Call for Evidence on the implementation of SRD2 provisions on proxy advisors and the investment chain

Fields marked with * are mandatory.

Responding to this Call for Evidence

ESMA invites comments on all matters in this paper and in particular on the specific questions therein presented. Comments are most helpful if they:

(1) respond to the question stated;
(2) indicate the specific question to which the comment relates;
(3) contain a clear rationale; and
(4) describe any alternatives ESMA should consider.

ESMA will consider all comments received by **28 November 2022**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Open Consultations'.

Publication of responses

All contributions received will be published following the close of the Call for Evidence, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Data protection'.

Who should read this Call for Evidence

All interested stakeholders are invited to respond to this Call for Evidence. In particular, ESMA considers this Call for Evidence will be primarily of relevance to investors, issuers whose shares are listed in Europe, intermediaries and proxy advisors. In addition to the general questions (Section 3), specific questions (Sections 4-5-6-7) are addressed to these types of stakeholders.

Other market participants, such as consultants and service providers in the investor communication and voting industry, are invited to express their views by responding to any general questions (Section 3) they would like to provide input on and in particular to the two catch-all questions (Q15 and Q25).

1. Executive Summary

Reasons for publication

As foreseen in Articles 3f(2) and 3k(2) of the Shareholder Rights Directive, as amended by Directive (EU) 2017/828 ('SRD2'), the European Securities and Markets Authority ('ESMA') is expected to support the European Commission ('EC') in the elaboration of a report assessing the implementation of Chapter Ia and Article 3j of the SRD2 across the Union. The purpose of this Call for Evidence is to gather information on how market participants perceive the appropriateness of the scope and the effectiveness of the SRD2 provisions on the identification of shareholders, transmission of information and facilitation of the exercise of shareholder rights, as well as on transparency of proxy advisors. The responses obtained from this exercise will form the basis for ESMA's input for the elaboration of this report.

Contents

Section 2 sets out the background to ESMA's review exercise and explains the structure and the purpose of the Call for Evidence in more detail. Section 3 presents general questions intended for all stakeholders while sections 4-7 include questions targeted at specific stakeholders, *i.e.*, investors, issuers, intermediaries and proxy advisors.

Next Steps

Responses to this Call for Evidence are requested by **28 November 2022**. ESMA intends to provide the Commission with its input by **July 2023.**

2. Introduction

2.1. Background and legal mandate

The Shareholder Rights Directive, as amended by the SRD2, lays down a common regulatory framework with regard to the minimum standards for the exercise of shareholder rights in EU listed companies. The SRD2 was supposed to be transposed by Member States into their national law by 10 June 2019, with the exception of Articles 3a to 3c in Chapter Ia, which, together with the Implementing Regulation, entered into application on 3 September 2020. By facilitating the involvement of shareholders in the corporate governance of investee companies, the SRD2 aims to encourage their long-term engagement in EU companies and thereby to enhance sustainable long-term value creation in EU capital markets.

In the context of the review of the SRD2, the EC is required to submit a report assessing the implementation of Chapter Ia (Articles 3a to 3f) and Chapter Ib (Articles 3g to 3j) of the SRD2 to the European Parliament and to the Council, also involving ESMA. In particular:

i. As per Article 3f(2) of the SRD2, the EC, in close cooperation with ESMA and the EBA, is required to submit a report on the implementation of Chapter Ia of the SRD2 providing an assessment of its effectiveness and difficulties in practical application and enforcement of the relevant Articles included

in this Chapter, while also taking into account relevant market developments at the EU and international level. In addition, the report should specifically address the appropriateness of the scope of application of this Chapter in relation to third-country intermediaries.

ii. As per Article 3k(2) of the SRD2, the EC, in close cooperation with ESMA, is required to submit a report on the implementation of Article 3j of the SRD2, providing an assessment of the effectiveness and appropriateness of the scope of application of the same provision, and taking into account relevant Union and international market developments. It is also envisaged that the report shall be accompanied, if deemed appropriate, by legislative proposals.

In September 2020, based on the recommendations from the final report of the High Level Forum on CMU [1], the EC adopted a new CMU action plan[2] which included an action aimed at facilitating investor engagement. In particular, as part of Action 12, the EC committed to "assess: (i) the possibility of introducing an EU-wide, harmonised definition of 'shareholder', and; (ii) if and how the rules governing the interaction between investors, intermediaries and issuers as regards the exercise of voting rights and corporate actions' processing can be further clarified and harmonised."[3] The CMU action plan indicated that this assessment would be carried out as part of the EC's evaluation of the implementation of the SRD2 due to be published by Q3 2023.

On 3 October 2022, ESMA received a mandate from the Commission to provide input on the implementation of the aforementioned SRD2 provisions, also in connection to certain targeted elements relating to Action 12 of the CMU action plan. With regards to proxy advisors (*i.e.,* Article 3j), ESMA is also requested to assess the need for further regulatory requirements.

[1] Final report of the high-level forum on the Capital Markets Union 'A new vision for Europe's capital markets' https://ec.europa.eu/info/files/200610-cmu-high-level-forum-final-report_en.
[2] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Capital markets union 2020 action plan: A capital markets union for people and businesses, COM/2020/590 24.9.2020.
[3] The CMU action plan further clarified that "the Commission plans to investigate in particular the following: (i) the attribution and evidence of entitlements and the record date, (ii) the confirmation of the entitlement and the reconciliation obligation, (iii) the sequence of dates and deadlines, (iv) any additional national requirements (in particular, requirements of powers of attorney to exercise voting rights), and (v) communication between issuers and central securities depositories (CSDs) as regards timing, content and format."

2.2. Scoping of the exercise

The implementation assessment covers a wide spectrum of topics in the SRD2, namely regarding areas such as identification of shareholders, transmission of information and facilitation of the exercise of shareholder rights, as well as the transparency of proxy advisors. An indicative scope is provided in the table below.

