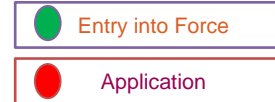


Shareholders Rights Directive II SMPG / SWIFT Driving the ISO Messaging Solution

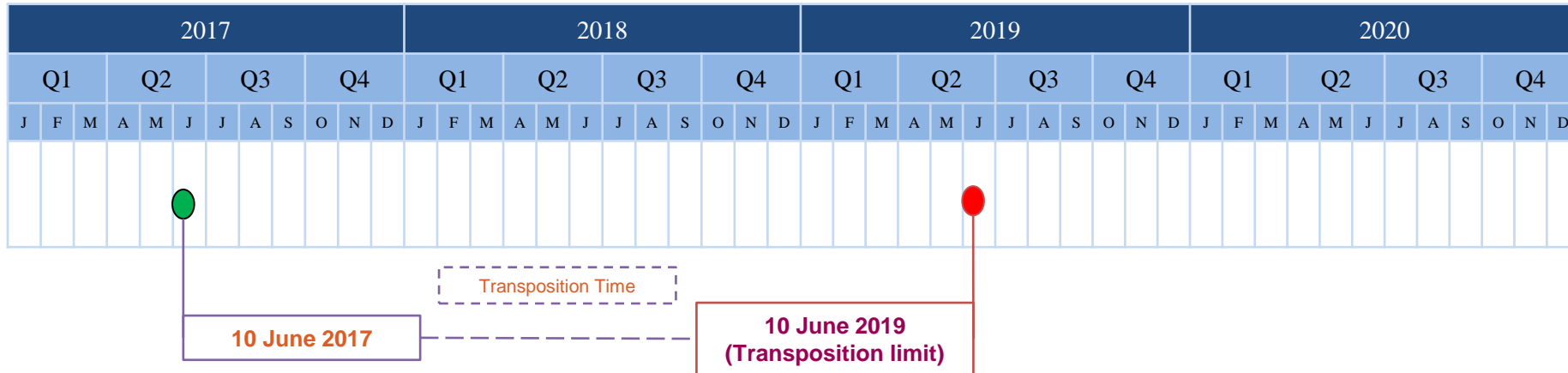
Jacques Littré – SMPG General Secretary / CA WG Facilitator

