

Receiving Shareholder Identification Disclosure requests and what to do when you get them. A guide for intermediaries

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What is a Shareholder Identity Disclosure (SID) request?

A SID is a request communicated to you either by the issuer or another institution above you in the asset servicing chain asking you to disclose the identities and positions of shareholders and investors for whom you act and who own at least 0.5% of the company's stock. You are obliged to send this information to the reply address contained within the SID request but you must first check that the request has originated from the issuer.

When will I start to receive Requests?

Under the UK Companies Act 2006, you are already obliged to provide this information so that companies can check who owns their shares, so you may already receive these from time to time. SRD2 formalises this. You will start to receive an increasing number of requests from 4th September, 2020 as issuers perceive the power that the new regulation gives them to establish better investor relations and to garner support, particularly for corporate actions events.

Do I need to respond?

Yes, from 4th September when the regulation is live, you need to respond or you may be subject to a fine (in Italy up to €5m although the UK has yet to set the penalty regime).

What type of information will I receive? What do I need to send and in what format?

SRD2 states that information must be provided in machine readable format (an example of which would be ISO 20022) although it is not particularly clear how this will work for the reply leg when most issuers are not on SWIFT. You can find the new SWIFT set of messages See v 45 – 49 for SRD2 [here](#). Any request you receive will require you to provide the following data;

(i) name and contact details (including full address and, where available, email address) of the shareholder, and, where it is a legal person, its registration number, or, if no registration number is available, its unique identifier, such as legal entity identifier;

(ii) the number of shares held; and

(iii) only insofar as they are requested by the company, one or more of the following details: the categories or classes of the shares held or the date from which the shares have been held.

The following is a sample message that might be received in ISO 20022;

The following is an example of a message you might receive in ISO 20022 although some intermediaries have already indicated that they will use ISO 15022 such as Euroclear.

```
<Document xmlns="urn:iso:std:iso:20022:tech:xsd:seev.045.001.02"
xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
```

```
  <ShrhldrsIdDscslrReq>
    <IssrDscslrReqId>ISSU-ABINBEV-SIDR-2020MAY18-0001</IssrDscslrReqId>
    <DscslrReqTp>NEWM</DscslrReqTp>
    <FwdReqInd>true</FwdReqInd>
    <RspnThrhChainInd>>false</RspnThrhChainInd>
    <ShrhldrRghtsDrctvInd>true</ShrhldrRghtsDrctvInd>
    <FinInstrmId>
      <ISIN>BE0123456789</ISIN>
    </FinInstrmId>
    <ShrhldrsDscslrRcrdDt>
      <Dt>
        <Dt>2020-05-15</Dt>
      </Dt>
    </ShrhldrsDscslrRcrdDt>
    <ShrsQtyThrshld>10000</ShrsQtyThrshld>
    <ReqShrHeldDt>
      <DtClctnMtd>FIFO</DtClctnMtd>
    </ReqShrHeldDt>
    <DscslrRspnRcpt>
      <Id>
        <LEI>549300CBNW05DILT6870</LEI>
      </Id>
```

```
<RcptNm>SRS Platform</RcptNm>
<RspnRcptAdr>
  <AnyBIC>CIKBBEBOEII</AnyBIC>
  <EmailAdr>test.srs\_platform@euroclear.com</EmailAdr>
  <URLAdr>https://www.euroclear.com/newsandinsights/en/Format/Articles/Meeting-
the-requirements-of-SRDII.html</URLAdr>
</RspnRcptAdr>
</DsclsrRspnRcpt>
<IssrDsclsrDdln>
  <Dt>
    <Dt>2020-05-21</Dt>
  </Dt>
</IssrDsclsrDdln>
<Issr>
  <NmAndAdr>
    <Nm>The Belgian Brewer Company</Nm>
  </NmAndAdr>
</Issr>
</ShrhldrslDdsclsrReq>
</Document>
```

And then what do I need to do?