SRD2 provision	*Topical Area*
Chapter Ia	**Identification of shareholders, transmission of information and facilitation of exercise of shareholder rights**
Art. 3a	Identification of shareholders
Art. 3b	Transmission of information
Art. 3c	Facilitation of the exercise of voting rights
Art. 3d	Non-discrimination, proportionality, and transparency of costs
Art. 3e	Third-country intermediaries
Article 3j	**Transparency of proxy advisors**
Art. 3j(1)	Transparency on code of conduct
Art. 3j(2)	Transparency of information related to the preparation of research, advice and voting recommendations
Art. 3j(3)	Transparency of conflicts of interest
Art. 3j(4)	Third-country proxy advisors

2.3. Purpose and structure of the Call for Evidence

ESMA believes that a Call for Evidence is necessary for the collection of information from market participants in order to obtain a comprehensive overview of how stakeholders perceive the appropriateness and effectiveness of the current regulatory framework, to learn about the possible difficulties encountered in the course of its application and to understand relevant market developments. The findings obtained from this exercise will allow ESMA to take action to fulfil its obligations under the SRD2, in accordance with the mandate provided by the EC. Moreover, these responses will help understand and therefore prioritise the SRD2 areas where stakeholders feel there is a need for improvement of current practices.

ESMA encourages respondents to share the practices currently put in place by market participants across different jurisdictions, as well as any difficulties they might have experienced in the practical application of SRD provisions.

In terms of structure, this Call for Evidence focuses on the six Articles that are included in the scope of this assessment, namely covering four main topical areas of the aforementioned Directive: (i) identification of shareholders; (ii) transmission of information; (iii) facilitation of exercise of shareholder rights and (iv) transparency of proxy advisors.

Section 3 (Q1-Q25) of the Call for Evidence presents a set of questions which are common to all categories of stakeholders and aimed at (i) investigating their general views on the effectiveness of the relevant SRD2 provisions, and (ii) seeking their input on certain specific issues listed under Action 12 of the CMU Action Plan.

Each type of stakeholder will be invited to answer the questions included in Section 3. Furthermore, the questionnaire includes two catch-all questions (Q15 and Q25), where all stakeholders are welcome to raise any concerns or remarks they may have.

Based on the selection of your stakeholder type under Q1, you may be invited to answer to the ensuing targeted sections designed specifically for the following groups of stakeholders:
- Section 4 (Q26-Q41): Investors (in particular, shareholders of EU listed companies);

- Section 5 (Q42-Q58): Issuers;
- Section 6 (Q59-Q71): Intermediaries;
- Section 7 (Q72-Q78): Proxy advisors.

Each section is introduced separately and provides a brief summary of the goal of such questions and the type of evidence that ESMA is seeking. The questions aim to understand the practical impact as well as supervisory implications of the relevant SRD provisions.

Additionally, to ensure that the questionnaire keeps track of market developments, certain questions also seek the views of stakeholders on the current trends in financial markets, namely on recent technological developments, environmental, social and governance ('ESG') or sustainability-related aspects and institutional investors' practices, both in the EU and at the international level.

Finally, ESMA would like to emphasize the importance of answers being factual and, to the widest possible extent, supported by clear Respondents disclosing confidential or commercially sensitive information are asked to follow the instructions regarding publication of their response as set out on in the previous sections.

2.4. Next Steps

Responses to this Call for Evidence are requested by 28 November 2022. ESMA will provide the Commission with its input by July 2023.

3. General questions

3.1. Introduction

This section sets out questions of a general nature which ESMA invites all interested stakeholders to respond to, regardless of the role they play in the financial markets. The questions aim to provide a general understanding of the practices currently put in place and the difficulties that may arise from the practical application of SRD2 provisions. This section also sets out a few targeted questions on facilitating shareholder engagement as set out by the CMU action plan (Action 12 of the CMU action plan). In addition to this section, sections 4 - 7 outline questions which are targeted at specific groups of stakeholders (*i.e.*, investors, issuers, intermediaries and proxy advisors).

In connection with this first set of questions, ESMA would like to reiterate the invitation for respondents to provide factual answers which are supported by reasoning, as well as clear evidence and examples to the widest possible extent. Furthermore, ESMA invites associations representing specific groups of stakeholders to select, in Q1, the group of stakeholders they represent or to select option *'other'*.

3.2. Questions

3.2.1. Background

* **Q0:** Please indicate if you agree to have your answer made public.

- (●) Yes
- ( ) No

* Please indicate your name and contact information.

2000 character(s) maximum

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* **Q1:** What is the nature of your involvement in financial markets?

[More than 1 option allowed]

- [ ] Individual (retail) investor;
- [ ] Institutional investor (such as a pension fund or an insurance undertaking);
- [ ] Asset manager (investing on behalf of individual clients or institutional investors);
- [ ] Issuer (in particular, EU companies whose shares are listed in the EU);
- [x] Credit institution;
- [ ] Investment firm;
- [ ] Central securities depositary - CSD;
- [ ] Proxy advisor (*i.e.,* a legal person providing research, advice or voting recommendations);
- [x] Other.

* To facilitate the comprehensibility of your response to this Call for Evidence, please describe your role in the financial industry.

2000 character(s) maximum

The German Banking Industry Committee is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public banks, the Deutscher Sparkassen- und Giroverband (DSGV),
for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

Lobby Register No R001459
EU Transparency Register No 52646912360-95

* **Q2:** Please specify if you are a non-EU or EU actor, and in the latter case, in which Member State you (or, if you are an association, your members) are based/most active in.

(●) EU Actor ( ) Non-EU Actor

* Please specify:

- ( ) Pan-European Organisation
- ( ) Austria
- ( ) Belgium
- ( ) Bulgaria
- ( ) Croatia
- ( ) Ireland
- ( ) Italy
- ( ) Latvia
- ( ) Lithuania
- ( ) Luxembourg

- ○ Cyprus
- ○ Czechia
- ○ Denmark
- ○ Estonia
- ○ Finland
- ○ France
- ◉ Germany
- ○ Greece
- ○ Hungary
- ○ Malta
- ○ Netherlands
- ○ Poland
- ○ Portugal
- ○ Romania
- ○ Slovak Republic
- ○ Slovenia
- ○ Spain
- ○ Sweden

3.2.2. On shareholder identification, transmission of information and facilitation of the exercise of shareholder rights

Q3: Do you consider that shareholder identification, within the meaning of Article 3a, has improved following the entry into application of this provision and the Implementing Regulation?