SMPG Spring Meeting Frankfurt - 8th of April, 2019

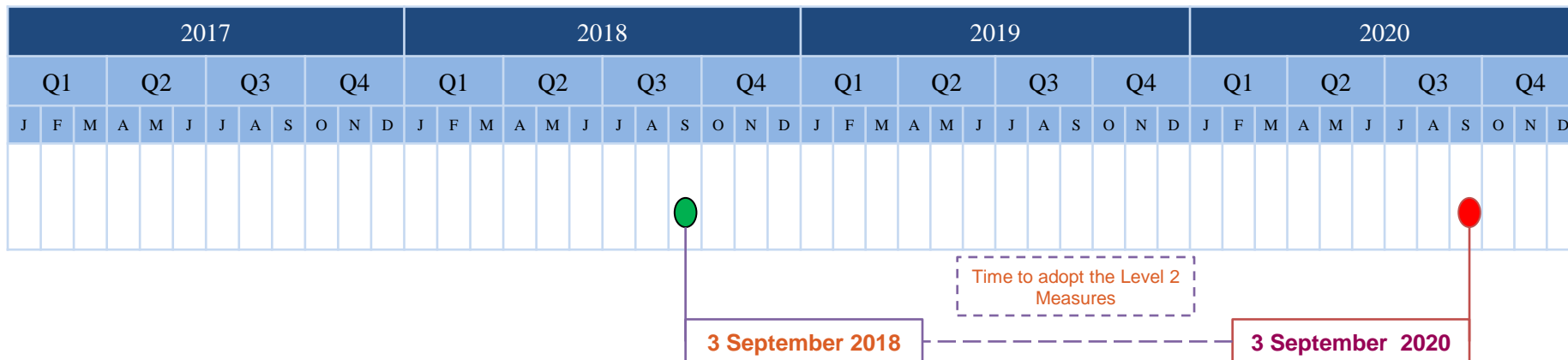
SRD II & Implementing Regulation



SRD II - Timeline Level 1 Directive



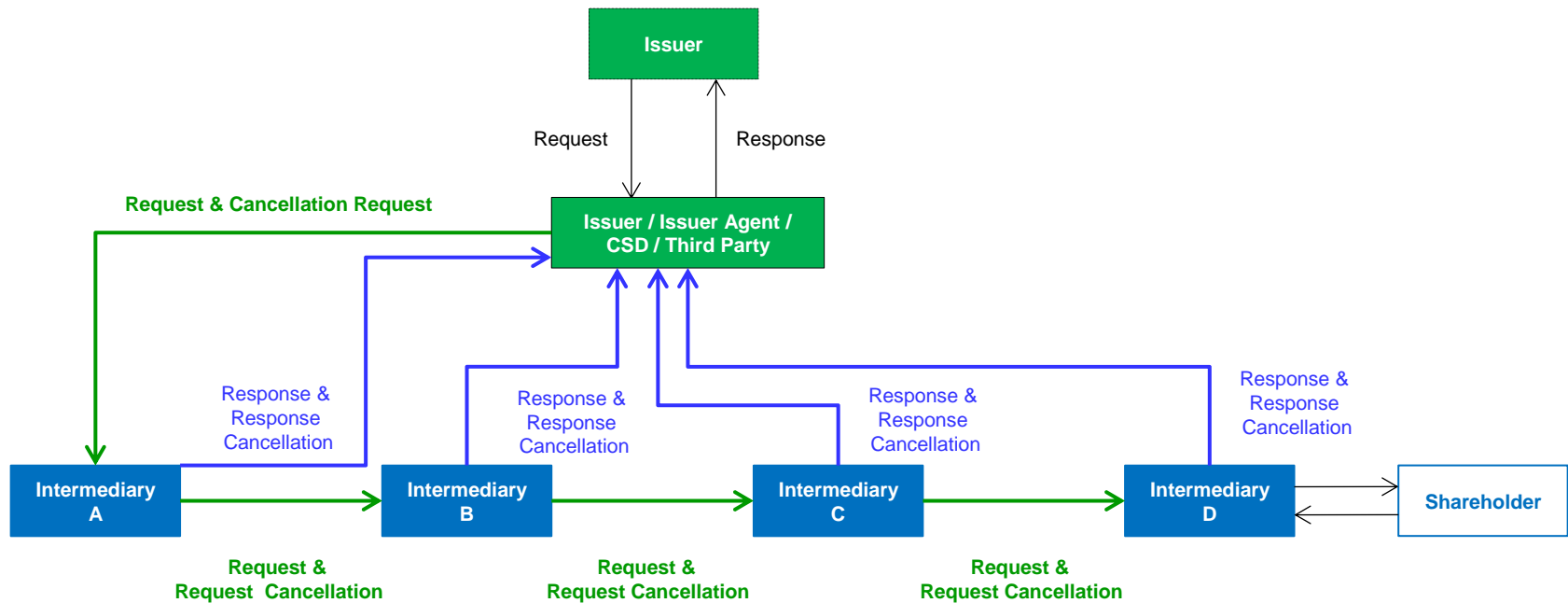
SRD II - Timeline Level 2 – Implementing Regulation



Legend:

“Shareholders Identification” Message Flow

- Shareholder Identification Request / Response Messages



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

SRD2 Messaging Solutions – Actions Status & Planning



Since September 2018

SMPG Creates **SRD2 Task Force** - Main objectives:

