



# Shareholders Rights Directive II SMPG Task Force Progress Status

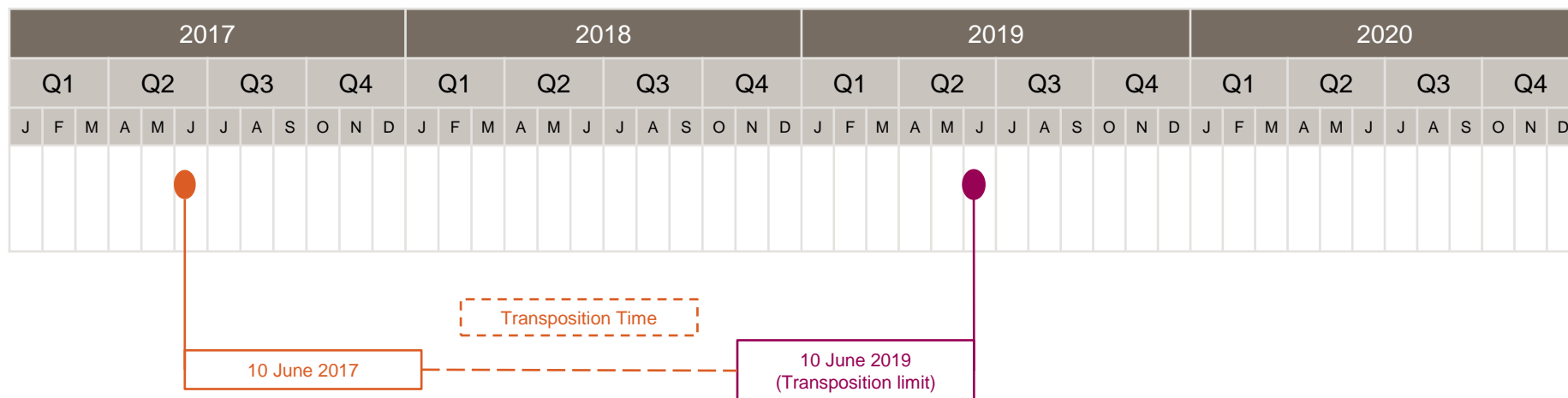
Mariangela Fumagalli, SMPG CA WG co-Chair

