

# SWEDISH SECURITIES DEALERS ASSOCIATION

SVENSKA FONDHANDLAREFÖRENINGEN

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## ***Public consultation – on minimum requirements in the transmission of information for the exercise of shareholders rights***

### ***ESMA /2014/1186***

The Swedish Securities Dealers Association (SSDA)<sup>1</sup> welcomes the opportunity to provide comments to the draft Commission Implementing Regulation laying down minimum requirements implementing the provisions of Directive 2007/36 as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights.

The SSDA supports the response from EBF and wants to make the following additional comments.

In our opinion the full alignment with the Market Standards for Corporate Action and the Market Standards for General Meetings will be beneficial for the aim of the Directive which is an efficient communication between the

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<sup>1</sup> SSDA represents the common interest of banks and investment-services-firms active on the securities market. The mission of SSDA is a sound, strong and efficient securities market in Sweden. SSDA promotes members' view in regard to regulatory, market and infrastructure-related issues. It also provides a neutral forum for discussing and exchanging views on matters which are of common interest to its members.

SSDA have a close cooperation with other trade associations in Sweden, in the Nordic area and in the UK. SSDA is also active on European arena via EBF (European Banking Federation) and EFSA (European Forum of Securities Associations) and globally through ICSA (International Committee of Securities Associations).

issuer and the shareholder. The full alignment is therefore of utmost importance in the forthcoming regulation. Lack of consistency in the forthcoming regulation with the Market Standards should be avoided. The text and the annex should describe the information flow in a clear way. It would be beneficial if the forthcoming regulation is accompanied by a graphic description of the information flow.

References to communication methods and formats in the text and annex should wherever possible conform to existing European and international standards, specifically the ISO standards for securities-related communication (ISO 15022 and ISO 20022). There are a substantial number of definitions, descriptions and formats in the annex which contradict ISO 20022 standards, which makes it impossible for issuers and intermediaries to use ISO standards and the SWIFT network for the communication flow, and at the same time fully comply with the draft Commission Implementing Regulation.

Regarding the standardized information we would to add the following to EBFs general comments regarding the Tables in the annex.

- Table 5 – A1 – Unique identifier of the notice of participation (which should be the Sender’s Message Reference): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 5 - A2 - Type of Message: Use existing ISO codes.
- Table 5 – A3 – Unique identifier of the event (which should be an analogy of the Official Corporate Action Event Reference, COAF): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 5 – A4 – ISIN: Please note that ISIN is an ISO standard; ISO 6166.
- Table 5 – B2 – Name of shareholder: 35 alpha-numerical characters may not be sufficient, and the ISO standards provide for more characters.
- Table 5 – B3a) – Unique identifier of shareholder (legal person): Why not use LEI in all cases?
- Table 5 – C1 – Agenda item: In the ISO 20022 general meeting messages this is the IssuerLabel, and it is a maximum of 35 characters.
- Table 5 – C2 – Voting position: In the ISO 20022 general meeting notification this is the VoteInstructionType, and it is a repetitive field of up to 8 4-letter codes. The same codes are used in the voting instruction, and hence there is no need for a field of 500 alpha-numeric characters.
- Table 5 – C3 – Number of shares votes: Please note that the ISO 15022 standards have the format ‘15d’ for quantity and amount

fields. This means a maximum of 14 digits, a minimum of one integer, and a comma as decimal separator.

- Table 6 – Unique identifier of the receipt (which should be the Sender’s Message Reference): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 6 - Type of Message: Use existing ISO codes.
- Table 6 – Unique identifier of the event (which should be an analogy of the Official Corporate Action Event Reference, COAF): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 7 – Unique identifier of the confirmation (which should be the Sender’s Message Reference): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]Table 7 - Type of Message: Use existing ISO codes.
- Table 7 – Unique identifier of the event (which should be an analogy of the Official Corporate Action Event Reference, COAF): Reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 7 – ISIN: Please note that ISIN is an ISO standard; ISO 6166. Please also note that according to global market practice, it is recommended to have one meeting and unique identifier per ISIN
- Table 8 – A1 - Unique identifier of the event: This exists today, and is the Official Corporate Action Event Reference (COAF), a reference in 16 alpha-numerical characters [restricted to 16 characters in order for possible inclusion in an ISO 15022 message]
- Table 8 – A2 - Type of corporate event: This exists today, and is the Corporate Action Event Indicator (CAEV) code). It is a four character code scheme
- Table 8 – B6 – Issuer/market deadline: Please see earlier comment, allowing for the issuer to provide a time, in addition to the date
- Table 8 – B8 – Buyer protection deadline: Please see earlier comments regarding deadlines, allowing for a time to be included in addition to the date
- Table 8 – C: Please note that notifications can only be sent for one underlying security, hence the comment ‘to be presented for each ISIN, if applicable’ is in itself not applicable
- Table 8 – C – Alternative options for the shareholder: This exists today, and is the Corporate Action Option Code Indicator (CAOP). It is a four character code scheme

The deadlines for transferring information in the draft must be in line with reality.

Furthermore, a new article should recognise that the intermediaries may have clients (shareholders) who do not want to receive certain information, and thereby allow a specific contractual agreement between the intermediary and the client.

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