



FOCUS

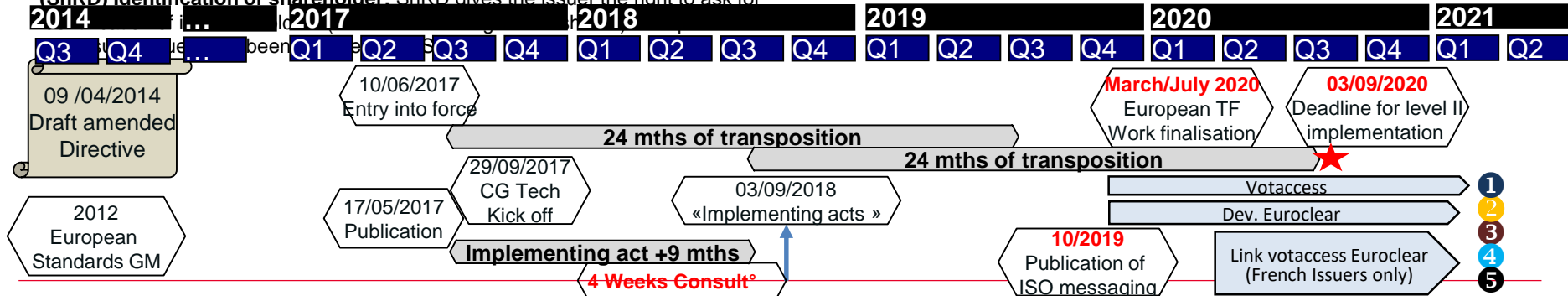
SRD II

Version 01 – Updated in February 2021

REGULATORY EVOLUTION

- General Meeting (GM) Standards and role of the Issuer CSD** : European standards set up Key dates, their sequence and process of GM. The Issuer CSD is a cornerstone between issuer or its agent and intermediaries chain. Implementing Acts published in 2018 September the 3rd of ShRD are grounded on these standards that have been updated in March 2020.
- GM Standards, Votaccess and Euroclear**: in France, workflow to institutional investors and custodians has to be enhanced at Votaccess level for the platform to be able to comply to SRD2 provisions by September 2020 including electronic announcement and vote processing and ISO20022 format. Interconnexion between Votaccess and Euroclear will be set up by September 2020.
- (ShRD) Information and rights exercise with vote confirmation**. ShRD considers GM as a specific corporate actions to be integrated in all custody offers. Confirmation of vote shall be considered as a confirmation of good processing. In case of non systematic confirmation, the shareholder can ask for it to the issuer in a three months period after the GM date. This is part of implementing acts that have been published on 2018, September the 3rd
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- (ShRD) Transparency and publicity of fees** : Directive impose a public disclosure of fees related to GM services.

(ShRD) Identification of Shareholder: SRD2 gives the issuer the right to ask for



FOCAL POINTS

Joint Working Group General Meetings (JWGGM) standards have been adapted to SRD2 prescription by the GM Task Force in 2019 and 2020. Their implementation will be eased by SRD2 that push for automation and promotes electronic votes. In France, a link between VOTACCESS and Euroclear will be set up.

Euroclear is offering a new ISO20022 for GM services. In France; a GM will be announced via Votaccess or Euroclear (ESES issuers), both platforms should be interconnected under ISO20022 channel (now planned for February 2021 for French issuers and Autumn 2021 for others). For non ESES issuers, Votaccess will offer a joint service with Broadbridge (planned for Autumn 2021) For institutional clients, the current a broadbridge solution will be enhanced.

All shareholders shall be informed of a GM. Positions shall be updated on RD (up and down) if instructions have been sent before RD of the GM (up implies new message on added position, downs implies a cancel and replace). Confirmation of votes can have high impact on IT system for custodians and issuer agents as well. SRD II has also an impact on Corporate Actions processing.

French Initiative transparency of Euroclear aims to enhance "TPI" service offer. Supposed to be in place since June 2019 provided decree of application. Launched in November 2020 with poor quality.

Updated 08 February 2021

- AFTI meeting with AMF (18 January 2021) to sum up the current level of implementation
- French Direction Générale du Trésor sounds to have found “vehicles” for text adaptation.

STATEMENT

- 1 **Messaging** : Global market practices are now available for identification of shareholders published (new messages), for General Meetings (major changes of ISO20022 messages) and Corporate Actions.
- 2 **AMF awareness of the situation** : AMF is an observer participating to global French working group for SRD2 adaptation of the French Market. A dedicated meeting on January the 18th with AFTI and main French players has permitted to present the current situation. Future meetings will set up to update. A summary has been sent to AMF in February 2008
- 3 **EOF is out of time** : TPI phase 2 (ISO20022, proprietary messages, open architectures for future API, cloud...) and GM services including interconnexion with VOTACCESS were supposed to be delivered in Sept./Nov. 2020. The delivery of identification services has been made in November 2020 in “pilote phase” mode to improve the poor quality of services. Interconnexion EOF/Votaccess postponed to February 2021 for French issuers and Autumn 2021 for ESES issuers.

FOR YOUR CONSIDERATION

- 1 **Potential dual workflow for GM and CA processes** (through the chain of intermediaries model or direct answer form investors to issuers).
 - 2 **« same day principle » of transmission** for any information received before 16h00 (*before 10h00 the day after if received later than 16H00*).
 - 3 **Vote processing and confirmation of votes**: promotion for electronic votes, proof of entitlement sent on RD, electronic confirmation of well processing of vote sent after GM. Confirmation of good processing of votes may be asked by investors.
 - 4 **ShRD II would certainly increase disclosure requests** (though new services offers happening). “EOC Transparency initiative”
 - 5 **Big confusion in a cross border context to manage implementation of SRD2 requirements** : problems of formats, of workflows etc. Coexistence of ISO20022 and 15022 formats on Identification of shareholders and potentially GM business with no translation possibilities.
- partial readiness for retail clients by end of 2021 (February 2021 for French issuers in Votaccess, Autumn 2021 for Italy, Germany, Spain and ESES countries).

Contact SGSS/CAO/REG Pierre Colladon


pierre.colladon@sgss.socgen.com

To know more please refer to:
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