Jacques Littré, SMPG General secretary, CA WG Facilitator

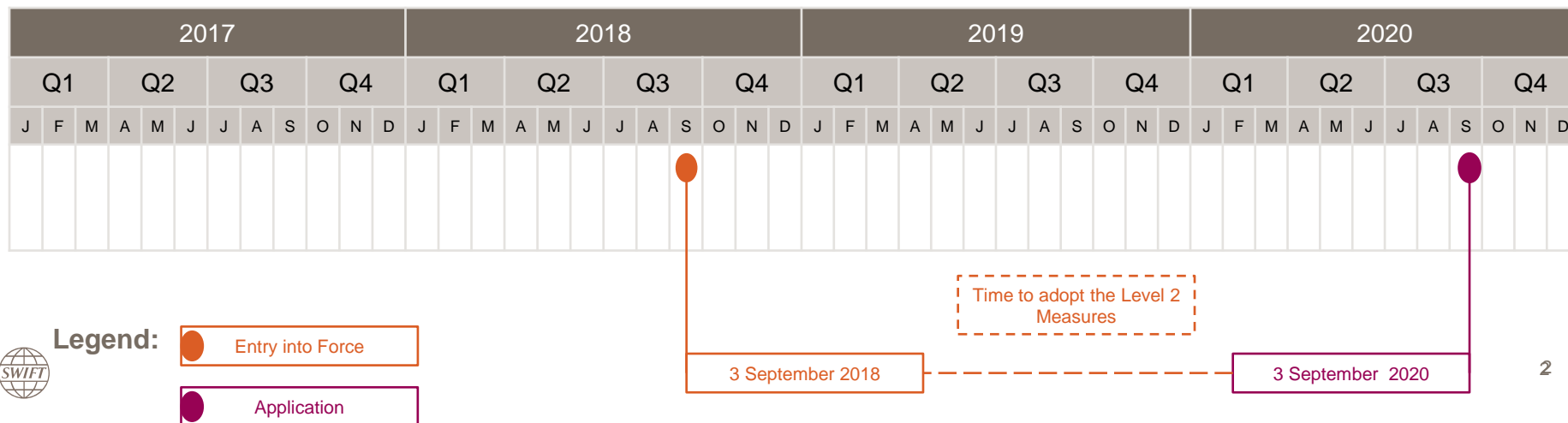
February 6, 2019

# 1. SRD II & Implementing Regulation

## SRD II - Timeline Level 1



## SRD II - Timeline Level 2 – Implementing Regulation



Legend:

● Entry into Force

● Application

## 2. SMPG / SWIFT - Driving the Messaging Solution

- **August 2018:**

The SMPG SC approves the CA WG proposal to contact the DG Justice and propose them to drive the ISO 20022 messaging solution for SRD2 for the community via a SRD2 Expert Task Force.

- **September 28, 2018:**

An SMPG SC's delegation met with the DG Justice. The DG Justice welcomes the initiative to develop new ISO 20022 messages and maintain the PV and CA Solutions.

- **October 2018:**

The SMPG launched a call for TF members via the NMPG's representatives.

- **Task Force Objectives**

- Gap Analysis between the IR and the existing CA & PV messages
- Identify new Flows
- Submit an ISO 20022 Business Justification to ISO RA for new messages
- Submit change requests for SR2020 for existing CA & PV messages