- ○ Not at all
- ○ To a limited extent
- ◉ To a large extent
- ○ Fully
- ○ No opinion

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

From January 2021 to September 2022, German intermediaries responded to a total of 3,353 shareholder identification requests for a total of 1,173 ISINs. Almost one third of the requests, namely 1,094, were from German issuers, though they concerned only 216 ISINs. Even in the national context, therefore, some issuers repeatedly ask for their shareholders to be identified while others have so far seen no need to do so. Compared to the situation before SRD2 came into force, both data quality and transmission speed have improved considerably thanks to STP via ISO and SWIFT. This has required investment of a high six-digit sum by every single intermediary from our membership.

Q4: Do you consider that harmonising the definition of shareholder across the EU is a necessary step to ensure the full effectiveness of Article 3a provisions?

- ○ Not at all
- ○ To a limited extent
- ○ To a large extent
- ◉ Fully
- ○ No opinion

* Please explain and provide evidence to corroborate your response, specifying any remaining obstacles to the process of identification of shareholders.

2000 character(s) maximum

Yes. The European Commission's Action Plan on capital markets union already calls for a harmonised EU-wide definition of the term shareholder under Action 12. We fully support this objective and believe it is the only way to achieve consistent interpretation of SRD2. Application of the directive's requirements currently diverges because of differences in the way shareholder status is assessed. Sometimes a purely formal view is taken, which is why, for example, the person entered in the shareholders' register will be named even if this person is not the beneficial owner. In other jurisdictions, by contrast, the beneficial owner is identified.

Q5: In your opinion, who should be regarded as 'shareholder' for the purposes of the SRD if this definition was to be harmonised across the EU?

- (●) The natural or legal person on whose account or on whose behalf the shares are held, even if the shares are held in the name of another natural or legal person who acts on behalf of this person (beneficiary shareholder);
- ( ) The natural or legal person holding the shares in his own name, even if this person (nominee shareholder) acts on behalf of another natural or legal person;
- ( ) Other.

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

The only person actually entitled to exercise shareholder rights is the ultimate beneficial owner (UBO), regardless of whether this UBO exercises the rights personally or has them exercised by third parties. The ultimate beneficial owner should therefore be regarded as the shareholder across the EU.

Q6: Do you consider that the transmission of information along the chain of intermediaries has improved following the entry into application of Article 3b and the Implementing Regulation?

- ( ) Not at all
- (●) To a limited extent
- ( ) To a large extent
- ( ) Fully
- ( ) No opinion

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

The question suggests that the transmission of information along the intermediary chain did not function adequately before SRD2. This is incorrect. Communication along the intermediary chain already functioned smoothly using ISO formats and SWIFT.
The real problem – even under SRD2 – is the interface between the issuer and the first intermediary in the chain and between the last intermediary and the retail shareholder. This leads to delays, media discontinuity and other problems.
Issuers, which are the source of the information under SRD2 and the Implementing Regulation, should therefore be legally required not only to use machine-readable and interoperable formats (cf. Implementing Regulation Article 2(2)) but also to comply with the customary quality standards in the intermediary chain. Only if a message is complete and filled in correctly can it be efficiently processed and forwarded using STP. Only under these conditions can SRD2 Article 3b(2) in conjunction with Implementing Regulation Article 2(2) be considered met.
The interface with the retail shareholder causes delays and media discontinuity because retail shareholders cannot receive and process information in ISO formats via STP. This should be explicitly made clear in Implementing Regulation Article 2(4). It must be borne in mind that intermediaries are legally required under MiFID2 to provide retail shareholders, i.e. their retail clients, with easily understandable information, if necessary on paper (MiFID2 Article 24(5a)). The Implementing Regulation should therefore recognise that there will be media discontinuity at the end of the chain when the retail shareholder receives information from the last intermediary. This affects not only the format requirements in Article 2 of the Implementing Regulation but also the deadlines set out in Implementing Regulation Article 9.
STP is also significantly disrupted by the ability to only partially populate tables 3 and 8. See also reply to Q12b.

Q7: Do you consider that the facilitation of the exercise of shareholder rights by intermediaries has improved following the entry into application of Article 3c and the Implementing Regulation?

- ○ Not at all
- ◉ To a limited extent
- ○ To a large extent
- ○ Fully
- ○ No opinion

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

Cross-border information on general meetings has improved considerably since SRD2 came into force. But there are still difficulties associated with exercising shareholder rights across borders. This is primarily due to the special requirements of national company law regimes, which give rise to complex manual processes and also significant legal risks. This results in intermediaries either reducing their offers or passing on the not inconsiderable cost of using local service providers (e.g. proxies) to shareholders.

Q8: Do you consider that transparency, non-discrimination and proportionality of charges for services provided by intermediaries in connection with shareholder identification, transmission of information and exercise of shareholder rights (*i.e.*, in compliance with Article 3d) have improved following the entry into application of this provision?

- ○ Not at all
- ◉ To a limited extent
- ○ To a large extent

- Fully
- No opinion

* Please explain and provide evidence to corroborate your response, providing examples of the jurisdictions you are most familiar with.

2000 character(s) maximum

Intermediaries which disclose their fees have contributed to transparency.
Otherwise, it is virtually impossible to give a sound reply to this question. Europe is highly fragmented when it comes to SRD2-related costs. In member states where legal requirements apply, it is difficult to find the relevant sources, which, moreover, are only available in the national language. There is therefore a lack of transparency, making it impossible to judge whether costs are proportional, etc.
This lack of clarity is to the detriment of the financial industry, which bears the ongoing costs of SRD2 implementation to a far greater extent than do the issuers on whose behalf shareholder identification and communication takes place. And even in countries where regulation exists (such as Germany), it is difficult for intermediaries to enforce claims on issuers. The rules fail to spell out in sufficient detail what amount of what kind of compensation should be paid for what service component. Issuers are often not familiar with the requirements and reject claims because no contractual business relationship between the issuer and the last intermediary exists. The current situation therefore disproportionately discriminates against intermediaries.
In the European context, it would therefore at least be desirable for member states to make their rules and regulations governing costs available in English and for ESMA to publish a link to these regulations. If there are no legal requirements, this should also be explicitly spelled out.

