



**ECSDA's feedback to the  
European Commission's Call for  
Evidence on the review of the  
Shareholders' Rights Directive**

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# Executive Summary

ECSDA welcomes the review of the Shareholder Rights Directive (SRD) as an opportunity to further enhance transparency, operational efficiency, and cross-border harmonisation in the exercise of shareholder rights across the EU.

- While SRD II has improved shareholder identification, information flows, and shareholder participation, ECSDA notes that broader capital market integration has also been driven by infrastructure modernisation, common standards, and technological developments.
- ECSDA strongly supports the harmonisation — or removal — of shareholder identification thresholds and the harmonisation of key general meeting dates in order to reduce fragmentation, operational complexity, and legal uncertainty in cross-border scenarios.
- The paper advocates for more standardised and digitalised processes for evidence of entitlement, voting confirmation, and transmission of information, supported by ISO standards and fully digital communication channels to improve cross-border STP and shareholder participation.
- ECSDA supports the introduction of a more functional and harmonised definition of “shareholder” to reduce inconsistencies arising from divergent national legal frameworks and ownership concepts across Member States.
- ECSDA generally supports extending the scope of SRD, including to unlisted and digital securities, while stressing the need to ensure operational feasibility, proportionality, and legal consistency across the regulatory framework.
- The paper also supports the establishment of a “Golden Operational Record” maintained by Issuer-CSDs as a centralised and reliable source of corporate event information, improving data integrity and operational efficiency across the custody chain.
- ECSDA underlines the continued systemic importance of CSDs and intermediaries in ensuring scalability, resilience, standardisation, and secure information flows within integrated European capital markets.

The European Central Securities Depositories Association (ECSDA) welcomes the revision of the Shareholder Rights Directive as an important opportunity to enhance further transparency, efficiency, and cross-border harmonisation in the exercise of shareholder rights within the European Union.

In the experience of the CSDs community, the Directive has had a positive impact by establishing clear procedures for shareholder identification and harmonised deadlines for the provision of information to shareholders. These mechanisms have contributed to more structured and predictable processes. It has also facilitated increased shareholder participation in general meetings. The beneficial owner coverage and the quality of information have improved. Cross-border flows have been facilitated, even though some local specificities remain.

While these improvements are acknowledged, in consideration of the broader SIU objectives, it remains unclear whether the Directive has also generated incentives for cross-border investment as a secondary effect. Other factors may have contributed more significantly to this development as well, including the modernisation of several CSD platforms, the deployment of common CSD platforms across several jurisdictions, and the increasing adoption of industry standards by a broad range of market and transaction-processing chain actors.

### Harmonisation of Shareholder Identification Thresholds

ECSDA strongly supports the harmonisation of shareholder identification thresholds. Current divergences across Member States create operational inconsistencies, increased complexity in managing disclosure requests in cross-border scenarios, and uneven reporting obligations.

These differences result in fragmented processes and additional administrative burdens across the custody chain. Therefore, ECSDA encourages either the removal of thresholds or, at a minimum, their full harmonisation at the EU level to ensure consistent treatment of shareholders and greater legal certainty.

### Harmonisation of Key General Meeting Dates

The harmonisation of key general meeting dates—such as convocation timelines, record dates, and vote confirmation deadlines—is essential to improve operational consistency across the EU.

National legal frameworks often embed different procedural timelines, which reduce predictability and increase complexity in cross-border processing.

To significantly enhance clarity and operational efficiency, ECSDA advocates for the **harmonisation of the record date** as the single reference point for shareholder eligibility.

## Evidence of Entitlement and Participation in General Meetings

This area remains closely linked to national legal frameworks or issuers' requirements, but further harmonisation - at least in terms of an EU standardised form to prove share ownership at the record date - would bring clear operational benefits and encourage participation by shareholders, especially in cross-border scenarios.

The removal of well-known barriers related to non-harmonised formats for the evidence of entitlement would represent an important step towards facilitating shareholder participation in general meetings. Today, it continues to be largely paper-based and requires wet ink signatures.

