

ESMA identifies areas for improvements in shareholder identification and communication systems

The European Securities and Markets Authority (ESMA) has published the [results of a recent study](#) carried out on the investment chain and, in particular, the functioning of shareholder identification and transmission of information between issuers and shareholders. The report presents a general assessment of the level of harmonisation of national regulatory frameworks, across the EEA.

The report has been submitted to the European Commission to provide input into the preparation of the implementing acts to specify minimum requirements on process, format and timeline for shareholder identification and transmission of information under the Shareholder Rights Directive (SRD II).

The report's findings and recommendations focus on:

- **Shareholder identification:** following the introduction by SRD II of an issuer's right to identify its shareholders, it would be useful if issuers and intermediaries were to follow harmonised processes on key aspects for the identification of shareholders. Harmonisation may be achieved by leveraging on existing regulatory frameworks, as identification processes are relatively common across the EEA;
- **Communication process:** it would be useful, for shareholders particularly, to harmonise key aspects of the transmission of information and shareholder communication. Here, SRD II implementing measures could assist if they facilitate a wider use of electronic means and so streamline and reduce the burden of communication duties for issuers and investors; and
- **Communication formats:** the report found that some standard information forms and formats are available in almost all jurisdictions, although in various ways and with non-harmonised content. The harmonisation of formats, at least to some extent, would facilitate a wider and more consistent use of electronic tools for communication of information.

Input for the study was gathered from national competent authorities via a questionnaire, and responses were received from 28 regulators.

Next steps

ESMA has submitted the report to the European Commission. The revised Shareholder Rights Directive is expected to be published in the Official Journal in June 2017.