

New trends in legal frameworks for purpose-driven companies—The European way(s)

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Abstract

The debate on corporate governance of business companies and the discussions on the concept of corporate purpose intensified. Looking at the role of law in ensuring that businesses profit from creating benefits and not from creating detriments, it is worth distinguishing between interventions designed to incentivise the former (e.g., mandatory rules on sustainability disclosure or new dual-purpose companies) and disincentivise the latter (tort or recent supply chain due diligence laws). Nevertheless, the existence of a grey area for activities that do not materialise in tort, or the violation of other mandatory rules cannot be denied and is probably where the reconceptualisation of fiduciary duties can mediate. New legal trends in these areas are mapped with a special focus on the European context and some comparative law considerations with respect to the United Kingdom and the United States. Finally, a suggestion for the future of European harmonisation on dual-purpose companies will be offered.

KEYWORDS

dual-purpose companies, fiduciary duties, supply chain due diligence, sustainability reporting

BEYOND SHAREHOLDER PRIMACY IN THE LAW?

The shareholder primacy model principally developed in the US corporate context (considered as a social norm: Millon, 2013; Smith, 1988; Sneider, 2009; Stout, 2008, 2012; or as a legal mandate: Bainbridge, 1993; Strine, 2012, 2014a, 2014b, 2015) has become relatively recently the predominant accepted model in corporate practice (Bainbridge, 1996; Davis, 1988; Lund & Pollman, 2021) and company law, even though the pursuit of some form of public interest was one of the core elements of business corporations since their birth as chartered companies (Williston, 1888).

The UK and other common law systems were permeated by the Anglo-Saxon liberal market approach. Continental Europe's systems, typically characterised by a more significant interaction of firms with other stakeholders, have also been encouraged to move towards the Anglo-American model (Collison et al., 2011) due to the financialisation (Aglietta & Reberieux, 2005;

Sneider, 2019), to the extent that a great convergence was observed at the end of the last century among major Western legal tradition countries (Hansmann & Kraakman, 2001).

Currently, the debate on corporate governance of business companies and the discussions on the managerial and legal concept of 'corporate purpose' (Bebchuk & Tallarita, 2020; Edmans, 2021; Fisch & Davidoff Solomon, 2020; Fleischer, 2021; Lund & Pollman, 2021; Mayer, 2013, 2017, 2018, 2020; Rock, 2020; Strine, 2021; The British Academy, 2019) have indeed intensified among business and legal scholars, especially in Western legal tradition countries (Puchniak, 2022).

Such debate has fuelled and has in turn been fuelled, on one side, by recent legislative and regulatory framework developments aimed at tackling environmental and social challenges and giving legal shape to the concept of corporate purpose and, on the other, by the pressure to reinterpret the content of directors' fiduciary duties in terms of sustainability arising from the surge of sustainability-related lawsuits and ESG-led shareholder

activism (Castañón Moats, DeNicola, & Malone, 2021; Katelouzou, 2015; Mocanu & Ventura, 2023). Such reinterpretation has the effect of expanding the board's legal risk beyond tort liability, creating ground for actions against directors for the breach of their duty of care, diligence and oversight for violation of existing sustainability obligations and commitments.

Looking at the role of law in framing a strategy to ensure that businesses profit from creating benefit and not from creating detriments, it is worth to distinguish between interventions designed to incentivise the former and disincentivise the latter.

The creation of harms is typically addressed by the law and is governed through tort and special laws, in areas such as labour or environmental protection. More recently, new legislations on supply chain due diligence have been enacted to address companies' social and environmental negative impacts. Nevertheless, the existence of a grey area for activities that do not rise to the level of tort or violation of other mandatory rules cannot be denied. There can be lawful activities creating profit for the company and negative externalities for the community and environment not falling under any legal liability scenario. That grey area is where the legal reconceptualisation of directors' fiduciary duties can probably mediate.

As for the production of benefits, legislator intervention is more complex because of the general accepted constitutional principle of freedom of economic initiative restraining the state from excessive intrusion into the entrepreneurs'/shareholders' private ordering. For that reason, the attempt to guide companies to producing benefits for the society was initially pursued through self-regulation and soft law, as in the case of code of ethics and international organisations' principles and guidelines, or through corporate governance and stewardship codes based on the 'comply or explain' approach.