- Conduct Gap Analysis between the SRD2 IR and the existing CA & PV messages -> **Completed (SRD2 has no impact on CA messages)**
- Identify new Message Flows (for Shareholders Identification) -> **Completed**
- SWIFT/SMPG Submit an ISO 20022 BJ to ISO RA for new messages -> **Completed**
- SWIFT/SMPG Submit ISO 20022 MCR for Maintaining existing Proxy Voting messages (ISO 20022 Fast Track Procedure) -> **On Going**
- Create SMPG Market Practices for Shareholders Identification and Proxy Voting -> **For Later (Q4 2019 ?)**

January 2019

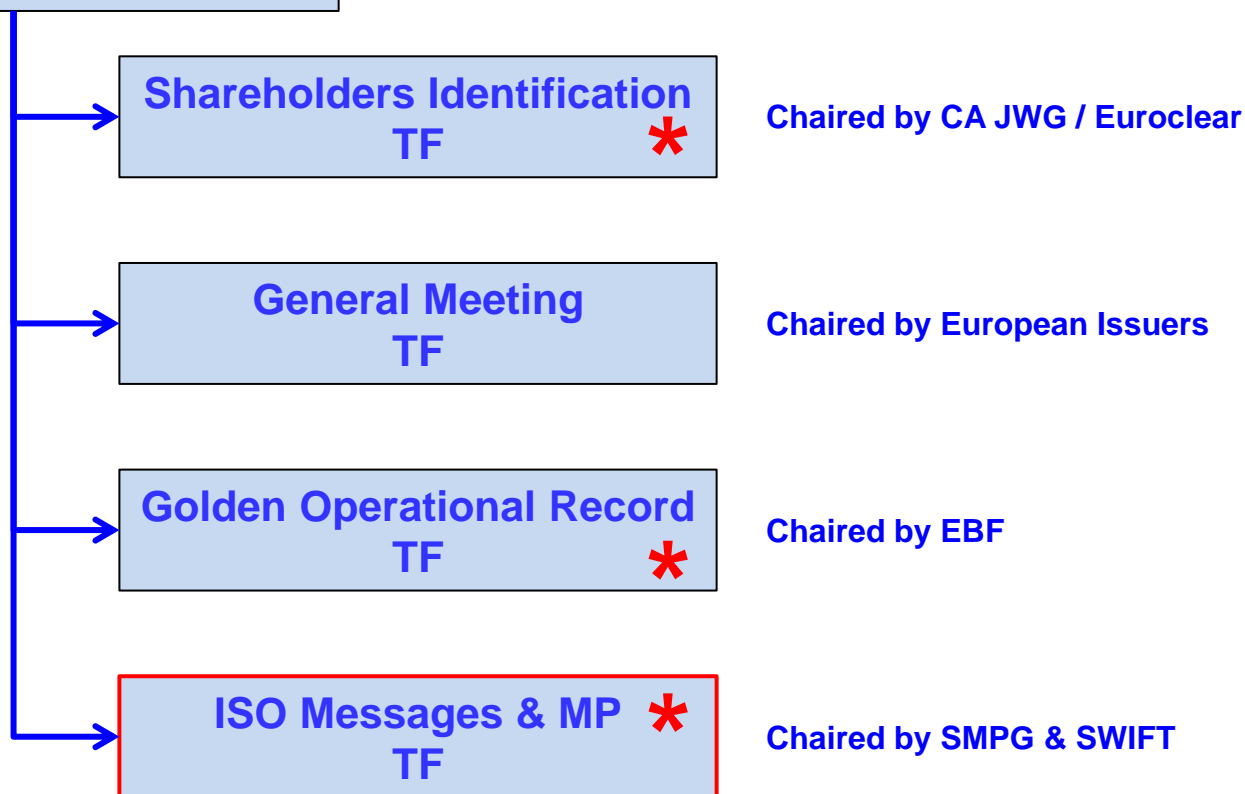
Creation of **SRD2 Industry Steering Group**:

