



FOCUS

# SRD II

Version 01 – Updated in June 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. Implementing Acts published in 2018 September the 3<sup>rd</sup> of ShRD are grounded on these standards that have been updated in March 2020.
- 2 **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.
- 3 **(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 3<sup>rd</sup>.
- 4 **(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.
- 5 **(ShRD) Transparency and publicity of fees** : Directive impose a public disclosure of fees related to GM services.

### FOCAL POINTS

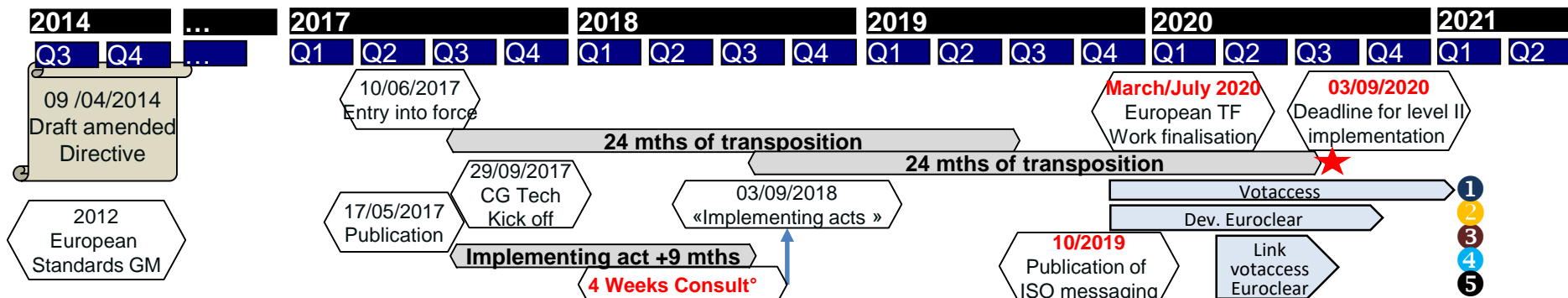
Joint Working Group General Meetings (JWGGM) standards have been adapted to SRD2 prescription by the GM Task Force in 2019 and 2020. Their implementation will be eased by SRD2 that push for automation and promotes electronic votes. In France, a link between VOTACCESS and Euroclear will be set up.

Euroclear is developing a new ISO20022 offer for a GM service. In France; a GM will be announced via Votaccess or Euroclear (ESES issuers), both platforms should be interconnected under ISO20022 channel. For non ESES issuers, Votaccess will offer a joint service with Broadbridge.

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.



Updated on 29 June 2020

- European Commission answered no to the European Associations co signed letter requesting for a one year postponement of SRD2 IR as a consequence of COVID19 crise
- Global Market Practices of ISO messages for SRD II, still to be finalized (only Shareholders Id ok)
- AFTI Guide will be updated (on going work of implementation in France)
- No view regarding monitoring of implementation (EMIG)

STATEMENT

- 1  **Messaging** : Global market practices for identification of shareholders published (new messages), ongoing for General Meetings (major changes of ISO20022 messages) and Corporate Actions market practices.
- 2  **European and local working groups** : European cross industry initiative to lobby for a postponement to September 2021 of SRD2 IR enforcement failed. Waiting for final endorsement of Golden Operational Record (under SMPG checking), Identification of Shareholders (waiting for final endorsement), General Meeting (waiting for final endorsement), messaging and format (see above).
- 3  No sight on monitoring via EMIG (COVID19 crise and impact of on going governance review with ECB T2S structures).
- 4  **EOF planning to be revisited** : TPI phase 2 (ISO20022, proprietary messages, open architectures for future API, cloud...) and GM services including interconnexion with VOTACCESS (test in august 2020 for Sept./Nov. 2020 launch?)

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  **Risk of market coordination locally and in a cross border context to manage implementation of SRD2 requirements : September 2020 is note achievable (for all countries) but no delay is foreseen.** Coexistence of ISO20022 and 15022 formats on Identification of shareholders and potentially GM business creating problem of exchange of flows.

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