



CA – Eu Std

FOCUS

Updated in July 2022

REGULATORY EVOLUTION

1 To answer the Giovannini reports (2001 and 2003), European standards on CA has been set up in 2009 and updated in 2012 by the CAJWG (Corporate Actions Joint Working Group). Few improvements has been requested by ECMS project and SRD2 implementation in 2020, 2021. They define common rules to process CA based on Key Dates, their sequences and processing methods pushing for ISO messaging and automation. Implementation in France has been sequenced by Euroclear Deliveries; ISO announcement in 2014), mandatory events processing in 2015, elective events processing in November 2018 and January 2019, ONGO events in April 2020. French market complies with these standards.

After European MIG monitoring work of global implementation of CAJWG standards, the AMISECO CEG (Corporate Event Group) has taken this role.

2 Shareholders Rights Directive Implementing Acts (SRD II) are based on these standards that Europeans are supposed to comply with since the 03/09/2020.

3 T2S standards and ECMS (European Collateral Management) platform refer to CAJWG standards with a more detailed technical description throught the Single Collateral management Rulebook (so called SCORE) that also requires ISO20022 adoption. The ISO 20022 adoption results from a the choice for this format to develop any Eurosystems Infrastructures including Target 2 that technically merges with T2S

FOCAL POINTS

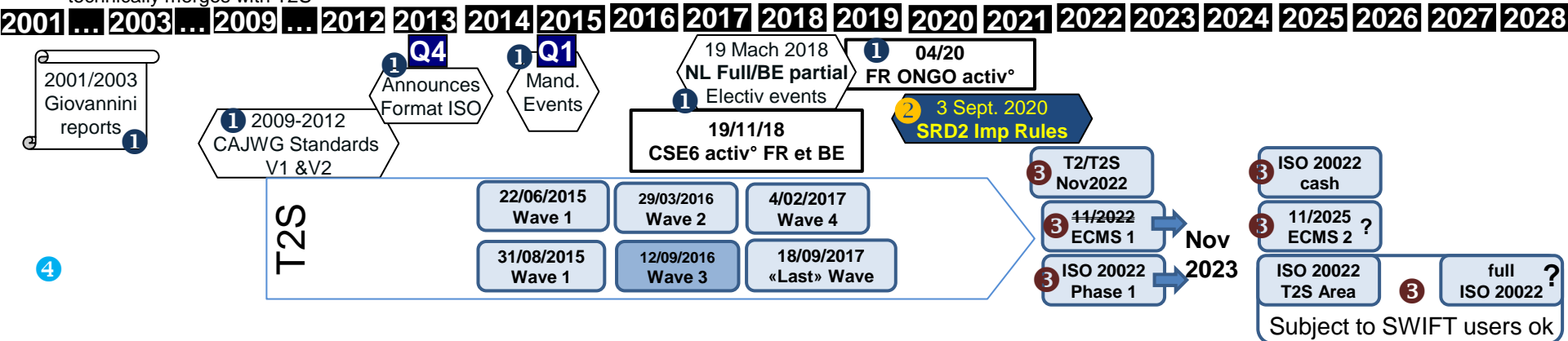
CAJWG Standards are to be considered as a common minimum recommendation to comply with.

Few CA may still be not fully compliant.

Regarding deadlines : the Market Deadline will impose custodians to propose custodian deadlines that will be matter of competition between them. SRD II impose greater pressure to transmit information and give time for investor to make decisions in case of options that will make STP processing mandatory to mitigate risks.

Issuer Agents have to adapt themselves from a domestic model to an International one (ISO format and electronic exchanges).

T2S created a new set of requirements draft by the CMH TF (Collateral Management Harmonization Task Force) in view of ECMS that has been postponed in Novembre 2023. This will have impact on the initial two phases adaptation (CA for govies postponed to November 2023), and all CA for all securities initially planned for November 2025 to be further clarified due to not met preconditions (full ISO20022 CA migration not currently agreed by SWIFT community)..



Updated on 5 July 2022

- ECB postponed the T2/T2S project to November 2022 and confirmed postponement of ECMS to November 2023
- New monitoring with a new ECB group (Corporate Event Group –CEG) link with CMH TF to monitor CA standards application)
- Pressure for ISO20022 adoption.

STATEMENT

- ❑ **ECMS platform has been postponed to November 2023.**
- ❑ **SWIFT community** has not agreed on a full migration to ISO20022 for CA.
- ❑ **New T2S AMISECO and linked working groups governance to be set up** The “**Corporate Events Group**” confirmed his roll of monitoring implementation of CA standards and Identification of Shareholders Standards but with potential extensions to General Meetings. CMH Task Force should follow the monitoring of SCORE standards

FOR YOUR CONSIDERATION

- ❑ **Full compliance to European Standard for the French Market** (strict monitoring by European MIG and T2S HSG) since ASR modernization delivery. Corporate Bonds should be issued in FAMT.
- ❑ **SRD II impact** : Implementing acts published in 2018 September the 3rd introduce high pressure on deadlines and on standards implementation. All SRD2 standards to be monitored by the T2S CEG
- ❑ **SCORE standards are a more detailed technical standards that are monitored by the CMH TF**
They are more Collateral Management oriented. The scope covers Corporate Events and not only Corporate Actions meaning that General Meetings are involved.
 - **SCORE standard 15** (ISO 20022 adoption for CA) still be matter of discussion and leads to a foggy situation in Europe. The SCORE BOARD REPORT shows a low level of preparation of stakeholders (custodians in their relationships with their clients for instance).
 - On cash side, a huge work has been done by the CCBP+ working group to set up the translations’ rules between ISO15022 and ISO20022 formats requested for he coexistence period. Translation of Securities messages is foreseen more complex without any current working group.
 - Please refer to ISO20022 for CA focus form.

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