- SMPG & SWIFT invited to the **SRD2 Industry Steering Group** by AFME together with EBF, AGC, ECSDA, EuropeanIssuers and Registrars, T2S CASG, CAJWG / E-MIG
- SRD2 Industry Steering Group **endorses** the SMPG SRD2 TF

SRD2 Industry Steering Group Task Forces (TF)



* Presence of SWIFT / SMPG



SRD2 Messaging Solutions – Actions Status & Planning



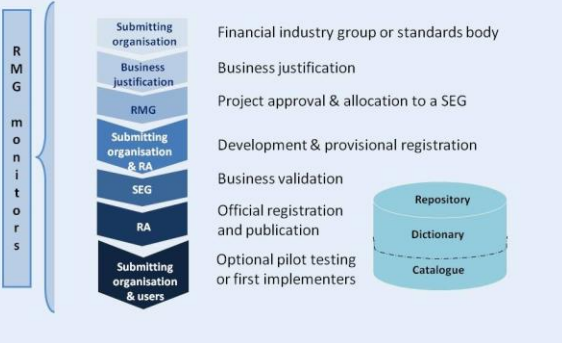
- **February – June 2019**
 - SWIFT/SMPG implement the new ISO 20022 “**Shareholders Identification**” messages
 - SWIFT/SMPG produces the ISO 20022 Proxy Voting Maintenance Change Request document and submit for end of April 2019 to ISO Securities SEG for Approval
 - (May-June 2019) SWIFT implements the Maintenance Change Request on Proxy Voting messages and submit to ISO SEG for validation.
- **July – October 2019**
 - July – September: ISO SEG Message Validation and Approval for New **Shareholder Identification** and **Updated Proxy Voting** messages
 - September - October: ISO 20022 Message Registration and Publication
- **May 2020 – New and Updated PV Messages Deployment on SWIFTNet**

ISO 20022 Development Timeline New messages

ISO 20022



The registration process



Business Justification (BJ)

