**9.31 Announcement and payment of incentive premium associated to a general meeting**

Some general meetings (for instance in Spain or XS) are announced with an incentive premium whereby rightsholders may benefit of a payment in case they vote or vote in certain direction, depending on the terms of the event. Some meetings also include an early incentive premium in case the rightsholder votes before an early deadline.

The details of the general meeting, including the details of the incentive premium or of an early incentive premium, are announced via a meeting notification message (usually via the ISO 20022 MeetingNotification, MENO - seev.001) as documented in the SMPG General Meeting market practice document for the ISO 20022 elements IncentivePremium and EarlyIncentivePremium as follows:

|  |  |
| --- | --- |
| Description  | Description of the premium or early incentive premium  |
| Amount  | To record the amount of the incentive premium or early incentive premium.  |
| Type  | To indicate the type of incentive premium or early incentive premium: per security per vote per attendee  |
| Payment Date  | Unless, the date is known at the time of the announcement, the recommendation is to report this as unknown using the DateCode UKWN.  |

After the meeting has taken place, the payment of such incentives is announced and payment processed, to the rights-holders entitled to such payment, via a mandatory meeting incentive premium event (new CAEV code value) with a CASH option1. The event should be linked to the general meeting the incentive relates to, with:

* either a Corporate Action Reference (CORP) equal to the MeetingIdentification in the ISO 20022 MeetingNotification (MENO),
* or an Official Corporate Action Event Reference (COAF) equal to the IssuerMeetingIdentification in the ISO 20022 MeetingNotification (MENO).

Where the processing of general meeting has been outsourced to a third party provider and the issuer is not announcing a meeting identification, the ID assigned by the third party provider could be reported as MeetingIdentification (in the MT564 CORP linkage sequence)

In case of meeting events giving right to both incentive premium and early incentive premium (depending on when votes are received), two meeting incentive premium events should be announced:

* one event is used to pay the incentive premium: The Solicitation Fee Rate and Solicitation Fees amount elements should be reported in the notification message: **[MT 564 - seq. E2 - :92a::SOFE & seq. E2 - :19B::SOFE <> seev.031 - E2 / RateAndAmountDetails / SolicitationFeeRate and E2 / AmountDetails / SolicitationFees]**
* a second event is used to pay the early incentive premium: The Early Solicitation Fee rate and Solicitation Fees amount elements should be reported in the notification message: **[MT 564 - seq. E2 - :92a:: ESOF & seq. E2 - :19B::SOFE <> seev.031 - E2 / RateAndAmountDetails / SolicitationFeeRate and EarlySolicitationFeeRate and E2 / AmountDetails / SolicitationFees]**

Point for discussion: suggestion to have a different ADDB to distinct incentive premium event from early incentive premium event?

The eligible balance (ELIG) of these events should be determined based on the voting instructions accepted within the linked general meeting event, according to the terms of the incentive/early incentive payment announced in such event. In particular,:

* The voting instructions giving right to the incentive premium should be used to determine the eligible balance for the incentive premium event.
* The voting instructions giving right to the early incentive premium should be to determine the eligible balance for the early incentive premium event.

As a consequence, only the account owner entitled to receive premium(s) will receive the CA notification(s).

The Solicitation Fee Rate or Early Solicitation Fee rate and Solicitation Fees amount elements in the confirmation message:

**[MT 566 - seq. D2 - :92a::SOFE / ESOF & seq. D2 - :19B::SOFE <> seev.036 - D2 / RateAndAmountDetails / SolicitationFeeRate or EarlySolicitationFeeRate and D2 / AmountDetails/ SolicitationFees]**

must be used to report the (early) incentive premium rates and amounts.