



# SRD2



Updated in April 2023

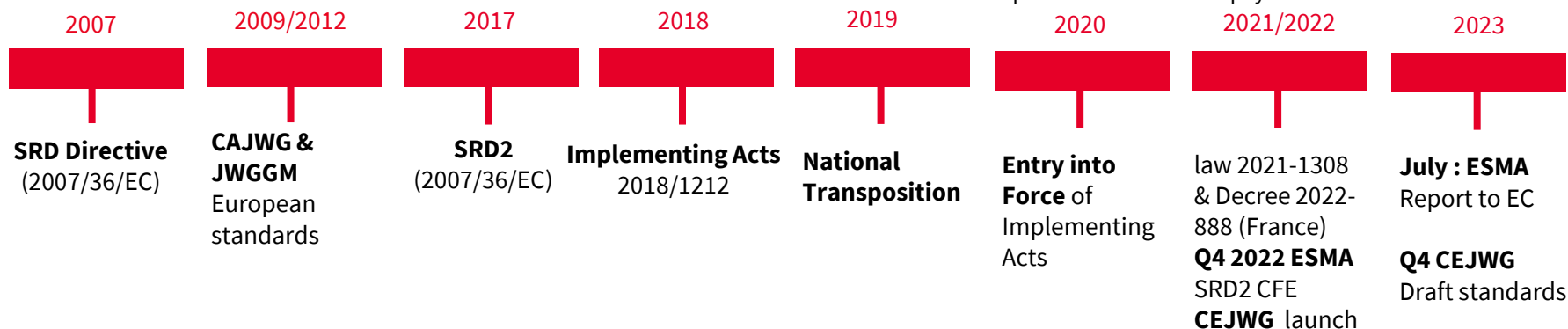
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## REGULATORY EVOLUTION

- The 2017 SRD2 "Shareholder Rights Directive 2" - (EU) 2017/828 – has amended the 2007 SRD Directive (2007/36/EC) with National transposition to be done by each Member State before 10 June 2019.
- SRD2 Implementing Acts (EU) 2018/1212, entered into force on 3 September 2020, laying down minimum requirements, as regards the identification and exercise of rights of shareholders. They are based on CAJWG and JWGGM European Standards.
- In France other legislative amendments were introduced by the Law No. 2021-1308 of 8 October 2021, and its decree no. 2022-888 of 14 June 2022 concerning the identification of shareholders, the transmission of information and the facilitation of the exercise of shareholders' rights.
- In November 2022, ESMA launched a "CFE" (Call For Evidences) about forces and weaknesses of SRD2 implementation. By July 2023 a report will be issued to the European Commission to draft recommendations for potential evolutions of SRD2.

## FOCAL POINTS

- **Scope :** shares of companies with their registered office in EEA (European Economic Area) admitted to trading on a regulated market situated or operating within EEE.
- **Transparency and publicity of fees :** public disclosure of fees to be in place since June 2019.
- **Transmission of information and exercise of rights :** for all shareholders via secured electronic processing with **High pressure on delays**, implying automated processes.
- **CAJWG and JWGGM European standards :** of 2009 and 2012 define Key dates, their sequences and processing. These groups have merged in the **CEJWG** that started GM standards refit to be drafted for Q4 2023.
- **Central role of CSD** implies in France EOF and Votaccess connexion
- **Shareholder identification (ShId) :**
  - broader scope of instruments defined by French law
  - ShId providers reluctant to pay intermediaries bills



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## STATEMENT

- **November 2022 ESMA Call For Evidence** to assess the current forces and weaknesses of the implementation of SRD2.
  - **Un-homogeneous definition of shareholder** with conflicts between “nominee” and “real end investor or owner” concepts.
  - **Shareholders Identification** : “billing “, concerns of intermediaries who are charging the Sh. Id. provider reluctant to pay.
  - **GM operating and cost concerns** :
    - **Votes instruction** : the granularity of votes instruction is at the level of each shareholder multiplying instructions and changes.
    - **Cross border cost and level of investment** :
      - some countries request costly documentation to be provided (paper based, notarification,...)
      - Heavy investments made to permit retail side to vote electronically with only few voters (“a highway for few cars”).
    - **Record Date position** : global complaint when RD is too close to the GM date and wish for harmonization
- **In November 2022 CAJWG and JWGGM have merged in a single CEJWG.** It has begun GM standards review to adapt them to SRD2 and new technologies trends. It aims to provide a new draft of the GM Standards by end of 2023 to be endorsed by European associations in 2024.
  - **GM Record Date** : CEJWG would recommend European harmonization of RD on GM date minus 5 BD.

## FOR YOUR CONSIDERATION

- **Spring 2023 coming work to change the RD in France** to be positioned on GM Date minus 5 BD
  - take opportunity of a coming “green company law” project to onboard this issue even if a simple decree would be possible (2024 GM season?)
- **Summer 2023 ESMA report to European Commission** on SRD2 implementation and forces and weaknesses.
- **End of 2023 start of 2024 EC recommendations** for SRD potential evolution.

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If you want to know more, refer to  
Fiche To Know More

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