



OTP Bank Group

Market: Croatia

Date: 9 December 2020

Category: Market announcements

CDCC SRDII Harmonization Project Update

Summary: Expected SRDII changes within CDCC

In June 2019 the Croatian Central Depository & Clearing Agency (hereinafter CDCC) in cooperation with Ernst & Young initiated a project of SRDII Harmonization with the aim to integrate the CDCC system and Croatian Capital Market within European standards, in respect to the Shareholders' Rights Directive (2007/36/EC, 2017/828/EU) and the Implementing Regulation (2018/1212/EU).

On 4 December 2020, the CDCC held a webinar for market participants to present the expected changes within the CDCC system. As confirmed by the CDCC, the SWIFT communication will not be supported. Market participants and CDCC will communicate via CDCC's IT system DEPRIN. STP (*straight through process*) service by exchanging files in ISO 20022 data format is under development, and will be another communication channel between CDCC and market participants.

The webinar conclusions and presentation published on the official CDCC website refer to the following most important updates:

- Shareholders' Identification Disclosure – local custodians will receive disclosure request from CDCC if the assets held on custody accounts, or in a pending position with the SD before the disclosure relevant record date. Disclosure will not be required if the assets held on segregated accounts at CDCC (accounts opened in the name of the final beneficial owner). If the issuer appoints CDCC to process the shareholders' identification, the information is to be returned to the CDCC through the intermediary chain. It is not yet officially confirmed, but the service will be subject to additional CDCC fees for issuers. All communication will follow the ISO 20022 messages format (seev.045, seev.046, seev.047, seev.048, and seev.049).



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- General Meetings – local custodians will receive notifications of General Meetings from CDCC if the assets held on custody accounts, or in a pending position with the SD before the record date of the GM. Once the CDCC determines the entitlement on the RD, the CDCC will distribute the Confirmation of entitlement to each custodian safekeeping the assets on behalf of their clients. It is to expect that the CDCC will offer the possibility to register clients' participation on GMs and proxy details, and cast proxy votes (details and fees, if any, of this service are yet to be confirmed). All communication will follow the ISO 20022 messages format (seev.001.001.06, seev.002.001.06, seev.003.001.06, seev.004.001.06, seev.005.001.06, seev.006.001.06, seev.007.001.06, and seev.008.001.006).

Other details on corporate actions within the scope of the SRDII are yet unknown. It is to expect that the technical specifications, guidelines, new CDCC Procedures and the Pricelist will be available during December 2020.

Testing of the CDCC's IT system DEPRING is scheduled for January 2021.

SRDII web service, which is to support STP process, is expected to be tested during 2021.

CDCC continues the activities on informational system development, functional and operational interventions required for implementation of the SRDII, cooperation and communication with market participants, regulatory bodies and market itself, to define the best solutions that can be applied in accordance with provisions of the SRDII and Implementing Regulation.

OTP Banka d.d. monitors the changes and, as a market participant, partakes webinars held by the CDCC. Any further technical and operational details will be communicated in timely manner.

Impact: SRDII changes within CDCC

Required actions:

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