- **November 20, 2018:**

SRD2 TF Expert group Kick-Off meeting at SWIFT

- **November 29 – December 18, 2018:**

4 conference calls held – Analysis of the IR minimum requirements Completed



### 3. SMPG / SWIFT - Driving the Messaging Solution (2)

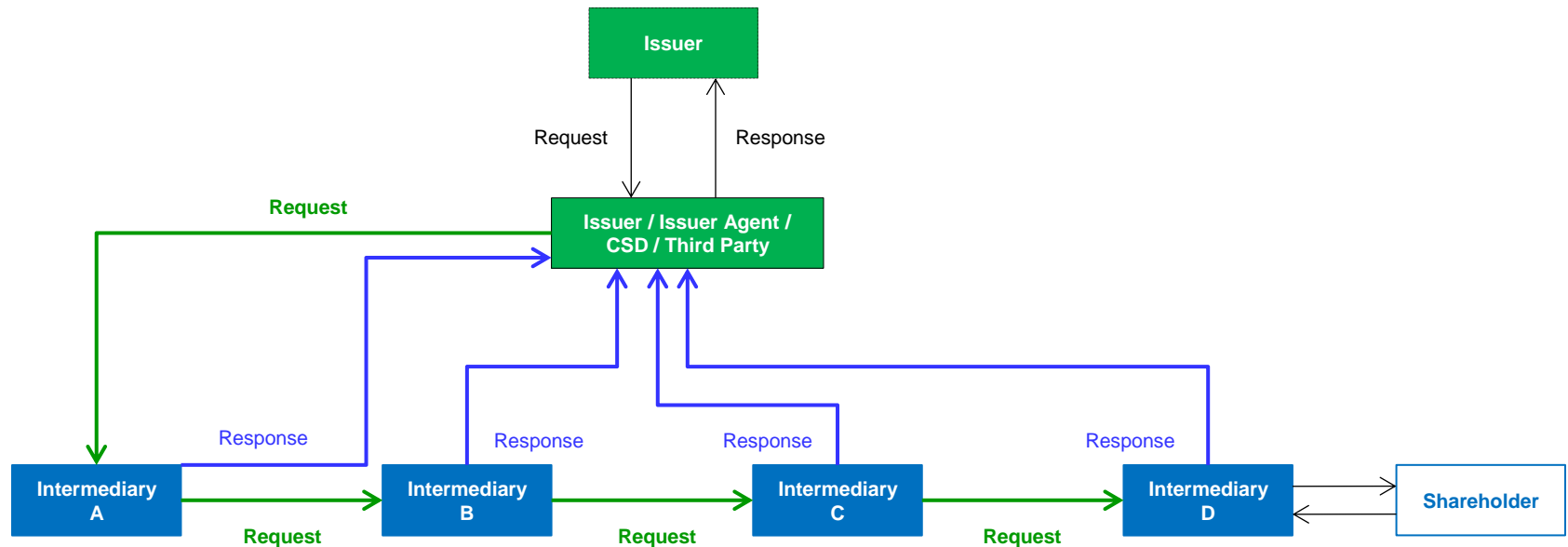
- **End December - January 2019**

- Requirements Analysis and Message Mapping Documents Reviewed by SMPG ([Link to SMPG Web site](#))
- January 9: SWIFT and SMPG invited to the **SRD2 Industry Steering Group** (European Issuers and Registrars, ECSDA, T2S CASG, CAJWG / E-MIG, EBF, AGC, SWIFT, AFME)
  - SRD2 Industry Steering Group endorses the SMPG SRD2 TF
- January 19: SMPG & SWIFT Submit ISO 20022 Business Justification (BJ) to ISO 20022 RA for new Shareholders Identification Messages



## 4. Shareholders Identification Message Flow

- Shareholder Identification Request / Response



- Request:** Going Down the chain of Intermediaries
- Response:** Going from Intermediary directly to Issuer / Agent / Third Party

# 5. Implementing Regulation & ISO Messaging Impact

**Art. 1: Definitions** (Issuer, Issuer CSD, Intermediary, Last Intermediary,...)

**Art. 2: Standardised formats, interoperability and language** (ISO standards, Tools and facilities for non shareholders,...)

**Art. 3: Request to disclose information regarding shareholder identity and response**

Annex Requirements Table 1 & 2      -> **New Flow, new ISO 20022 Messages**

**Art. 4: Transmission of meeting notice**

Annex Requirements Table 3      -> **Impact on PV “Meeting Notification” Message**

**Art. 5: Confirmation of entitlement to exercise shareholders rights in a GM**

Annex Requirements Table 4      -> **Impact on “Meeting Entitlement” Notification**

**Art. 6: Notice of participation by shareholder in a general meeting**

Annex Requirements Table 5 -      > **Impact on “Meeting Instruction” message**

**Art. 7: Format of confirmation of the receipt and recording and counting of votes**

Annex Requirements Table 6 & 7      -> **Impact on “Meeting Instruction Status” and “Meeting Vote Execution Conf.” messages**

**Art. 8: Transmission of information specific to corporate events (other than GMs)**

Annex Requirements Table 8      -> **No Amendments to Announcement message**

**Art. 9: Deadlines for issuers and intermediaries in CA events and in shareholder identification processes** (Transmission without delay,...) -> **No Standard Messaging Impact**

