



SRD II

FOCUS

Version 01 – Updated in February 2020

REGULATORY EVOLUTION

- 1 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. This should be included in the implementing acts of ShRD to be published by 2018 September the 10th
- 2 GM Standards and Votaccess: in France, workflow to institutional investors and custodians has to be enhanced at Votaccess level for the platform to be able to announce and process vote electronically including ISO20022. ShRD implementing acts should give a pressure for this implementation
- 3 (ShRD) Information and rights exercise with vote confirmation. ShRD considers GM as a specific corporate actions that shall 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
- 4 (ShRD) Identification of shareholder: ShRD gives the issuer the right to ask for identification of its shareholders (for bearer and registered shares). This is part of implementing acts that have been published on 2018, September the 3rd. The process of disclosure request should follow a similar process than this of corporate actions.
- 5 (ShRD) Transparency and publicity of fees : Directive impose a public disclosure of fees related to GM services.

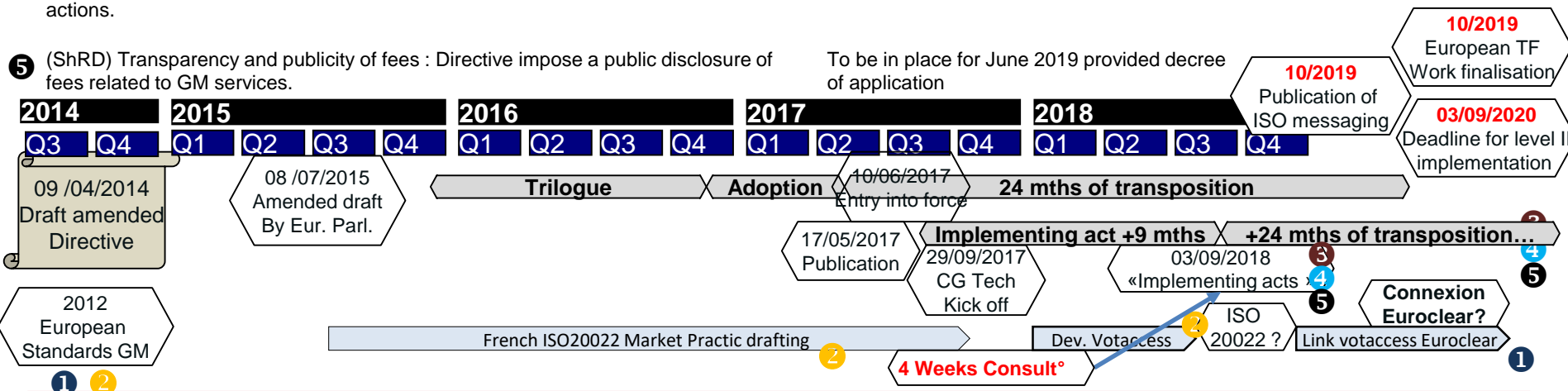
FOCAL POINTS

GM standard implementation will be ease by SRD by September 2020 promoting electronic votes. In France, a link between VOTACCESS and Euroclear has to be set up.

Euroclear offer a GM service based on Broadbridge. The ISO20022 channel development for France will counterbalance proxy servicers monopolistic position.

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. 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 management.

French Initiative transparency of Euroclear aims to enhance "TPI" service offer.



Updated on 22 February 2020

- Global Market Practices of ISO messages for SRD II, under validation (Shareholders Id published)
- Initiative EOF transparency phase 1 delivered in Feb 2020
- SITF standards sent to associations for final endorsement
- AFTI final implementing guide V4 published in Feb 2020
- AFTI governance for implementation in place

STATEMENT

- 3 **Messaging** : Global market practices for identification of shareholders published (new messages) this message, General Meetings (major changes of ISO20022 messages) and Corporate Actions market practices waited by end of March 2020.
- 4 **European and local working groups** : European cross industry initiative to lobby for a common implementation in Europe with 4 topics : Golden Operational Record (under SMPG checking for GM), Identification of Shareholders (on going endorsement), General Meeting (final draft for endorsement), messaging and format (see above). Monitoring via EMIG (Q1 2020)
- 5 **French market implementing guide V4** published in February 2020. Organisation to monitor implementation has been set up.
- EOF Transparency Initiative** : TPI service revamping first phase delivered in February 2020, no view on phase 2 (Sept. 2020).

FOR YOUR CONSIDERATION

- 3 **Potential dual workflow for GM and CA processes** (through the chain of intermediaries model or direct answer form investors to issuers) (implementation by 3rd September 2020).
- 4 « **same day principle** » of transmission for any information received before 16h00 (*before 10h00 the day after if received later than 16H00*).
- 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. In a non electronic workflow, good procession of votes may be asked by investors.
- ShRD II would certainly increase disclosure requests** (though new services offers happening). “EOC Transparency initiative”
- Risk of market coordination locally and in a cross border context to manage implementation of SRD2 requirements : September 2020 sounds very ambitious**

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