More recently, mandatory rules on disclosure requirements and capital markets are aimed at nudging companies in that direction, without affecting directly the decision-making process but asking for more transparency in their sustainability impact and channelling investments towards sustainable products and firms. These hard law measures have been complemented in the last years by a direct intervention on company law with the introduction in several jurisdictions of dual-purpose companies as optional legal forms, that is, companies characterised by a 'dual' or 'blended' purpose: the profit-making purpose and the public or common benefit purpose (reduction of negative externalities and creation of a positive impact on the environment and the society through their business activity).

As described below, due to the inadequacy of voluntary and soft law instruments, the legislator stepped in with increasing strength in sanctioning the production of detriments and encouraging the creation of benefit by companies. In the following, the aforementioned legal

trends will be mapped with a special focus on the European context and some comparative law considerations with respect to the United Kingdom and the United States. Finally, a suggestion for the future of European harmonisation will be offered.

DEVELOPMENTS ON DIRECTORS' DUTIES

In the United Kingdom, a discussion on shareholder primacy was handled during the preparatory work of the 2006 Companies Act reform, which codified directors' fiduciary duties, previously mainly regulated by case law. In particular, the new section 172 of the Companies Act 2006 imposes on directors the duty to 'promote the success of the company for the benefit of its members as a whole' and introduced the so-called 'enlightened shareholder value' providing that directors have regard to shareholders and other stakeholders' interests, including environmental, social and governance objectives (ESG).

The provision, which captured some aspects of corporate governance pluralist approaches and the long-term perspective, does not represent a substantive change; it does not compel directors to act based on stakeholders' interests (they are only required to 'have regard' to them). Since its enactment, section 172 occupied a relevant space in policy and academic discussions in the United Kingdom and abroad (Harper Ho, 2010; Ho, 2010; Zhao, 2011), but the mainstream interpretation of the new provision sees the preservation of shareholder primacy as a key principle of UK company law (Williams, 2012).

For that reason, to better align the interests of shareholders with those of the society and the environment, the Better Business Act campaign has been launched in 2021 to further amend section 172, providing that the duty of a director is to 'advance the purpose of the company' to benefit its members as a whole and the wider society and the environment, having regard to the interests of the stakeholders and reducing or eliminating the harms the company creates, or costs it imposes on them.

In the United States, the 'success of the company' is not mentioned in Delaware corporate law, neither in the Revised Model Business Corporations Act, nor in American Law Institute (ALI) Principles of Corporate Governance, all referring to the duty of directors to perform their functions in 'good faith' and in a manner believed to be 'in the best interest of the corporation'.

As for the corporate purpose, ALI Principles explicitly state in section 2.01 that 'a corporation should have as its objective the conduct of business activities with a view to enhancing corporate profit and shareholders gain'. The 'ALI Restatement of the Law of Corporate Governance' project, aimed at capturing the evolution of corporate law, including the recent emphasis on ESG, attempted to revise the content of section 2.01 on the objective of a corporation. However, the tentative draft, which includes the

reference to the possibility of considering interests of different stakeholders (employees, suppliers, customers, the community, the environment, and ethical considerations) has encountered several critics (Orts, 2022).

From a general perspective, although from the Eighties most US states have adopted constituency statutes (Bainbridge, 1992; Bisconti, 2009; von Stange, 1994) allowing or requiring boards to have regard to the interests of stakeholders other than shareholders (Sjåfjell et al., 2015), shareholder primacy is still considered the underpinning principle of corporate law, especially in Delaware where according to case law directors owe their duties primarily to the corporation's shareholders.

As for the European Union, company law harmonisation directives do not mention the 'success of the company' and have not so far dealt with the definition of 'corporate purpose' and the content of directors' fiduciary duties. A step in this direction has been taken with the proposal for a directive on Corporate Sustainability Due Diligence (CSDDD), which aims, among others, to harmonise some aspects of directors' duties providing that directors in fulfilling their duty to act in the best interests of the company must consider the consequences of their decisions for sustainability matters.¹

At Member States level, the 'success of the company' or the 'company purpose', intended as the ultimate goal of the business to contribute to the common good, other than the legal purpose, is traditionally not mentioned by legislators. Reference is made to the concept of 'company interest' with its slightly different interpretations in the various legal systems (generally open to consideration of stakeholders' interests).