**Art. 10: Minimum security requirements** (Security, Integrity, Authentication of the information,...)

-> **No Standard messaging Impact (TBD) ?**

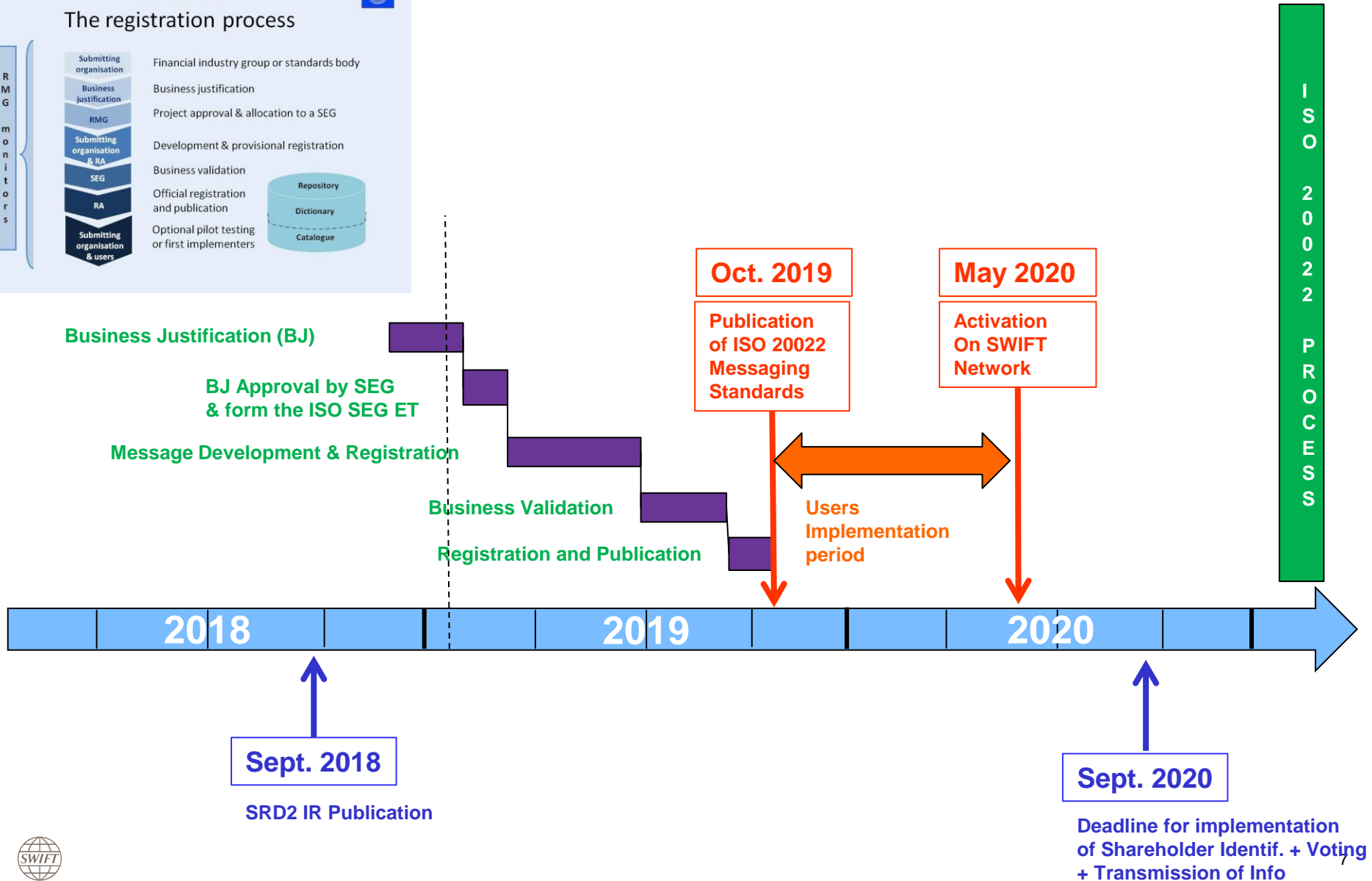


# 6. ISO 20022 Development Timeline New messages

ISO 20022



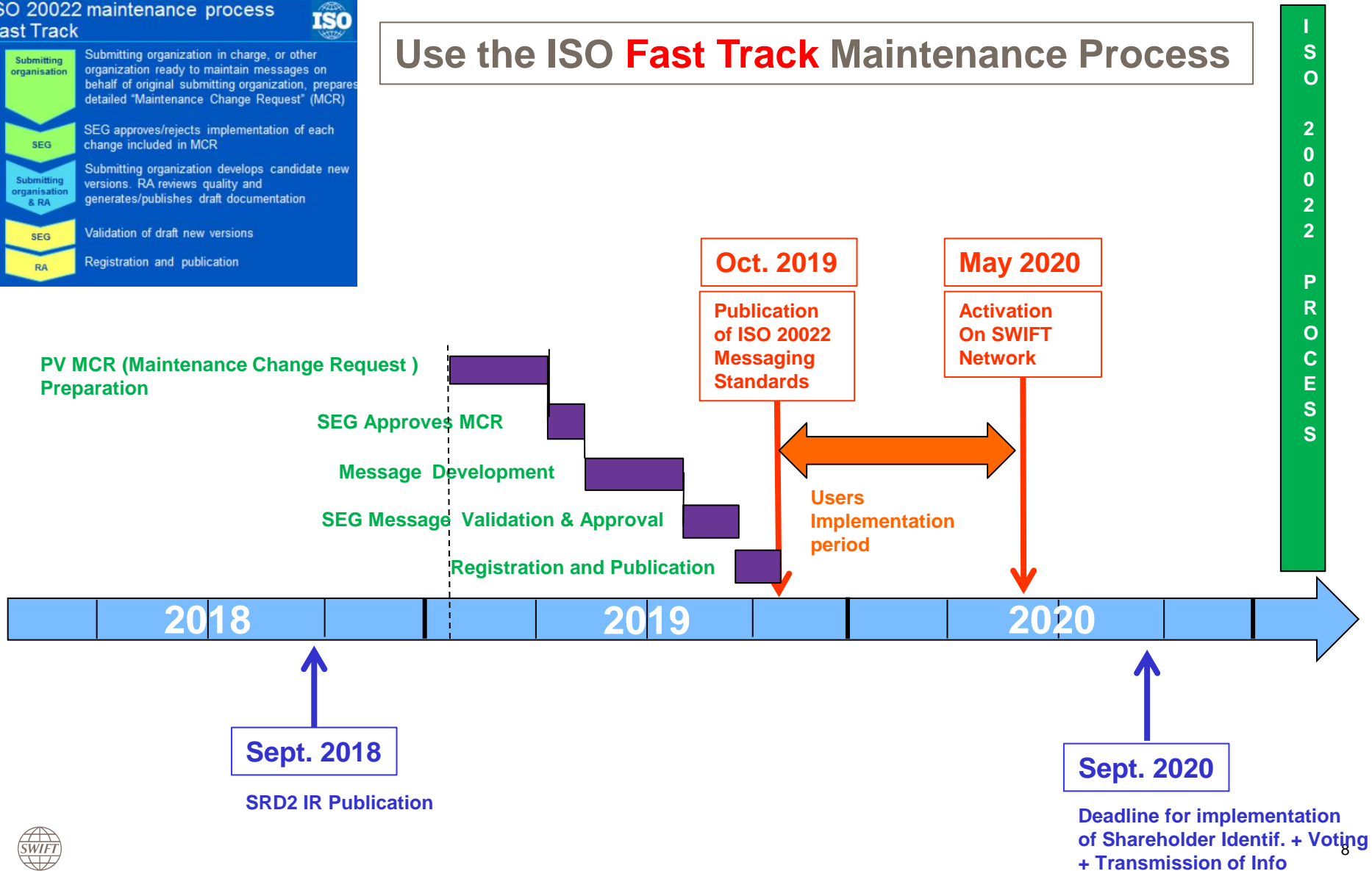