Simplified and harmonised requirements, allowing for the use of digital means, would improve accessibility and efficiency, and it could also result in more harmonised provision of ancillary services by CSDs, which would in turn support the SIU objectives.

## Definition of Shareholder and Registration Framework

ECSDA supports the possibility of introducing a functional definition of shareholder. We believe that it should ensure a clear, practical, and harmonised approach that reflects the effective exercise of shareholder rights across jurisdictions.

We acknowledge that this is not a simple exercise, given the interaction between national company laws, securities law and tax/AML law frameworks. However, the uneven definition of shareholder across Member States remains a well-known and significant barrier to the effective implementation of the Shareholder Rights Directive and the broader SIU objectives.

Combined with divergent national frameworks for the registration of securities ownership and differing concepts of legal and beneficial ownership, it continues to create operational complexity and legal uncertainty throughout the securities lifecycle. This is particularly evident in cross-border scenarios and in lifecycle events requiring timely and accurate shareholder identification, such as general meetings, corporate actions, proxy voting and the transmission of information.

Such discrepancies undermine the harmonised application of SRD II obligations and create uncertainty for intermediaries when assessing the validity and scope of disclosure requests.

The definition has a direct impact on eligibility to participate in general meetings, exercise voting rights, and receive corporate information. Divergences in this area create barriers to cross-border participation and affect corporate governance outcomes. The absence of a uniform definition means that each CSD from another State, as well as each intermediary in the chain, must assess who is considered a 'shareholder'.

If, according to the foreign corporate laws, the CSD is (exclusively) included in the company's shareholders register, this could lead to the interpretation that the CSD is the sole shareholder. Recently, this challenge was experienced several times by CSDs in the context of Shareholder ID requests.

Against this background, ECSDA believes that a more functional and operationally workable definition would materially reduce market fragmentation, improve operational efficiency and support a more consistent exercise of shareholder rights across the European Union. Such a definition could be focusing on the person or entity effectively exercising voting rights or holding the relevant economic interest at the end of the holding chain.

### **Extension and harmonisation of Scope**

The extension of the scope of securities, beyond fostering greater harmonisation, has the potential to strengthen the relationship between issuers and investors, particularly in the context of the SIU. The current differences between Member States are indeed creating uncertainty and complexities, such as the manual verification of shareholder identification requests.

However, any such extension should be supported by a careful assessment of the operational feasibility, implementation costs, and the potential impact on market participants.

ECSDA generally supports extending the scope of the Directive to include unlisted shares as a means of enhancing transparency, strengthening shareholder participation rights, and improving corporate governance practices in this segment of the market. By extending common shareholder rights principles to unlisted equities, the Directive would contribute to a more integrated European investment environment, reducing fragmentation between listed and unlisted markets. This could potentially facilitate more efficient capital allocation, improve investor confidence across all market segments, and support the development of deeper EU capital markets.

However, we note that such instruments often present specific features and may require the handling of different sets of information, with potentially limited benefits in terms of process harmonisation.

Should the scope extension and harmonisation create excessive complexities, a potential solution could be to enhance transparency regarding the scope as defined in each Member State, reinforce the obligation of mutual recognition of such scope across Member States, and ensure that all relevant stakeholders are required to fulfil their respective obligations timely and effectively.

Finally, ECSDA also underlines the importance of ensuring alignment on definitions across the regulatory framework. It is increasingly relevant to explicitly include digital securities as a new form of recording of assets in modern market infrastructures to be considered by all relevant regulations.

### **Voting Confirmation and Shareholder Engagement**

ECSDA supports measures aimed at strengthening issuers' engagement in providing voting confirmations. These are key to enhancing transparency and trust in the voting process.

The obligation to confirm voting at the EU level currently focuses on the procedural aspects of the receipt and recording of votes. In practice, however, this requirement is often embedded within national legal frameworks, which may introduce divergent practices. This fragmentation can lead to inconsistencies in the level of information provided to investors and create operational complexity across the custody chain.