Recently, France attempted to revise the traditional domestic concept of 'company interest' with the *Loi Pacte* of 2019.² The reform that was drawn up based on the Notat and Senard (2018) Report and previous academic studies (Levillain, 2017; Segrestin et al., 2015; Segrestin & Hatchuel, 2012; Segrestin, Roger, & Vernac, 2014) addresses both managerial duties and new optional legal forms.

It introduced³ a general obligation to manage the company in the 'company interest' (*intérêt social*), 'taking into consideration the social and environmental challenges of its activity'. Even though interpretations vary as to the actual relevance of the legislative amendment (Hiez, 2023), it can nevertheless be regarded as a step forward in legally providing a new management paradigm where social and environmental dimensions enter the decision-making process and directors are at least explicitly required to consider them in their activity.

Moreover, it allowed any company to specify in its articles of association a *raison d'être*, the principles the company is endowed with, that wants to pursue in its

business and for the pursuit of which it intends to allocate means.⁴ The consequence of the reform is that directors should consider the social and environmental dimensions as well as the existing *raison d'être* in setting the strategic direction of the company's activities.⁵

The topic of corporate purpose and fiduciary duties has historically been at the centre of scholarly debate, but in the legal sphere, no substantial radical reforms can be observed, with the partial exception of the 2019 French reform and the ongoing negotiation on the European CSDDD proposal.

NEW DUAL-PURPOSE COMPANY LEGAL FORMS

Considering the general cultural and legal dominance of the shareholder primacy, the past few decades have seen the proliferation of new hybrid legal entities to support businesses to address social and environmental objectives.

As for the United Kingdom, the 'community interest company' (CIC) was introduced in 2004.⁶ CICs are blended legal structures for businesses that primarily have social and environmental objectives and whose surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders. Thus, the distribution of dividends is capped at 35% of the aggregate total company profits and in the event of dissolution CICs' assets must go to similar entities pursuing community benefits. CICs represent a first step towards a new blended-value entity, but they have non-distribution constraint limits that characterise the non-profit sector (Hansmann, 1980, 1981).

In the US several hybrid entities, more innovative in combining for-profit and non-profit objectives were developed, among them the low-profit limited liability company, the social purpose corporation and the benefit corporation. The latter, the most widespread among US states, represents the archetype of dual-purpose company legal forms.

The first benefit corporation statute passed in Maryland in 2010. Currently, about 40 US jurisdictions have passed statutes, the majority of which are inspired by the Model Benefit Corporation Legislation, while Delaware introduced its own slightly different statute in 2013 with the Public Benefit Corporation Act.⁷

The benefit corporation was transplanted in Italy in 2015 with the introduction of *società benefit*.⁸ It allows the internalisation in the articles of association of social and environmental objectives (*beneficio comune*), making them legally binding for the directors that must manage

⁴Art. 1835 Civil Code.

⁵Commercial Code, art. L. 225-35 and L. 225-64.

⁶Companies (Audit, Investigations and Community Enterprise) Act, 2004, c. 27, §26.

⁷Del. Code Ann. Tit. 8, §§361–368.

⁸Law No. 208, 28 December 2015, art. 1, paragraphs 376–384.

¹Proposal for a Directive on Corporate Sustainability Due Diligence, 23 February 2022, COM (2022) 71, 2022/0051 (COD).

²Law No. 2019-486, 22 May 2019, art. 169 and 176.

³Art. 1833, paragraph 2, Civil Code.

the company in a responsible, sustainable and transparent manner, balancing the financial interests of the shareholders, the interests of other stakeholders and the specific public benefit/s identified in the company agreement.

As for other European countries, a similar dual-purpose company structure has been introduced in Spain in September 2022, the *sociedades de beneficio e interés común*,⁹ but the detailed regulations have yet to be approved. In France, the *Loi Pacte* regulated an optional dual-purpose legal form, the *société à mission*, close to the US benefit corporation but characterised by different governance features to control the purpose. It allows a for-profit company to incorporate into the articles of association, together with the *raison d'être*, one or more social and/or environmental objectives that wants to pursue in the framework of its activity,¹⁰ which must be considered in the management of the company and monitored by an internal body, the 'mission committee'.