The registration process



# 7. ISO 20022 PV Messages Maintenance Timeline

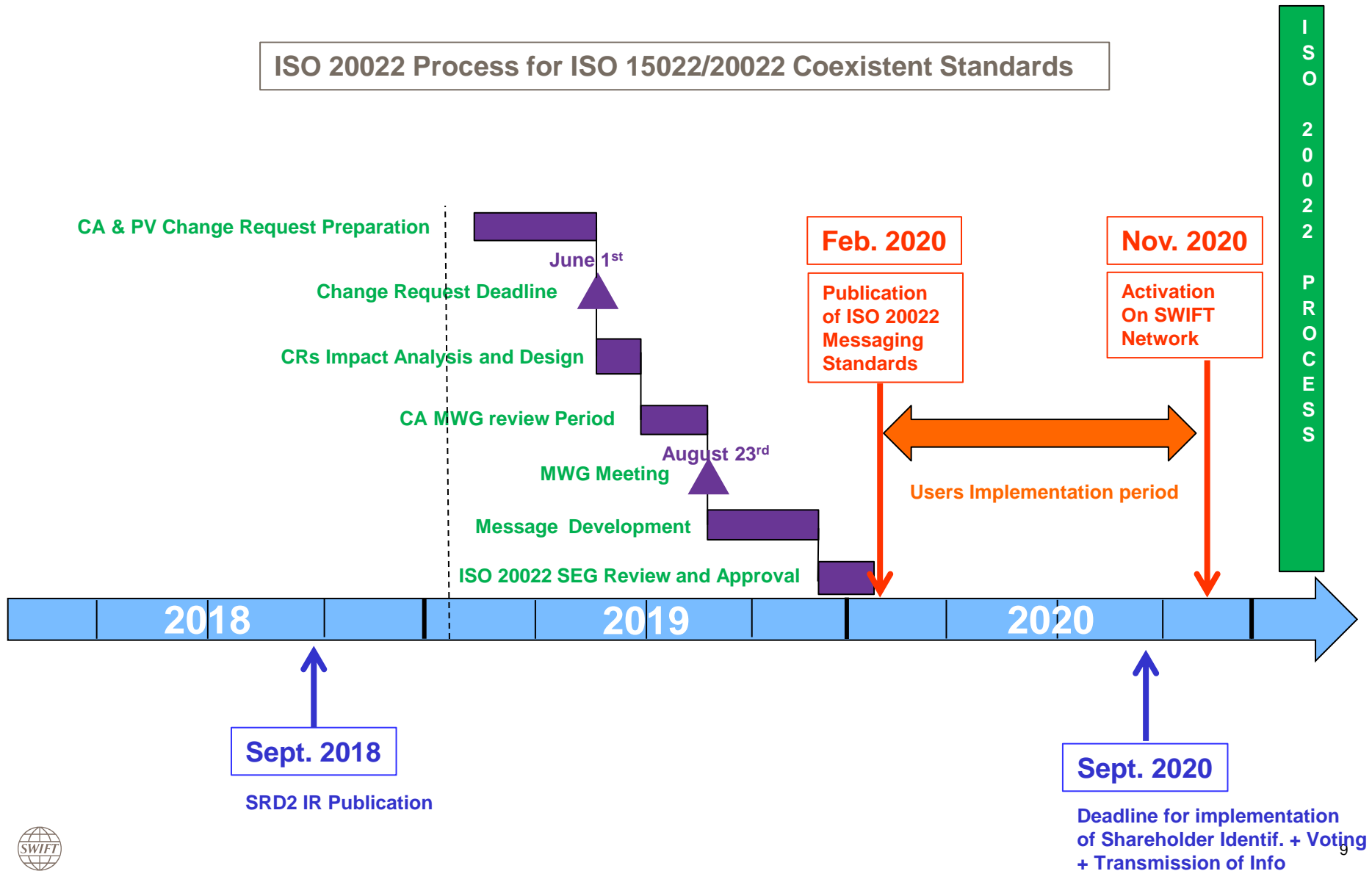


Use the ISO **Fast Track** Maintenance Process





# 8. ISO 20022 CA Messages Maintenance Timeline



## 9. SMPG Remaining Issues / Questions for messaging to EC DG Justice

Q1. Confirm Shareholder Identification Response flow goes directly to Issuer / Agent / Third Party ? If not:

- Validate Holding Balance information received from next Intermediary ?
- What to do if no answer received ?
- Is a confirmation of the receipt of the answer needed ?

Q2. Minimum Security Requirements (article 10 provision):