ECSDA supports the introduction of more harmonised obligations at the EU level, ensuring a consistent baseline for voting confirmation across Member States. A standardised approach would improve transparency, provide shareholders with clear and timely assurance that their votes have been properly received and recorded, and strengthen overall investor confidence in the functioning of general meetings.

From an operational perspective, harmonisation would also facilitate more efficient and automated processes, reducing reconciliation efforts and STP across intermediaries. Ultimately, clearer and more consistent voting confirmation mechanisms supported by the use of standard communication formats and ISO standards usage would contribute to more effective shareholder engagement and better corporate governance outcomes across the EU. (We also see the benefit in further use of ISO 20022 in the relevant domains and in line with the commonly agreed process across market actors – more information can be found here: <https://ecsd.eu/archives/15534> )

### **Transmission of Information and Operational Efficiency**

ECSDA supports measures aimed at adjusting deadlines for providing information to shareholders, as this could significantly contribute to harmonising operational processes. However, we emphasise the significant operational impact for CSDs and the need for harmonised, realistic deadlines that take into account the length of the transmission chain.

A harmonised and standardised process, supported by consistent and systematic use of ISO standards, is essential for true cross-border STP. Intermediaries must always receive a complete dataset, including all elements of Table 3 (A–F). Issuers must use a fully digital, STP-capable channel that allows intermediaries to submit votes and entrance card requests without any media breaks or burdens such as POAs or similar prerequisites.

### **Golden Operational Record**

ECSDA also supports the establishment of a Golden Operational Record, maintained at the level of Issuer-CSDs, as a reliable and centralised source of key corporate event information.

Such a record would contribute to greater data consistency, support further harmonisation of processes across jurisdictions, reduce reconciliation needs, and improve the efficiency of information flows along the custody chain.

EU legislation should facilitate the provision by issuers or their agents of all relevant reference data to the Issuer-CSD in a machine-readable format, thereby ensuring the accuracy, reliability and integrity of the data.

The maintenance of the data by the Issuer-CSD, as “golden source”, would be consistent with its responsibility to ensure the integrity of issuance and proper recordkeeping under the CSDR framework. This would help ensure that issuer-originated data remains accurate and consistent throughout the transmission chain.

### **Role of Intermediation**

Direct communication between issuers and shareholders is unlikely to improve market functioning in practice. Capital markets are characterised by significant diversity across issuers, investors, and jurisdictions, which is reflected in the wide range of communication formats already used, including free-format messages even for core post-trade processes. A direct communication model would only work if all shareholders relied on a single, harmonised standard, which is not realistic, given the current market structure.

Central Securities Depositories (CSDs) and the broader intermediary chain play a fundamental role that goes beyond shareholder identification or information consolidation. CSDs sit at the core of securities markets and maintain an end-to-end view of domestic issuance within a structured and identifiable chain of intermediaries, including custodians and sub-custodians. This framework enables information to be collected, validated, reconciled, and disseminated efficiently using agreed standards, while supporting smaller participants that may lack direct access to global messaging networks.

CSDs are designed to be robust, risk-averse infrastructures, subject to close regulatory oversight. They are equipped to process and safeguard large volumes of data accurately and to provide reliable access to duly entitled parties and competent authorities. Through established domestic and cross-border links, they are also able to consolidate and transmit information efficiently at both national and international levels.

While new technologies, including DLT, may enable direct issuer-to-shareholder communication in isolated cases, significant practical and structural constraints remain. Issuers differ widely in scale, sophistication, and operational capacity, and expecting them to manage shareholder communication and data governance directly would create frequent deviations from standards, complexity and operational risk. Intermediaries therefore remain essential to ensure scalability, resilience, data integrity, and consistent market practices.

### **Conclusion**

ECSDA considers that the revision of the Shareholder Rights Directive represents a significant opportunity to strengthen the efficiency, harmonisation, and resilience of EU capital markets.

To fully achieve these objectives, reforms must consider operational realities, ensure legal and technical consistency across jurisdictions, and support the development of a truly integrated cross-border post-trade environment.



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