BJ Approval by SEG & form the ISO SEG ET

Message Development

SEG ET Message Validation & Approval

ISO RA Registration and Publication

Oct. 2019

Publication of ISO 20022 Messaging Standards

16 May 2020

Activation LIVE On SWIFT Network

Users Implementation period

2018

2019

2020

Sept. 2018

SRD2 IR Publication

1st Feb. 2020

Activation On SWIFT Integration Test Bed

1st Mars 2020

Start Pilot Testing

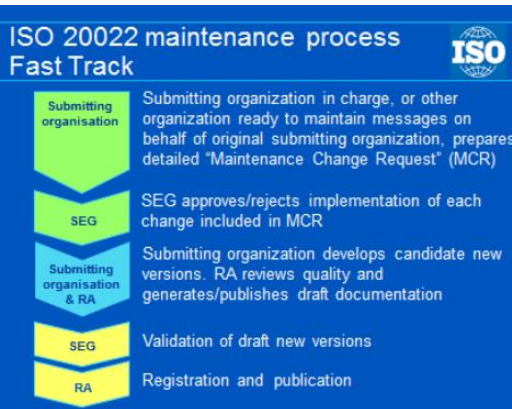
Sept. 2020

Deadline for implementation of IR

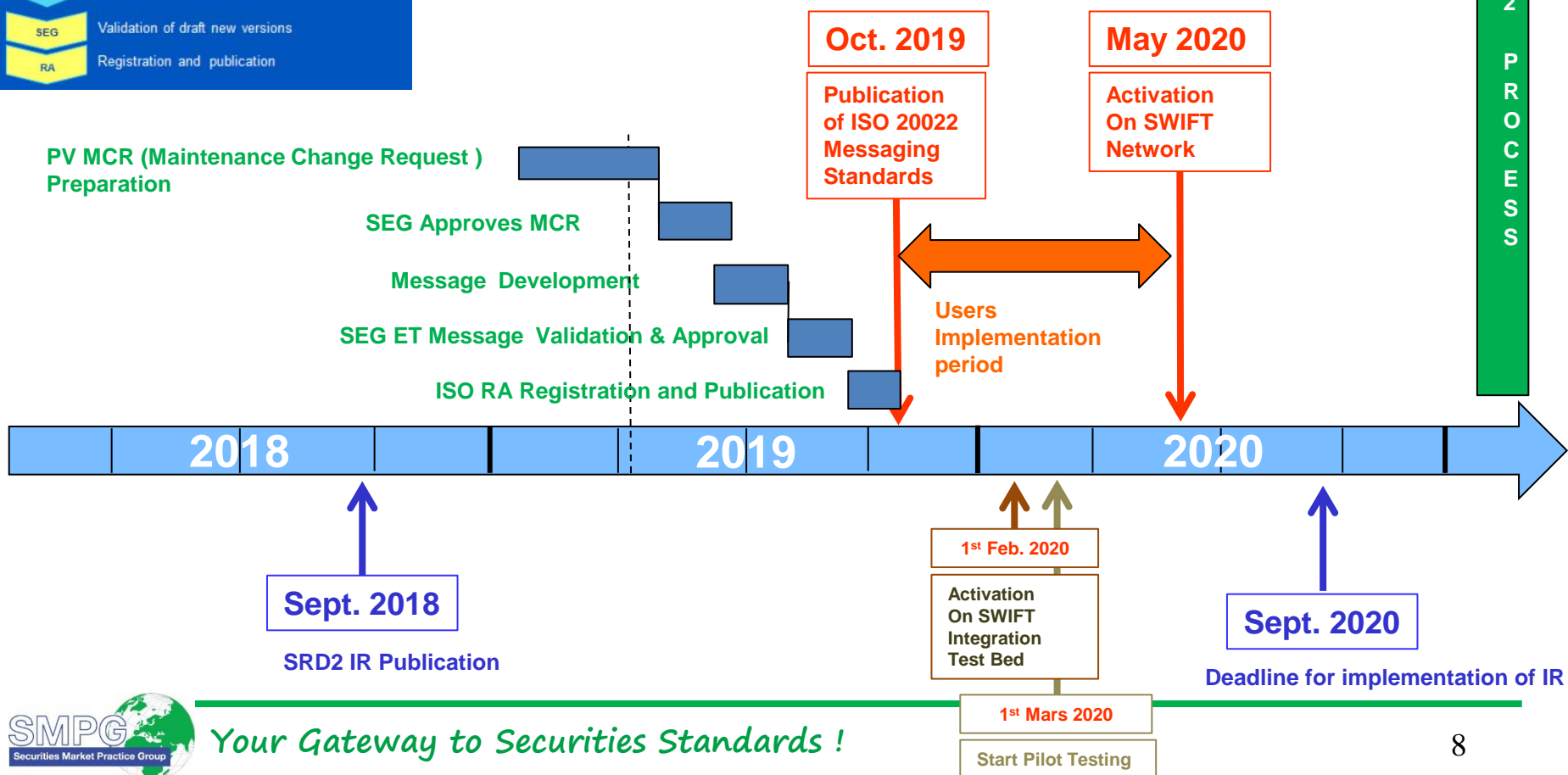