Q9: Do you consider that the practices of third-country intermediaries (*i.e.*, intermediaries which have neither their registered office nor their head office in the EU but provide services with respect to shares of EU listed companies) are in line with the provisions of Chapter Ia and the Implementing Regulation?

- Not at all
- To a limited extent
- To a large extent
- Fully
- (•) No opinion

* Please explain and provide evidence to corroborate your response and specify any significant differences you may be aware of as regards the application of this Chapter by third-country intermediaries vis-à-vis EU intermediaries.

2000 character(s) maximum

A large proportion of foreign banks supported the introduction and use of ISO formats to disclose information about shareholders.

Q10: Do you consider that the processes put in place by intermediaries for the purpose of implementing Chapter Ia (*i.e.,* shareholder identification, transmission of information and facilitation of the exercise of shareholder rights) are working in line with the relevant provisions of the SRD2 and the Implementing Regulation?

- Not at all
- To a limited extent
- To a large extent
- (•) Fully

- [ ] No opinion

* Please explain and provide evidence to corroborate your response, explaining if/how improvements could be made.

2000 character(s) maximum

Intermediaries were already working on standardising and harmonising their processes at European level before the new requirements came into force and were therefore well prepared for SRD2 and the Implementing Regulation. This enabled the swift development of EU-wide standards (including new technical standards), which intermediaries in Europe have committed to adopt. These include the Standards for Shareholder Identification and the Market Standards for Corporate Actions, which can be found here:

https://ecsda.eu/wp-content/uploads/2020/12/2020_12_Market_Standards_for_Shareholder_identification.pdf

https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/casg/ecb.targetseccasg120606_MarketStandardsForCorporateActionsProcessingCAJWGStandardsRevised2012Updated2015.en.pdf?5a5c8308c24a6618ed600daf627df86c

Work on the Standards for General Meetings has not yet been completed.
In Germany, Module 2 of the BdB's implementation guidance has established itself as a practical guide to handling general meetings. The guidelines attempt to overcome many issues where discrepancies exist between the European requirements and those of the German Stock Corporation Act (Aktiengesetz):

https://bankenverband.de/media/files/2021-07-28-leitfaden-modul2-version4-hv-en-final.pdf

An important example is the rigid deadlines set by Article 9(1) of the Implementing Regulation, which cannot be brought into line with national company law without legal risk or sacrificing efficiency (see BdB Implementation Guide Module 2, section IV.1.a.dd and ee).

Q11: Have you encountered any specific obstacles or difficulties in the practical application of the SRD2, namely Chapter Ia and the Implementing Regulation, also in light of the SRD2's transposition in Member States' national law (*e.g.,* regarding transparency of fees when a service is provided by more than one intermediary in a chain of intermediaries or when the company is allowed to request the CSD, another intermediary or third party to collect information regarding shareholder identity)? Please specify your response in relation to the following topical areas:

a) Shareholder identification;

- [x] Yes
- [ ] No
- [ ] Don't know

b) Transmission of information;

- [x] Yes
- [ ] No
- [ ] Don't know

c) Facilitation of the exercise of shareholder rights;

- [x] Yes

- ○ No
- ○ Don't know

d) Costs and charges by intermediaries;

- ◉ Yes
- ○ No
- ○ Don't know

e) Non-EU intermediaries.

- ○ Yes
- ○ No
- ◉ Don't know

* Please explain and provide evidence to corroborate your response, clarifying whether encountered obstacles or difficulties relate to cross border elements (both within and outside the EU).

2000 character(s) maximum

a) SRD2 and the Implementing Regulation do not adequately regulate the checks to be carried out by the first intermediary under Implementing Regulation Article 10. Issuers should, for example, be required to send first intermediaries all necessary documents for the review under Implementing Regulation Article 10(2) without delay. It should also be borne in mind that the first intermediary may only transmit information via STP about shareholders within the scope of SRD2 and must therefore filter out other requests and possibly process them differently. This is time-consuming and requires considerable manual effort.
b) With respect to transmitting information, the rigid deadlines of Implementing Regulation Article 9 take no account of national company law, generating unnecessary extra work and avoidable costs. Implementing Regulation Article 9(1), for example, leads to issuers putting information into the intermediary chain several times to avoid legal risks, which results in costly duplication of information, especially when informing retail shareholders, without delivering any added value. See also reply to Q10 and section IV.1.a.dd and ee of our implementation guide:
https://bankenverband.de/media/files/2021-07-28-leitfaden-modul2-version4-hv-en-final.pdf
c) The requirements of national company law can hamper the exercise of shareholder rights, especially at general meetings. The confirmation of entitlement under Implementing Regulation Article 5, for example, is often not recognised as sufficient.
d) Since the bearing of costs is governed by where a company is headquartered, intermediaries must familiarise themselves with the legal systems of all EU and EEA member states in the national language. In addition, the issuer is not required to provide or publish a billing address. This disrupts invoicing processes and causes intermediaries further manual work. And the issuer may not pay the invoice anyway. See also reply to Q8.

Q11.1: If you have answered positively to at least one of the points listed in *Q11*, please specify if it was in relation to the following:

a) The attribution and evidence of entitlements (incl. as regards the record date position);

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and corroborate your answer.

The proof of entitlement under Article 5 of the Implementing Regulation is often not recognised as sufficient. The different national criteria for determining and documenting entitlement to attend shareholders' meetings and exercise shareholder rights prevent shareholders' instructions from being processed efficiently within the custody chain.

b) The sequence of dates for corporate actions and deadlines;

- ○ Yes
- ◉ No
- ○ Don't know

* Please explain and corroborate your answer.

No explanation

c) Any additional requirements (*e.g.*, requirements of powers of attorney to exercise voting rights);

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and corroborate your answer.

Cross-border information on general meetings has improved considerably since SRD2 came into force. But there are still difficulties associated with exercising shareholder rights across borders. This is primarily due to the special requirements of national company law regimes, which give rise to complex manual processes and also significant legal risks. This results in intermediaries either reducing their offers or passing on the not inconsiderable cost of using local service providers (e.g. proxies) to shareholders.

d) Communication between issuers and central securities depositories (CSDs);

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and corroborate your answer.