Validate that the issuer was the original issuer source

The message you receive will include a reply address. This is likely to be either a BIC (if the originator of the message is on SWIFT), a URL if they want you to post the information to a website, or, most likely initially, an email address. To reduce risk and avoid phishing, you will need to check that the requests you receive originate from the issuer (see [protecting yourself against phishing and employing good cyber security measures](#)). Instant Actions provides a verification service to do this for you. We will run the requests you receive through our industrial strength verification processes to determine a confidence score. [Go Here](#) for more information.

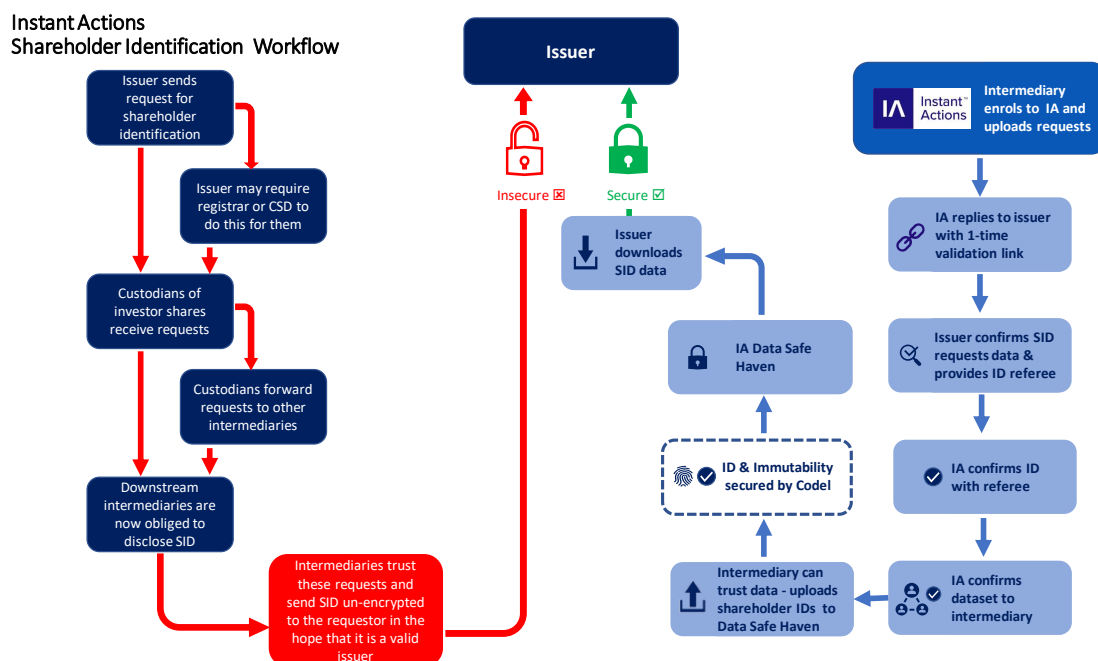
Comply simultaneously with GDPR ([EU](#)) 2016/679

Under the terms of 'GDPR' you are the controller of the data so will need to observe best data privacy and security practice (see [About the Shareholder's Rights Directive and its impacts on](#)

[intermediaries who now need to disclose Shareholder Identity](#)). Instant Actions incorporates processes that help you to manage the data for GDPR purposes and provides a Codelmarked audit trail and dashboard for you to prove to the regulator that you have controlled the data in accordance with the regulation.

Send the data in a secure format

Once you have checked that the request has come from a legitimate source (or if we do this for you) you should then send the data to the address contained within the request. If you choose to use Instant Actions to do this for you, we will fully explain the result of the identity validation and score that meets acceptable pre-arranged criteria. You can then upload the data to your Safe Haven Account which we will set up for you. Only you will have access to this account. Issuers are notified when the data is ready for them to download and we keep an audit trail of all events so that you can show you have observed the very best data privacy and security practices possible. The following diagram shows how the process works



For more information please contact: enquiries@instant-actions.com

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