The most innovative aspect of these new corporate forms is that they not only allow but require directors to take into account social and environmental objectives, which enter the 'company interest', and provide for clear accountability and disclosure mechanisms. However, at the EU level, there are not harmonised dual-purpose company legal structures for purpose-driven organisations. The Union has taken action in other areas, such as disclosure requirements and supply chain due diligence as discussed below.

EU INITIATIVES ON DISCLOSURE REQUIREMENTS

Sustainable development has long been at the heart of the European project, but especially after the adoption of the UN 2030 Agenda for Sustainable Development and the Paris Agreement on climate change, the EU has been working extensively on strategies aimed at achieving their goals and targets. The achievement of those commitments requires changes to how companies produce and procure and to the flow of private capital to support the transition to a sustainable economy.

To that end, a clear European strategy and an effective legal framework ensuring a level playing field were necessary. Accordingly, the EU Commission published in 2018 the Action Plan on Financing Sustainable Growth and in 2019 The European Green Deal. To support these policies, an intense activity of revising European rules applicable to the business sector and financial markets has been undertaken.

As for the legislative tools used, it is worth noting that from an initial promotion of voluntary instruments through soft law, as in the case of corporate social responsibility programmes,¹¹ the focus has shifted

towards the production of hard law to demand the adoption of sustainable business practices. Examples are the 2014 Directive on Non-Financial reporting,¹² imposing to large public-interest companies reporting requirements on sustainability-related matters, and the Shareholder Rights Directive II of 2017,¹³ promoting more long-termism in share ownership and shareholder engagement.

A closer look at the most recent EU legislative policies reveals how, so far, EU Institutions tried to achieve the shift towards a sustainable economy mainly indirectly, through reporting requirements and the regulation of financial markets. In particular, the Sustainable Finance package comprises the Regulation on Sustainability-related disclosure in the financial services sector of 2019 (SFDR)¹⁴ and the Taxonomy Regulation on the establishment of a framework to facilitate sustainable investment decisions and tackle greenwashing.¹⁵

Moreover, a revision of the existing Non-Financial Reporting Directive was necessary, and at the end of 2022, the Corporate Sustainability Reporting Directive (CSRD)¹⁶ was approved. Its main objectives are (i) to extend the scope of reporting requirements of non-financial information to all large undertakings (whether listed or not)¹⁷ and all undertakings with securities listed on EU regulated markets (except listed micro-enterprises) and (ii) to assure the comparability of non-financial information. Indeed, it ends flexibility in reporting methods introducing detailed and standardised mandatory reporting standards based on the 'double materiality' principle, that is, the EU Sustainability Reporting Standards drafted by the European Financial Reporting Advisory Group.

Although the CSRD is expected to significantly improve sustainability-related disclosure, it is not underpinned by any substantial obligation to consider sustainability issues in the decision-making process. It tries to push companies to do it, but from the ex-post perspective of disclosure requirements, it only indirectly regulates companies' behaviour.

FROM DISCLOSURE TO THE EU CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE PROPOSAL

Given that limit, the EU Commission launched complementary initiatives in the field of company law to tackle the problem from an ex-ante perspective. A second shift thus occurred within the context of hard law. From disclosure regulations, the focus moved to the production of

¹¹Green Paper *Promoting A European Framework for Corporate Social Responsibility* 18.7.2001, COM (2001) 366.

¹²Directive (EU) 2014/95.

¹³Directive (EU) 2017/828.

¹⁴Regulation (EU) 2019/2088.

¹⁵Regulation (EU) 2020/852.

¹⁶Directive (EU) 2022/2464.

¹⁷That is, undertakings meeting at least two out of three criteria: (i) a net turnover of more than EUR 40 million; (ii) balance sheet assets greater than EUR 20 million; (iii) more than 250 employees.

⁹Law No. 18/2022, 28 September 2022, *Disposición adicional décima*.

¹⁰Commercial Code, art. L. 210-10

rules affecting directly companies' activities, decision-making and liability regimes.