The Implementing Regulation should oblige issuers to send in good time (e.g. at least 10 days before the actual transmission of a request to disclose shareholder identity or other information) all the documents first intermediaries need (e.g. power of attorney, etc.) to carry out the verification process required under Article 10(2) of the Implementing Regulation.
The interface between issuers and the first intermediary (usually the CSD) causes problems. For details, please also see our reply to Q6: issuers, which are the source of information under SRD2 and the Implementing Regulation, should therefore be required to meet their legal obligations under Article 3(1), Article 4(4), Article 7 and Article 8 of the Implementing Regulation in compliance with the same quality standards as intermediaries. Only if a message is complete and filled in correctly can it be efficiently processed and forwarded using STP.
In addition, these messages should comply with agreed European market standards that enable STP and have no negative impact on other business processes of the intermediaries (e.g. T2S, CAJWG, SCoRE, national company law, etc.).

e) Any other issue.

- ○ Yes
- ○ No
- ◉ Don't know

* Please explain and corroborate your answer.

No comments

Q12: If you have encountered any difficulties or obstacles to the fulfilment of obligations under Chapter Ia (also relating to cross border elements - both within and outside the EU - and in light of the SRD2's transposition in Member States' national law), how do you think improvements could be made going forward? Please explain and provide evidence to corroborate your response in relation to:

a) Shareholder identification;

2000 character(s) maximum

National rules and requirements of local service providers that go beyond SRD2, such as the extension of the scope to securities other than listed shares, generate legal risks when responding to requests to disclose shareholder identity in accordance with Table 2 of the Implementing Regulation. These should therefore not be considered "in scope".

b) Transmission of information;

2000 character(s) maximum

STP is significantly disrupted by the ability to only partially populate tables 3 and 8. If these tables are only partially filled, STP ends when the ISO message enters the intermediary chain because information such as the agenda of the general meeting has to be searched for manually on the company's website. This also affects the return flow of information from the shareholder to the company if shareholders' instructions could be transmitted through the chain in an ISO format but this is frustrated by an issuers' unwillingness to receive and process these formats. See also our reply to Q6.

c) Facilitation of the exercise of shareholder rights;

2000 character(s) maximum

It is above all the cross-border exercise of shareholder rights at general meetings that continues to cause problems. This is primarily due to the differing special requirements of national company law (e.g. concerning powers of attorney), which, among other things, lead to the confirmation of entitlement under Article 5 of the Implementing Regulation not being recognised as sufficient. The situation could be remedied by an EU-wide uniform definition of shareholder as the beneficial owner and a company proxy to whom votes could be forwarded cost-efficiently for exercise at the general meeting.

d) Costs and charges by intermediaries;

2000 character(s) maximum

Since the bearing of costs is governed by the law of the country where the company has its registered office, intermediaries have to familiarise themselves with the legal systems of all EU and EEA member states in the relevant national language. This is time-consuming and costly.
ESMA should therefore publish a list of links to national rules and regulations.
In addition, it should be made clear throughout Europe that issuers have to bear the costs of providing information and facilitating the exercise of the rights of their shareholders. It is not up to intermediaries to assume these costs.
See also our reply to Q8.

e) Non-EU intermediaries.

2000 character(s) maximum

Q13: Overall, do you consider that Chapter Ia provisions have improved shareholder engagement, thereby supporting the long-term value creation and sustainability objectives established by the Directive?

- ○ Not at all
- ◉ To a limited extent
- ○ To a large extent
- ○ Fully
- ○ No opinion

* Please explain and provide evidence to corroborate your response, also specifying what actions could be put in place to improve shareholder engagement.

2000 character(s) maximum

The process of identifying shareholders and transmitting notices of general meetings generally works well. It remains difficult, by contrast, to exercise shareholder rights at general meetings across borders. This is due both to the special features of national company law (cf. reply to Q7) and to the requirements of local depositories and other service providers (such as proxies), which only allow voting rights to be exercised at considerable expense.
The transposition of SRD2 into 30 national laws has only improved securities settlement to a limited extent as intermediaries still have to take account of national specificities. This makes it difficult to standardise processes. The general meetings of all public limited companies with a global note (or electronic equivalent) lodged with a CSD should be processed in the same way so as to achieve harmonisation.
In addition, banks also process corporate actions and general meetings for securities issued outside the EEA. This must be taken into account in the banks' overall processing since the holders of such securities also have rights.

Q14: Do you believe that rules on the following points should be further clarified and/or harmonized:

a) Attribution and evidence of entitlements (incl. as regards the record date position);

- (●) Yes
- ( ) No
- ( ) Don't know

b) The sequence of dates for corporate actions and deadlines;

- ( ) Yes
- (●) No
- ( ) Don't know

c) Possible additional national requirements (*e.g.,* requirements of powers of attorney to exercise voting rights);

- (●) Yes
- ( ) No
- ( ) Don't know

d) Transmission of information (incl. rules on communications between CSDs and issuers/issuer agents).

- (●) Yes
- ( ) No
- ( ) Don't know

* Please explain and, in case your answer is *yes*, please specify what actions could be put in place.

2000 character(s) maximum

Re a)
When revising the Implementing Regulation, Article 5 should be amended to allow evidence of entitlement to be provided implicitly with the instruction from the shareholder (beneficial owner). An ISO message in ISO 20022 format is already available for this purpose.
Re c)
National special rules that hamper the exercise of voting rights should be dropped. We cannot provide any examples due to lack of space.
At the very least, the evidence of entitlement in accordance with Article 5 of the Implementing Regulation should be recognised as sufficient.
Re d)
Issuers, which under SRD2 and the Implementing Regulation are the source of the information, should be legally required to put the information into the intermediary chain using electronic and interoperable formats. Only if a message is complete and filled in correctly can it be transmitted using STP.
In addition, STP is significantly disrupted by the ability to only partially populate tables 3 and 8. This option should therefore be dropped from the Implementing Regulation and a requirement to populate all blocks should be introduced instead.
The interface with the retail shareholder causes delays and media discontinuity because retail shareholders cannot receive and process information in ISO formats via STP. This should be explicitly made clear in Article 2(4) of the Implementing Regulation. It must be borne in mind that intermediaries are legally required under MiFID2 to provide retail shareholders, i.e. their retail clients, with easily understandable information, on paper if necessary (Article 24(5a) of MiFID2). The Implementing Regulation should therefore recognise that there will be media discontinuity at the end of the chain when the retail shareholder receives information from the last intermediary. This affects not only the format requirements in Article 2 of the Implementing Regulation but also the deadlines in Article 9 of the Implementing Regulation.
See also reply to Q6

Q15: For elements that are not explicitly covered by the above questions but that are still related to Chapter Ia or the Implementing Regulation, do you have any other issue that you want to raise?

