on how to construct such a framework, deplores the secretive nature of Russia's



and China's SWF, as it must be ensured that investment strategies are based on economic and not on political considerations, therefore expects SWF to publish their overall objectives, including investment strategies, growth strategies and dividend policies.

- Welcomes the European Commission initiative of a code of conduct, but invites the European Commission to carefully monitor the situation and, if necessary, re-evaluate the need for a liberal and clear-cut regulation in case a voluntary measure should prove inadequate to ensure transparency among active SWFs on the European markets.
- Believing that a code of conduct needs to be put in place on a global scale to be effective, is therefore of the opinion that it is of vital importance that the European Commission works in close cooperation with the IMF and the OECD, especially following the preparation of the Santiago Principles defining the General Accepted Principles and Practices for SWF and the OECD declaration on Sovereign Wealth Funds and recipient country policies.