**Suggested wording**

**7. Dividend Reinvestment Plans**

*Market Data Providers generally provide MT564s as soon as issuers release information to market. The initial announcements received by Data Vendors do not always contain many of the attributes that constitute key data in an MT564 and there can be a lack of clarity about what Swift event type should be allocated.*

*An example of this is the DRIP event type. While vendors are aware in most cases of the existence of established dividend reinvestment plans, issuers may announce changes later in the event cycle that demand an event type change. The SMPG guidance is that where an event type (CAEV) needs to change, the previously sent MT564 should be cancelled and a new message with the revised event type should be issued.*

*Data Vendors have not fully embraced the SMPG recommendation and the MDPUG principles allow for changes from a cash dividend to a dividend reinvestment plan.*

*Market Data Providers recognise that this causes issues for end users and subject to constraints such as the need to service proprietary data needs, vendors intend on moving towards the SMPG recommendation.*

**Previous wording**

**7. Dividend Reinvestment Plans**

Bearing in mind that the DRIP option is often not announced at the same time as the dividend, it was key to identify a solution that made sense over the lifecycle of the event. If the event was initially announced as a cash dividend, subsequently becoming a cash dividend with a drip option, Data Providers will identify the replacement event as a Dividend Reinvestment. ***See Example 2.***

In this scenario, the Corporate Action Reference (CORP) will remain the same following the change of the Event Type from DVCA to DRIP. This is contrary to the guidance provided by the SMPG, who state that if the Event Type changes, then the old event should be cancelled (CANC) and a new message issued with the new Event Type and a new CORP.

Data Providers may present the amended event as described above, maintaining the same CORP, or they may follow the SMPG guidelines (cancel the original event and create a new one, with a new CORP).