2000 character(s) maximum

1. Consistent supervision by ESMA

SRD2's objective of establishing a harmonised identification and information process for listed public companies can only be achieved through consistent supervisory practices. To this end, ESMA should provide

- A list of ISINs falling within the scope of SRD2
- Links to national rules on costs, which should also be provided in English

2. Retail shareholders

- Article 2(4) of the Implementing Regulation should state that retail shareholders cannot receive and process information in ISO formats via STP.
- It should also be recognised that intermediaries are required under MiFID2 to provide retail shareholders, i.e. their retail clients, with easily understandable information, on paper if necessary (Article 24 (5a) of MiFID2).
- There will therefore inevitably be media discontinuity when informing retail shareholders. This has an impact on the deadlines in Article 9 of the Implementing Regulation, which are too rigid and lead to unnecessary duplication of information and avoidable costs.
- For corporate actions that do not require the involvement of the shareholder, e.g. dividend payments, intermediaries should be allowed to dispense with informing retail shareholders separately. Confirmation of the crediting of the amount is sufficient.

3. STP formats for the entire communication process

- The Implementing Regulation's objective of facilitating the exercise of shareholder rights through STP with modern technologies can only be achieved if STP formats are prescribed for the entire process of communication between issuer, intermediary and customer, with exceptions for retail shareholders.
- Article 2(2), subpar. 2 does not go far enough as it only applies to information forwarded to the shareholder. Issuers must be required to be able to receive and process ISO messages.

3.2.3. On proxy advisors

Q16: Is the definition of proxy advisors[4] in the SRD2 able to identify the relevant players in the shareholder voting research and advisory industry?

[4] As per Article 2g SRD, 'proxy advisor' refers to "a legal person that analyses, on a professional and commercial basis, the corporate disclosure and, where relevant, other information of listed companies with a view to informing investors' voting decisions by providing research, advice or voting recommendations that relate to the exercise of voting rights".

- Yes
- No
- Don't know

Q17: Has the definition of competent Member State (set forth in Article 1 (2) (b) of the SRD) provided a common EU framework for proxy advisors covering EU listed companies?

- Yes
- No

- Don't know

Q18: Are you aware of proxy advisors that have neither their registered office nor their head office in the Union which carry out their activities through establishments located in the Union and that may be subject to two or more Member States' legislation or no Member States' legislation at all?

- Yes, in more Member States
- Yes, in none of the Member States
- No
- Don't know

Q19: Are you aware of any entity providing proxy advisory or voting research services with regard to EU listed companies that does not fully apply and/or fully report on the application of a code of conduct in line with the provision of Article 3j(1)?

- Yes, and the entity does not sufficiently explain either why it does not apply a code of conduct or why it departs from any of its recommendations
- Yes, but the entity abides by its obligation to sufficiently explain why it does not apply a code of conduct or why it departs from any of its recommendations, and, where appropriate, discloses information of the alternative measures it has adopted
- No
- Don't know

Q20: Do you consider that the disclosures provided by proxy advisors have reached an adequate level following the entry into application of SRD II? Please specify in relation to:

a) Fostering transparency to ensure the accuracy and reliability of the advice;

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

b) Disclosing general voting policies and methodologies;

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

c) Considering local market and regulatory conditions;

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

d) Providing information on dialogue with issuers;

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

e) Identifying, disclosing and managing conflicts of interest.

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

Q21: Based on your experience, have you noticed improvements in the way that the proxy advisory industry is taking into account relevant ESG criteria in the preparation of their research, advice and voting recommendations or in the preparation of customised policies?

- Yes
- No
- Don't know

Q22: Do you consider the level of harmonisation achieved under the SRD2 sufficient to ensure that investors are adequately and evenly informed about the accuracy and reliability of the activities of proxy advisors?

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

Q23: In your experience, and in light of developments affecting the proxy advisory market, do you consider that the EU approach to regulation of proxy advisors, currently based on the 'comply or explain' principle, sufficiently addresses any market failures existing in this area?

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

Q23.1: If your answer to *Q23* is *'Not at all'* or *'To a limited extent'* or *'To a large extent'*, please indicate what further measures should be taken:

- Further mandatory disclosures;
- More structured disclosures, incl. in terms of harmonised presentation;
- Monitoring and complaints system and/or supervisory framework on disclosures;
- Registration/authorisation and related supervision;
- Other.

Q24: Having in mind the ESG and technological changes in progress in the voting services market as well as certain investors' tendency to internalise voting research and/or to provide clients with voting options, do you consider that the scope of application taken by the SRD2 is still adequate to cover the full relevant set of market players and services provided?

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

Q25: For elements that are not explicitly covered by the above questions but that still concern transparency of proxy advisors, do you have any other issue that you want to raise?

2000 character(s) maximum

6. Questions for intermediaries

6.1. Introduction

This section outlines questions directed at intermediaries, including CSDs. ESMA is keen to understand the views of this group of stakeholders on the new obligations stemming from the SRD2 transposition, in particular as regards their role to ensure proper communication and transmission of information and the facilitation of shareholders rights.

6.2. Questions

6.2.1. On shareholder identification, transmission of information and facilitation of the exercise of shareholder rights

Q59: Have you encountered any doubt or ambiguity in assessing which Member State and NCA is competent over your activities in this area?

- Not at all
- To a limited extent
- To a large extent
- Fully
- No opinion

* Please explain and provide evidence to corroborate your response, identifying what legislative changes could be made, if any.