In 2020, the EU Commission published two studies covering two different but strictly interrelated areas: a Study on Due Diligence Requirements Through the Supply Chain and a Study on Directors' Duties and Sustainable Corporate Governance. On February 2022, the European Commission adopted a proposal for a directive on Corporate Sustainability Due Diligence. The core of the proposal is mainly based on the supply chain due diligence requirements, but it also includes a few other provisions dedicated to sustainable corporate governance. In particular, it regulates three main areas: (i) supply chain due diligence obligations; (ii) climate change obligations; and (iii) directors' duties.

As for supply chain due diligence, it requires large and high impact sectors companies¹⁸ to implement plans and strategies to identify, monitor, prevent, mitigate end or minimise actual or potential human rights and environmental adverse impacts arising from the companies' own operations, those of their subsidiaries or 'established business relationships'.¹⁹ Both public (supervisory authorities) and private (specific hypothesis of civil liability) enforcement mechanisms are provided. Similar regulations were enacted in France²⁰ and Germany,²¹ but the latter has a more limited scope, as civil liability is not provided for.

As for climate change obligations provided for in article 15, the proposal requires large companies to adopt a plan to ensure that their business model and strategy is compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5°C. The plan shall also include emission reduction objectives if climate change is a risk for, or an impact of, the company's operations. Moreover, the proposal tries to establish a vague link, not supported by enforcement measures, between climate change obligations and directors' variable remuneration.

Regarding directors' duties, the proposal aims at harmonising them in European companies. Article 26 affirms that directors are responsible for putting in place and overseeing the implementation of the due diligence policy and its integration into all corporate policies and strategy. While article 25 broadens the general duty of care affirming that directors, in fulfilling their duty to act in

the 'best interest of the company', must consider the consequences of their decisions for sustainability matters, including, human rights, climate change and environmental consequences, in the short, medium and long term.

The EU legislative process is ongoing, the Council of the EU and the European Parliament adopted their negotiating positions amending the Commission's text. Considering their differences, several points are likely to be negotiated, and among them, the breadth of civil liability and the redefinition of directors' duties, that is, the broad duty of care and the supply chain due diligence duty, both limited or nearly completely deleted by the Parliament and the Council proposals.

Supply chain due diligence regulations could be considered a further attempt by the legislator to address the creation of negative detriments by companies. Their effect is to make companies internalise their suppliers' externalities, becoming responsible for their behaviour. This results in expanding the firm's boundaries beyond the legal ones (in terms of directors' obligations and civil liability) and beyond the limits traditionally identified by twentieth-century economic theories (Alchian & Demsetz, 1972; Coase, 1937, 1988; Jensen & Meckling, 1976). The firm's boundaries currently seem to move along with sustainability requirements provided by the law or the company agreement.

THE FUTURE OF EUROPEAN HARMONISATION AND A POSSIBLE NEW UNIFORM MODEL FOR DUAL-PURPOSE COMPANIES

Irrespective of the final decision on the redefinition of shareholders' duties in CSDDD, looking at the European legal and regulatory landscape, we can observe that what is missing is a harmonised dual-purpose company legal structure for purpose-driven organisations. An additional hybrid organisational form that companies can voluntarily choose, regardless of their size, and thus available also to businesses excluded from European regulations, mainly directed to large companies.

Such organisational form can be modelled on the dual-purpose company examples developed in European countries such as Italy with the *società benefit*, France with the *société à mission* and Spain with the *sociedades de beneficio e interés común*.

Looking at the existing regulations from a comparative law perspective indeed, is possible to observe a general convergence on the main features of dual-purpose companies such as:

- i. Dual-purpose clause: the requirement to have a dual-purpose clause in the articles of association combining profit-making and the pursuit of a public benefit (general sustainable behaviour and/or special objectives).

¹⁸Large companies' are those with more than 500 employees and a net worldwide turnover of more than EUR 150 million in the last financial year; 'high impact sectors' companies are those with more than 250 employees and a net worldwide turnover of more than EUR 40 million, the 50% of which generated in sectors with a high risk of adverse impacts (textiles and leather, agriculture, forestry, fisheries and minerals).

¹⁹An established business relationship is recognised in respect to a business partner with which a company cooperates, directly or indirectly, on a regular and frequent basis, and where the relationship is, or is expected to be lasting, and does not represent a negligible or merely ancillary part of the value chain.

²⁰Law No. 2017-399, 27 March 2017.

