



SECURITIES MARKET PRACTICE GROUP

SMPG

Hong Kong

September 18th, 2009



# Agenda



- 10h00 – 12h15: Welcome + A general introduction to SMPG and global accomplishment
- 12h15 – 13h15: Lunch
- 13h15 – 14h15: Preparing for the future
- 14h15 – 14h30: Coffee Break
- 14h30 – 15h30: Market Practice and Standards at work in Asia
- 15h30 – end: How to get involved with SMPG, and how SMPG interacts with other industry groups and organisations



# Video

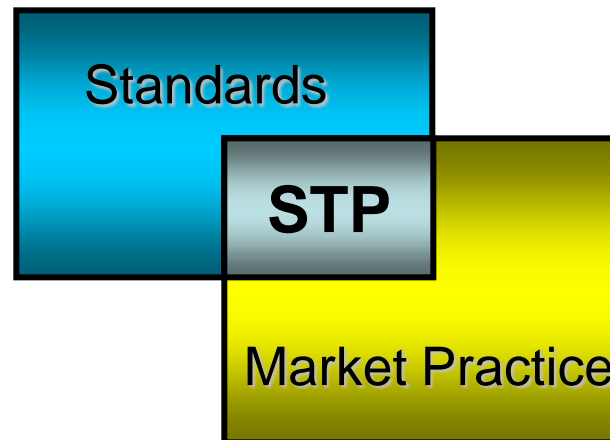




# SMPG scope



Create globally agreed harmonised market practices which, integrated with standards, will bring the securities industry closer to achieving STP





# SMPG Characteristics



- **Organise** national market practice groups
- **Collate** national market practice rules
- **Define** cross-border market practice rules
- **Harmonise** market practice differences
- **Publish** market practice rules
- **Identify** conformance mechanisms



# SMPG Countries



- Representatives from National Market Practice Groups (NMPGs), now established in 40 markets, represent their countries at the Global SMPG level
  - **Americas:** BR, CA, MX, US
  - **EMEA:** AT, BE, CH, DE, DK, EG, ES, FI, FR, GR, GB, IC, IE, IL, IT, LU, NL, NO, PL, PT, RU, SE, TR, UA, ZA, ICSDs
  - **Asia/Pacific:** AU, CN, IN, HK, JP, KR, NZ, SG, TH, TW
- **In Progress:** *PE, UR, VE, HU, AE ...*



# SMPG Organisation



Steering Committee

National Market Practice  
Groups and Convenors

Broker/dealers, investment  
managers, custodians,  
depositories, regulators, and  
vendors



# Steering Committee



**Chair**  
**Vice Chair**  
**General Secretary &  
Program Director**  
***Regional Directors:***  
**Americas**

**EMEA**

**Asia/Pacific**

**Karla McKenna**  
**Rudolf Siebel**  
**Omar Rodriguez &  
Alexandre Kech**

**Karla McKenna**  
**Barry Stienstra**

**Armin Borries**  
**Christine Strandberg**

**Taketoshi Mori**  
**Jonathan Rodda**



# SMPG Associations



- ECSDA & ACSDA
- EFS
- EFAMA
- ISITC
- ISSA
- ISO TC 68
- Giovannini Barrier 1 IAG
- SWIFT HWGSS and SSC



# SMPG process



## The process

- Focus on harmonization of recommendations across countries
- Country-specific usage or recommendations necessary to support local market practices in addition to global market practices
- Practices that cannot be harmonized

**The goal:** *To standardize market practices and harmonize the definition of the business elements*



# SMPG process



[www.smpg.info](http://www.smpg.info)



Securities Market  
Practice Group (SMPG)

*Administration*

National Market Practice  
Groups (NMPG)



## Publication

Review, discussion &  
refinement

Collate common elements,  
specify additional country  
requirements, identify  
further opportunities for  
harmonization

Analyze & document local  
practices



# Active Working Groups



## Corporate Actions

Co-chairs: Bernard Lenelle, To be elected

## Settlement & Reconciliation

Co-chairs: Charles Boniver, Angela Katopodi

## Investment Funds

Co-chairs: David Broadway, Nadine Muhigiri

*All WGs are facilitated by the Steering Committee and SWIFT Standards*



# Accomplishments



- **Corporate Action**
  - Event Interpretation Grid
  - Consolidated Matrix
  - Event Templates
- **Next**



Microsoft Excel  
Worksheet



# Accomplishments



- **Settlement & Reconciliation**
  - Maintenance of existing 30+ MP documents
  - ISO 20022 reverse engineering
  - Split and partial settlement
  - Listed-derivatives notification
- **Next**
  - Business MP new templates
  - Listed-derivatives notification
  - Factored Securities
  - Time zones



# Accomplishments



- Investment Funds
  - Publication of the 1st Orders Market Practice package for Subscriptions – Redemptions (XML)
  - Publication of the 2nd Orders Market Practice package incorporating Switches (XML)
- Next
  - Stock Transfers process. Global Market Practice is expected to be signed off in Munich at the end of the month.
  - Account Opening Process.
  - Use of Price Reports.
  - Statement of Holdings along with the SMPG-S&R group.
  - Fund Reinvestment Events along with the SMPG-CA group.



# Examples



- S&R



- CA



- IF





# SMPG meetings



- At National level:
  - Whenever felt appropriate (minimum twice a year)
- At Global level
  - Twice a year



# General Information



- Newsletters - Quarterly
- Press Releases
- Articles
- Website – [www.smpg.info](http://www.smpg.info)





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QUESTIONS