2000 character(s) maximum

Due to differing implementation of SRD2 in national law, it is unclear which authority is responsible. In Germany, no competent authority has yet been decided on. Responsibility for the issue has been assigned to the federal states (cf. Section 405 (5) of the German Stock Corporation Act), which have taken no action thus far.

ESMA should post a list of competent authorities on its website.

Q60: How frequently do you receive shareholder identification requests when compared to the pre-SRD2 period?

- (●) More frequently
- ( ) With the same frequency as before
- ( ) Less frequently

* Please explain and provide specific data to corroborate your response.

2000 character(s) maximum

From January 2021 to September 2022, German intermediaries responded to a total of 3,353 shareholder identification requests for a total of 1,173 ISINs. Almost one third of the requests, namely 1,094, were from German issuers, though they concerned only 216 ISINs. Even in the national context, therefore, some issuers repeatedly ask for their shareholders to be identified while others have so far seen no need to do so. In other words: since SRD2 came into force, our members have received shareholder identification requests under Article 3a of SRD2 on a daily basis.

Q61: Following the entry into application of the SRD2, when receiving a shareholder identification request, have you encountered obstacles in providing all the required information regarding shareholder identity to requesting issuers?

- ( ) Yes
- (●) No
- ( ) Don't know

* Please explain and provide evidence to corroborate your response. Please also clarify how long it takes you to provide the requested information and if the obstacle was related to the identification of a “beneficiary shareholder” on whose account the shares are held by a nominee shareholder in its own name.

2000 character(s) maximum

German intermediaries answered more than 3,300 shareholder identification requests between January 2021 and September 2022. Since STP of information is now possible using ISO and SWIFT, both data quality and transmission speed have improved considerably since SRD2 came into force.

Intermediaries encounter problems caused by member states “going their own way” when implementing SRD2. In some member states such as Portugal, Spain and Greece, for example, CSDs demand data going beyond that in Table 2 of the Implementing Regulation (such as tax or account numbers) when answering shareholder requests under Article 3a of SRD2. This brings the intermediaries into conflict with the GDPR. Other member states have extended the scope of SRD2 in the course of national implementation to cover securities other than listed shares (e.g. bonds/funds in France). Answering such requests, which issuers or their service providers wrongly label SRD2 requests, can also raise data protection issues (non-compliance with the GDPR). Intermediaries must therefore assume significant legal risks and establish processes to identify requests not covered by SRD2. Further information can be found in AMI-SeCo Corporate Events Group (CEG) reports, for instance.

Delays may occur if the issuer does not provide the first intermediary with the documents required for the verification process under Article 10(2) of the Implementing Regulation in due time before receiving the actual identification request. Cf. also reply to Q12a.

Q62: With reference to the previous question, can you please describe if your response would change in connection to cross-border shareholder identification, especially when involving third-country intermediaries?

- ○ Yes, with regard to all cross-border shareholder identification
- ○ Yes, with regard to cross-border identification involving a third country intermediary
- ◉ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

All valid identification requests submitted using ISO format concerning securities covered by the scope of SRD2 are processed in the same way. Requests not covered by SRD2, i.e. requests for securities following national rules or requests from third (non-EEA) countries, are processed manually. This is necessary to ensure compliance with national laws and to safeguard the rights (voting rights, dividends) of clients investing in securities from such countries.

Q63: Following the entry into application of the SRD2, is the shareholder identification request and the relevant information required (*e.g.,* shareholder identity data, *etc.*) always transmitted to you in a format which allows straight-through processing within the meaning of Article 2(3) of the Implementing Regulation?

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response, specifying what type of standard you use.

2000 character(s) maximum

The German and the European markets use ISO 20022. Intermediaries agreed on this when adopting the Market Standards for Shareholder Identification. See also our reply to Q10. If the shareholder identification request is not initiated by the CSD but an intermediary in the chain is instead contacted direct, such a request may also come by fax or e-mail. The number of such requests seems to vary widely from one intermediary to another.

Q64: Following the entry into application of the SRD2, do you communicate the information necessary for the exercise of shareholder rights (*i.e.,* Article 3b) (*e.g.,* general meeting notice, notice of participation, *etc.*) in a format which allows straight-through processing within the meaning of Article 2(3) of the Implementing Regulation?

- ○ Yes
- ◉ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response. In case your answer is *no*, please explain why and if this causes any problems in practice.

2000 character(s) maximum

The notification of the general meeting and other corporate events is communicated in an ISO message via STP through the intermediary chain to the final intermediary and on to many, if not all, institutional shareholders. Retail shareholders cannot be contacted using ISO formats. The last intermediary therefore informs retail clients electronically or by post using continuous text. For further details, please also see our reply to Q6. Since retail customers cannot receive or process ISO messages, they do not send their information using STP either but by post or electronic mailbox.

As a rule, STP is also not used to transmit information from institutional clients to the company even though many institutional shareholders and the intermediary chain are in a position to do so. This is because – in Germany at any rate – issuers and their service providers are not prepared to receive and process ISO messages containing votes or voting instructions, for example. Article 2(2), subpar. 1of the Implementing Regulation does not go far enough because it only applies to information from the company to the shareholder and not vice versa. Another obstacle to STP is the option of only partially completing tables 3 and 8. For details, please see reply to Q6.

Furthermore, companies are not willing to communicate confirmations within the meaning of Article 7 of the Implementing Regulation using standardised ISO messages, which prevents automated processing through the custody chain to institutional investors.

Q65: Following the entry into application of Article 3b, have you experienced any improvements in the downstream transmission of information to investors for the exercise of their rights along the chain of intermediaries?

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response, clarifying how long it took you to provide the requested information.

2000 character(s) maximum

Cross-border transmission of information on general meetings has improved since SRD2 came into force. Shareholders nevertheless continue to experience difficulties exercising their rights at general meetings across borders. SRD2 has not improved the transmission of information within Germany, where shareholders were already fully informed before SRD2 took effect.

Q66: Following the entry into application of the SRD2, have you experienced any changes in how frequently you receive upstream voting indications from investors at any level of the chain of intermediaries?

- ○ Yes
- ◉ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

There has been no significant increase in the exercise of voting rights. This is mainly due to differences in the processes applied across member states.