**I
S
O
2
0
0
2
2

P
R
O
C
E
S
S**

ISO 20022 PV Messages Maintenance Timeline



Use the ISO **Fast Track** Maintenance Process

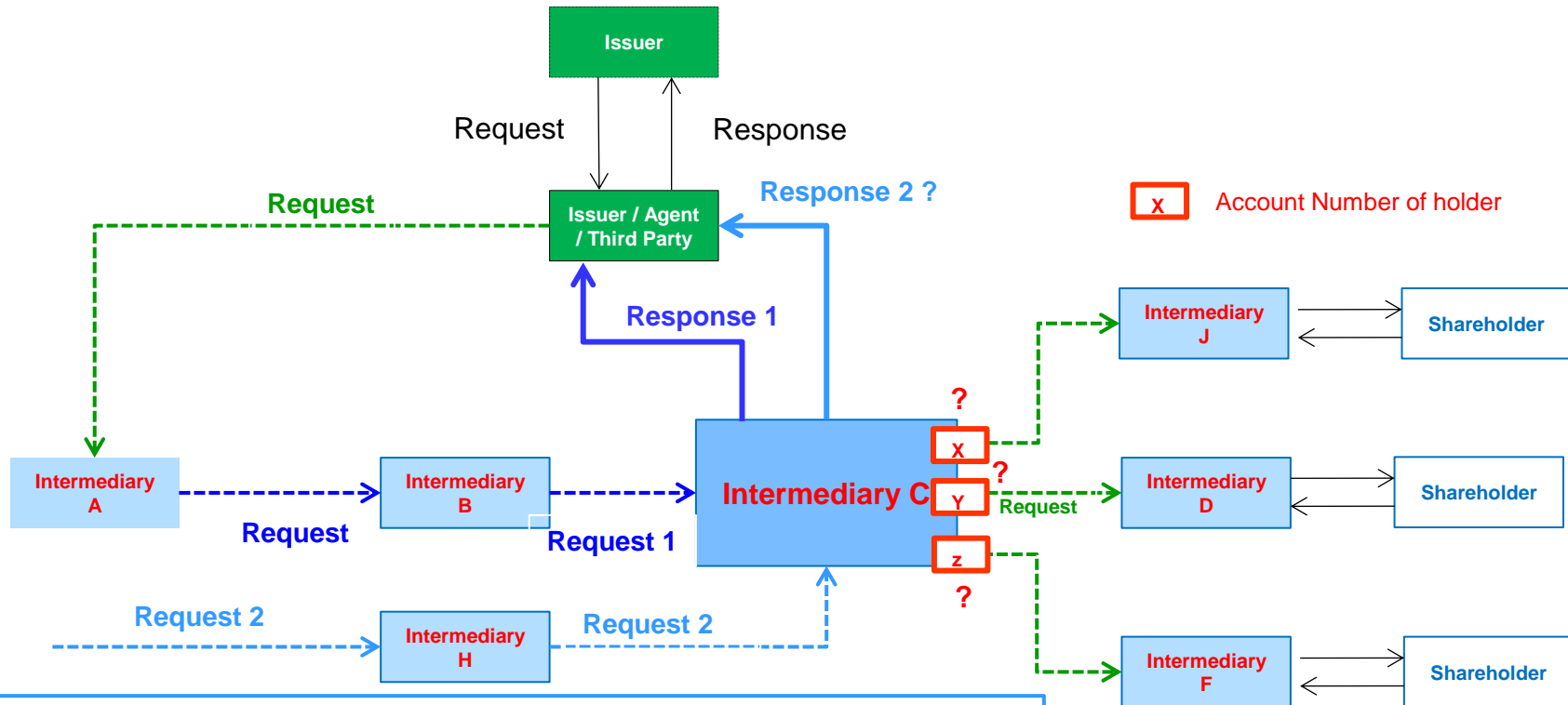


Implementing Regulation - ISO Messaging Impact



- **Art. 1 & 2:** Definitions & Standardised formats, interoperability and language
- **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 Message Standard Impact**
- **Art. 10:** Minimum security requirements (Security, Integrity, Authentication of the information,...) -> **No Standard messaging Impact (TBC)**