²¹See *Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten* (*Lieferkettensorgfaltspflichtengesetz – "LkSG"*), 16 June 2021, Bundesgesetzblatt (BGBl) I 2021, 2959.

- ii. Fiduciary duties: directors are required to consider or balance the impact of their decisions not only on the company and the shareholders but also on other stakeholders and the pursuit of the public benefit indicated in the company agreement. Generally, they do not owe fiduciary duties to beneficiaries of the public benefit and is doubtful whether third parties can start a claim for damages arising from the failure to pursue the for-benefit mission.
- iii. Transparency requirements: the need to publish an annual report on the company's social and environmental performance (produced by the board of directors or by a special dedicated committee), combined with a form of external control (e.g., requiring the use of a third-party standard to assess the company's impact or a certification of the report by an independent third-party organisation).
- iv. Enforcement mechanisms: mainly based on private (action for breach of directors' fiduciary duties) and public enforcement (different forms of public control entrusted to various public bodies or the public prosecutor and interested third parties). A system of internal control can be added to these mechanisms providing for a specific company's body to oversight the pursuit of the public benefit purposes (e.g., the *comité de mission* in France).
- v. Absence of tax incentives: dual-purpose companies are taxed as ordinary for-profit companies.
- vi. Scope of application: the dual-purpose company is not a new company type but a governance model/status that can be acquired by all the organisational forms provided by the law.

From those convergencies, it would be possible to draw the general lines of a new European uniform model for dual-purpose companies. The main question could be whether it is desirable and practicable to introduce at the European level such model as an additional legal structure shaped on the existing dual-purpose company experiences. This could take place through the regulation of a uniform European hybrid model, a 'European benefit company', or in the form of a harmonisation directive requiring Member States to regulate a dual-purpose company at the domestic level.

A regulatory intervention providing for the introduction of an additional hybrid organisational form characterised by a blended purpose seems more realistic than a general reform of corporate law, for example, providing for a mandatory inclusion in the articles of association of a 'corporate purpose' that goes beyond pure profit orientation or the redefinition of director's duties in all corporate forms.

A general reform, although desirable from an idealistic standpoint, suffers from several problems (Fleischer, 2021). Its realisation needs political and cultural consensus, which is difficult to achieve given its

entwinement with one of the most debated topics in the history of corporate law, that of the nature and the purpose of a corporation. This has been demonstrated by the general difficulty of European legislator in taking statutory action in the field of corporate governance due to the path dependence of Member States. Examples are the withdrawal of the proposal for the Fifth Company Law Directive after several years of attempts to harmonise the corporate governance framework, or the problems raised around articles 25 and 26 of CSDDD.

A general reform could also be counter-productive because entrepreneur/shareholders can interpret it as a top-down restriction to their freedom of economic initiative. If not supported with real intent, compliance with rules and procedures imposed from the top may become a formality resulting in a 'tick-box' approach and failing to bring about substantial commitment to sustainability.

On the other side, the introduction in Member States of a harmonised dual-purpose company structure would be easier to realise in terms of consensus because it just expands upon the private ordering of entrepreneurs/shareholders, providing them with another more tailored alternative to existing entities. Adopting the new hybrid form would be an option and would only be chosen by committed entrepreneurs/shareholders. This favours a bottom-up process that could lead to real changes in the business community.

Above all, the existence of a harmonised dual-purpose company could create a clear legal path in terms of accountability, enforcement, and directors' 'duty to act' for purpose-driven companies, supporting the growth of the movement. Policy makers indeed, given the essential role of enabling legislations, should promote the existence of companies of varied legal structures and let them compete in the market (Mayer, 2018), currently increasingly concerned about environmental and social performance. The legal framework should be then completed by coherent policies, in particular by regulatory and market-based incentive (e.g., indirect incentives in the field of equity and debt financing and the use of public procurement as an economic lever) to foster their growth on the market.

Moreover, the existence of a uniform dual-purpose company model could help entrepreneurs to adopt the appropriate business entity to protect their conscious mission, and it can support companies in building public trust, credibility and confidence among consumers, investors and employees.

A European uniform dual-purpose company model can offer Member States legislatures a uniform point of reference in implementing domestic regulations for purpose-driven companies, providing the necessary legal framework to foster the development of a strong European fourth sector in a global market perspective and facilitating cross-border investment within the sector.

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