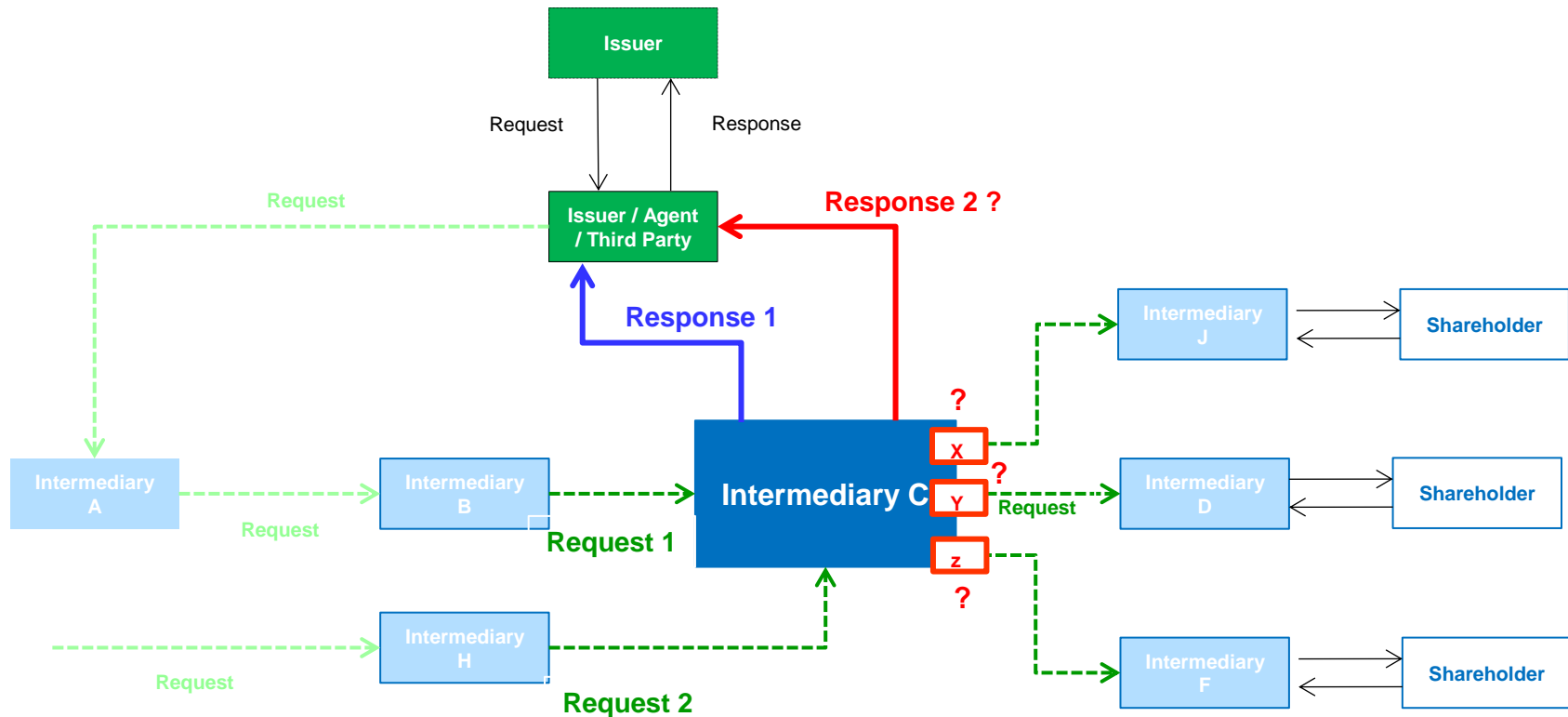
- Process flow to comply with it ?
- How to validate Shareholder Identification requestor is entitled to make the request?

Q3. Detailed flow – 4 potential variants in the flow (see next slide)

# 10. Article 3: *Shareholders Identification* Message Flow (3)

- Shareholder Identification Request / Response

x Account Number of holder



## 4 Options for the Response Flows:

- 1a: 1 message per request
- 1b: 1 Message per request + Holders Account Number
- 2a: 1 message per Intermediary
- 2b: 1 Message per Intermediary + Holders Account Number

## 11. SMPG Remaining Issues / Questions for messaging to EC DG Justice

Q4. Reporting rules for “Joint Accounts” ? Country of Issuance or country of Residence of Shareholders ?

Q5. In Table 3 for Meeting Notice, what do you mean with blank vote? Are you referring to vote withhold (US practise)?

Q6. In Table 3 for Meeting Notice, what do you mean with “other” vote?

Q7. In Table 3 for Meeting Notice, Part F of the message is unclear. Normally, the agenda of a meeting is set at the time the meeting is announced.

Answers received from EC DG Justice Mid-January