- Shareholder Identification Request / Response



4 Options for the Response Flows:

1a: 1 message per request /Account up the Chain

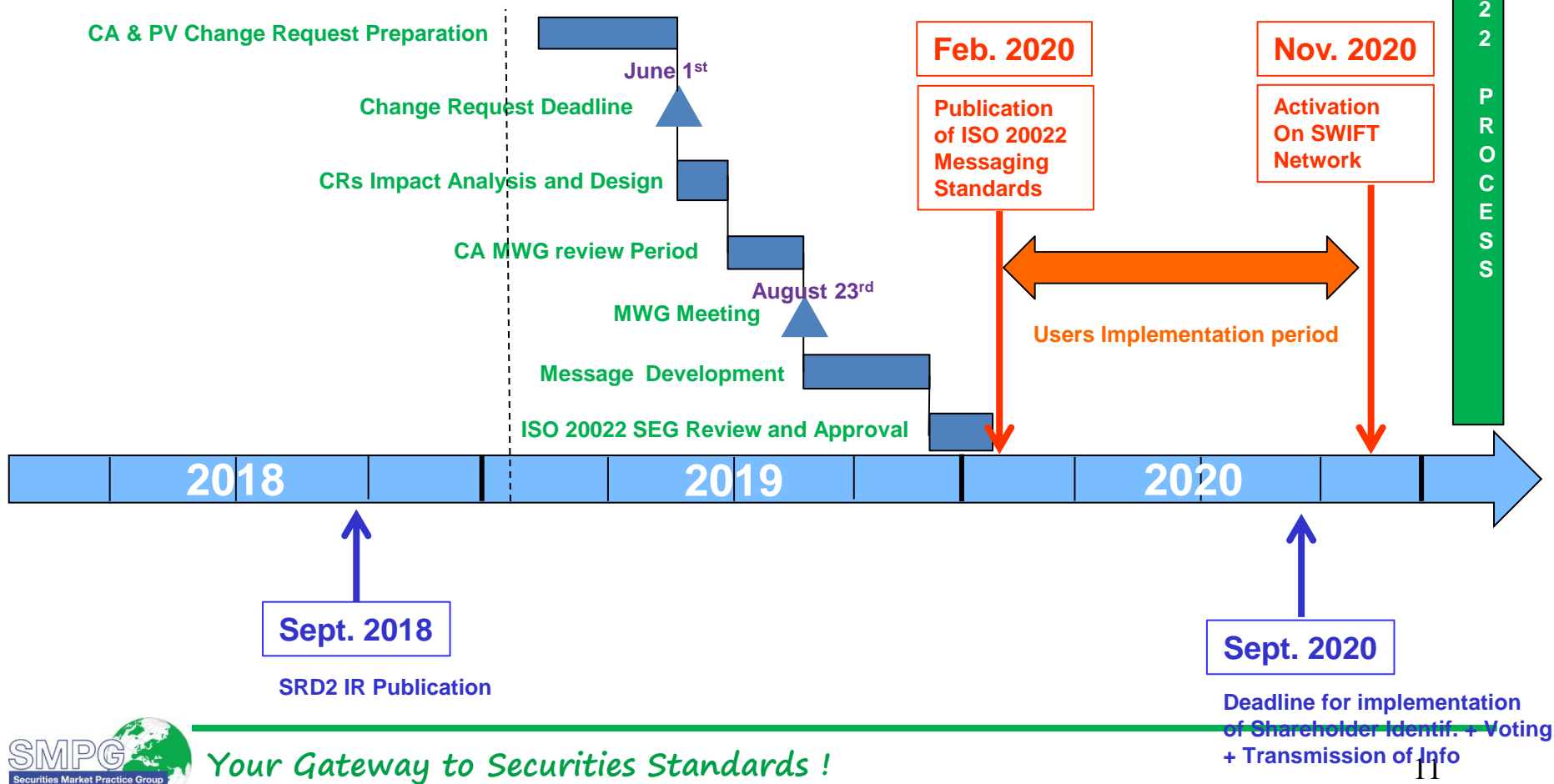
1b: 1 Message per request /Account up the chain + Holders Account Number

2a: 1 message per Intermediary

!b: 1 Message per Intermediary + Holders Account Number

ISO 20022 CA Messages Maintenance Timeline

ISO 20022 Process for ISO 15022/20022 Coexistent Standards





Your Gateway to Securities Standards !

www.smpg.info