Q67: What type of system(s) have you put in place to communicate with shareholders in compliance with Article 2 (4) of the Implementing Regulation?

- ○ A fully-electronic system
- ◉ A mixed electronic and paper form system
- ○ Other

* Please explain and provide evidence to corroborate your response. In case you put in place a fully-electronic system, please clarify if that is a proprietary system or a solution developed by a service provider.

2000 character(s) maximum

Communication with most institutional shareholders continues to be fully electronic using STP with ISO formats and for the most part via SWIFT.

Some retail shareholders are informed via electronic mailboxes and some by post since many clients refuse to set up an electronic mailbox. Intermediaries then feel obliged to send information by post to comply with Article 24(5a) of the current version of MiFID2.

Q68: Do you provide to your clients any electronic tools to facilitate the exercise of shareholder voting, including at cross-border level?

- ◉ Yes
- ○ No
- ○ Don't know

* Please explain and provide evidence to corroborate your response. In case your answer is *yes*, indicate whether they can modify their votes in your system ahead of the general meeting and when this is allowed.

2000 character(s) maximum

Yes. Some of our members enable their clients to vote via an electronic platform or other electronic facility. To do so, they conclude agreements with providers such as Broadridge, Mediant, Proxymity or ISS for institutional clients, or develop proprietary platforms. The latter can also enable retail shareholders to vote by electronic means, with the confirmation of the vote, etc. also taking place on the platform.

Q69: Have you experienced difficulties in complying with the timelines envisaged by Article 9 of the Implementing Regulation (*e.g.,* the cut-off date)?

- (●) Yes
- ( ) No
- ( ) Don't know

* Please explain and provide evidence to corroborate your response. In case your answer is *yes*, please specify what difficulties.

2000 character(s) maximum

The rigid deadlines of Article 9 of the Implementing Regulation take no account of national company law, generating unnecessary extra work and avoidable costs when transmitting information. Article 9(1) of the Implementing Regulation, for example, leads to issuers putting information into the intermediary chain several times and/or long before the record date to avoid legal risks, which results in costly duplication of information, especially when informing retail shareholders, without delivering any added value. See also our reply to Q10 and section IV.1.a.dd and ee (pages 20-22) of our implementation guide: https://bankenverband.de/media/files/2021-07-28-leitfaden-modul2-version4-hv-en-final.pdf
The interface with the retail shareholder causes delays and media discontinuity because retail shareholders cannot receive and process information in ISO formats using STP. This should be explicitly made clear in Article 2(4) of the Implementing Regulation. It must be borne in mind that intermediaries are legally required under MiFID2 to provide retail shareholders, i.e. their retail clients, with easily understandable information, on paper if necessary (Article 24(5a) of MiFID2). The Implementing Regulation should therefore recognise that there will be media discontinuity at the end of the chain when the retail shareholder receives information from the last intermediary. This affects not only the format requirements in Article 2 of the Implementing Regulation but also the deadlines set out in Article 9 of the Implementing Regulation.
The deadline in Article 9(6) of the Implementing Regulation causes problems because issuers do not submit the documents required for the verification process under Article 10 well enough in advance. STP is not possible in this case. See also reply to Q12a.

Q70: Following the entry into application of the SRD2, in which way have you ensured that the costs you have charged for providing the services of Chapter Ia are:

a) Transparent. Please explain and provide evidence to corroborate your response, clarifying also what further steps could be taken to address any difficulties encountered by intermediaries in complying with the rules and to improve compliance with Article 3d.

2000 character(s) maximum

In Germany, a Regulation on the Reimbursement of Expenses of Credit Institutions (KredInstaufwV 2003) continues to apply in parallel. This lists the costs that can be reimbursed, so that the costs that issuers have to bear are transparent.

Despite this transparency, the problem is that intermediaries only receive partial reimbursement of their expenses and often only after sending several reminders. Shareholder identification, especially, is carried out solely in the interest of the company and not of the shareholder, which is why the costs should be borne by the company.

As things stand, some intermediaries do not exercise their right to reimbursement (cf. Section 67f of the German Stock Corporation Act) because invoicing is highly cumbersome if not impossible. Details of the issuer's invoicing address are often missing, for example. Reminders in the event of non-payment take considerable additional time and effort, frequently without bearing fruit.

b) Proportional. Please explain and provide evidence to corroborate your response, clarifying also what further steps could be taken to address any difficulties encountered by intermediaries in complying with the rules and to improve compliance with Article 3d.

2000 character(s) maximum

See reply to Q70a

c) Non-discriminatory. Please explain and provide evidence to corroborate your response, clarifying also what further steps could be taken to address any difficulties encountered by intermediaries in complying with the rules and to improve compliance with Article 3d.

2000 character(s) maximum

See reply to Q70a

Q71: Do you consider that Market Standards elaborated by the industry for the application of the provisions of Chapter Ia are useful to complete the regulatory framework in this area?

- ○ Not at all
- ○ To a limited extent
- ○ To a large extent
- ◉ Fully
- ○ No opinion

* Please explain and provide evidence to corroborate your response.

2000 character(s) maximum

Intermediaries were working on adapting their processes to the new requirements of SRD2 and the Implementing Regulation at a very early stage – even before the new legal rules came into force. Their success in doing so is due, among other things, to the standards which intermediaries in Europe committed to adopt well before SRD2 took effect.

These have now been consolidated in the Standards for Shareholder Identification and the Market Standards for Corporate Actions:

https://ecsda.eu/wp-content/uploads/2020/12/2020_12_Market_Standards_for_Shareholder_identification.pdf

https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/casg/ecb.targetseccasg120606_MarketStandardsForCorporateActionsProcessingCAJWGStandardsRevised2012Updated2015.en.pdf?5a5c8308c24a6618ed600daf627df86c

In Germany, the BdB's interpretation guidance has helped to ensure consistent implementation of SRD2 and the German implementing legislation ARUG II:

https://bankenverband.de/service/auslegungs-und-anwendungshinweise/

For details, see also our reply to Q10.

Our member banks support the market standards drawn up by the industry and were actively involved in their development. We consider it key to agree market standards whose use is not limited to intermediaries alone. Issuers should become more actively involved.

Contact

Contact Form