



SRD II

FOCUS

Updated in September 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. 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 was 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. The shareholder can ask for it to the issuer in a three months period after the GM date. (implementing acts published on 2018, September the 3rd)
- SRD II has also an impact on Corporate Actions processing.
- (ShRD) Identification of shareholder**: ShRD gives the issuer the right to ask for identification of its shareholders (for bearer and registered shares). The process of disclosure request has been completed by SITF.
- (ShRD) Transparency and publicity of fees** : Directive impose a public disclosure of fees related to GM services.

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 has been set up.

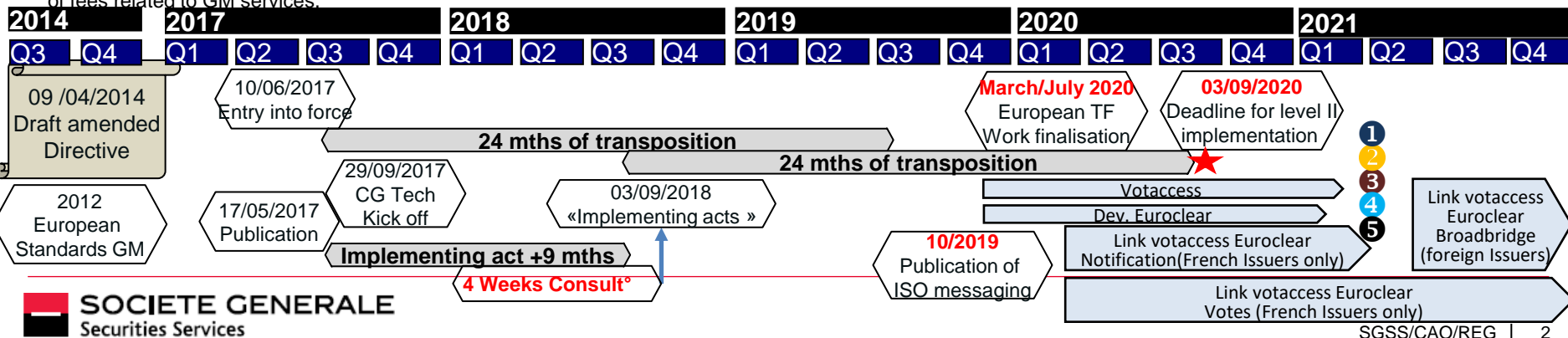
Euroclear is offering ISO20022 for GM services. In France; a GM will be announced via Votaccess or Euroclear (ESES issuers), with an interconnexion of both platforms using ISO20022 channel (delivered in March 2021 (announcement), "vote" activation in summer 2021 (French issuer) and Autumn 2021 for other in a joint service with Broadbridge. For institutional clients, the current broadbridge solution should 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, down implies a cancel and replace). Confirmation of votes can have high impact on IT system of stakeholders.

Full compliance since June 2021 for Corporate Actions.

French Initiative transparency of Euroclear aims to enhance "TPI" service offer for identification of shareholders. Billing by intermediaries still be a

Supposed to be in place since June 2019



Updated 29 September 2021

- Monitoring by AMF of the current level of implementation (1st meeting on 18 January 2021)
- Text adaptation to be adopted by French Parliament during Autumn 2021 session.

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. First Swift Release on November 2021
- 2 **AMF awareness of the situation** : AMF participates to the 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. A summary has been sent to AMF in February 2021 opening exchanges with the Authority.
- 3 **EOF is out of time** : TPI phase 2 (ISO20022, proprietary messages, open architectures for future API, cloud...) is now on but Issuers are reluctant to use it due to lack of views in terms of cost (intermediaries potential billing). GM services is on but interconnexion with VOTACCESS is partial (problems of vote collection). Interconnexion EOF/Votaccess/Broadbridge postponed to Autumn 2021 for ESES, Italian, German and Spanish 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 has increased disclosure requests** (though new services offers happening). “**EOC** Transparency initiative”, problem of billing if intermediaries decide to charge the issuer and foreseen the arrival of new providers.
 - 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:
[ficheShRD-ToKnowMore](#)

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