**Luxembourg SMPG meeting: April 27 - 29 2010**

|  |
| --- |
| Melia Luxembourg Hotel    1 park Dräi Eechelen  1499 Luxembourg |
|  |

|  |  |  |
| --- | --- | --- |
| Tuesday 27th of April | | |
| Morning | | |
| 09:00 – 09:30 | Welcome Coffee + Registration |
| 09:30 – 10:30 | Welcome + Global Update:   * ISO 20022 CA implementation in the US, JP, and interest from South Africa and China. * ISO 20022 collaboration with XBRL. * Updates from Swift on coexistence and reverse engineering. |
| 10:30 – 10:45 | Coffee Break |
| 10:45 – 12:15 | Global Update:   * Reports from regional directors on initiatives and developments in their regions. * 1st SMPG global meeting in Latin America: spring 2011 in Brazil. |
| Afternoon Investment Funds | | |
| 13:00 – 15:00 | Trailer Fees presentation by ISITC |
| 15:15 – 15:30 | Coffee Break |
| 15:30 – 17:30 | Market updates |

|  |  |  |
| --- | --- | --- |
| Wednesday 28th of April | | |
| Morning Investment Funds | | |
| 09:30 – 10:45 | PEPOrISAOrPortfolio messages |
| 10:45 – 11:00 | Coffee Break |
| 11:00 – 12:15 | PEPOrISAOrPortfolio messages |
| Afternoon Investment Funds | | |
| 13:15 – 14:15 | PEPOrISAOrPortfolio messages |
| 14:15 – 14:30 | Coffee Break |
| 14:30 – 16:00 | PEPOrISAOrPortfolio messages |
| 17:30 – ???? | Evening Event |

|  |  |  |
| --- | --- | --- |
| Thursday 29th of April | | |
| Morning Investment Funds | | |
| 09:30 – 10:45 | Account Opening |
| 10:45 – 11:00 | Break |
| 11:00 – 12:30 | Account Opening + Wrap up and Next Steps |

**Corporate Actions Detailed Agenda**

**General**

1. Meeting Minutes - Appoints additional minutes taker/helper

2. Next meetings Confirm dates for the next physical meetings

3. Telco schedule - Decide telco schedule for rest of 2010.

4. Clarification on a few SR2010 MT message items

**CA Open Items**

CA06.7 EIG+ Date/Period/Rate/Price Review

CA06.9 CAEP/CAEV matrix

CA78.2 COAF - Official Bodies identification

CA86.3 Bulk MT 564s

CA119 Tax related rates and rate types from Euroclear.

CA127 UKWN in messages

CA127.1 OPEN in messages

CA131 Use of Unknwown code with Fraction Dispositions (DISF) (SR2009 CR III.28)

CA135 Multi-stage events

CA142 Partial Redemption With Reduction of Nominal Value (PCAL)

CA143 Instalment Call (PPMT) in CH

CA158 Review UK and US comments on DvE guidelines

CA159 Maintenance of the CA Event Templates document

CA161 MP for Change of Election when allowed

CA162 Creation of new funds related CA events

CA163 Define usage guidelines for Gross Dividend Rate (92J::GROSS) for multiple countries having different tax rates.

CA165 Removal of TDMT (taxable income per dividend/share)

CA167 Consent Events /+ Schemes - Clarifty business flows.

CA168 Usage of format option M in field 92a - Rate

CA170 Placement of Cash Rates / Prices at Cash Movement Sequence

CA172 Usage for the new Affected Balance and Unaffected Balance.

CA180 How do we document our Market Practice decisions?

CA180.1 Review DvE placement guidelines in Global MP doc so as to be in line with DvE table

CA182 How to replace the deleted AVAL and FDDT dates for SUSP and ACTV events ?

CA 183 Time Zones market practice

# Settlement & Reconciliation:

## Co-chairs: Angela Katopodi, Charles Boniver and Karine Taquet (SWIFT Standards)

Documents:

* Brussels\_2009\_S&R\_Final\_Minutes
* Working documents (see [www.smpg.info](http://www.smpg.info))

## Summary

| Date | Topic | Time |
| --- | --- | --- |
| 27th October | Welcome Coffee + Registration Welcome Coffee + Registration | 9:00 – 9:30 |
| 27th October | Welcome + Global Update:   * ISO 20022 CA implementation in the US, JP, and interest from South Africa and China. * ISO 20022 collaboration with XBRL. * Updates from Swift on coexistence and reverse engineering. | 9:30 – 10:30 |
| 27th October | Coffee Break | 10:30 – 10:45 |
| 27th October | Global Update:   * Reports from regional directors on initiatives and developments in their regions. * 1st SMPG global meeting in Latin America: spring 2011 in Brazil. | 10:45 – 12:15 |
| 27th October | Lunch | 12:15 – 13:15 |
| 27th October | Replace, Modification , Status, Counterparty Response and Audit Trail messages presentation (Karine Taquet) | 13:15 – 15:15 |
| 27th October | Coffee Break | 15:15 – 15:30 |
| 27th October | ISO 15022 - 20022 Translation (Karine Taquet) | 15:30 – 16:30 |
| 27th October | Business Application Header (Karine Taquet) and start open items | 16:30 – 17:30 |
|  |  |  |
| 28th October | Open Items | 9:00 – 10:30 |
| 28th October | Coffee Break | 10:30 – 10:45 |
| 28th October | Lunch | 12:15 – 13:15 |
| 28th October | Open items | 13:15 – 15:15 |
| 28th October | Coffee Break | 15:15 – 15:30 |
| 28th October | Open items | 15:30 – 17:00 |
| 28th October | Dinner | 18:00 – |
|  |  |  |
| 29th October | Open items (potentially common session with CA and IF) | 9:00 – 10:30 |
| 29th October | Coffee Break | 10:30 – 10:45 |
| 29th October | Open items + Wrap up + Next Steps | 10:45 – 12:15 |

## Open items from Brussels SMPG

| **Item no** | **Brief description** | **Status** | **Owner** | **Due Date** |
| --- | --- | --- | --- | --- |
| SR-01 | Derivative settlement | + **Listed\_Derivatives\_Trade\_notification\_and\_management\_flow\_3\_4** was reviewed. It is still unclear what is meant by client of cpty. If it is in case of allocation to identify the client being allocated, what is the difference with Allocated Client on page 12? The same clarification is required for GCM2 versus Cpty  Post-meeting : The US group reviewed the document and had the following additional feedback:  1.      The previous version had an open question in the definitions section (P.3) in regards to clarification between assignment and allocation.  V.3.4 does not seem to address this clarification?  Definition of assignment, but not allocation?  21/10/09: Version 3.5 includes definition of allocation and assignment Closed  2.      Client of Counterparty data element on Page 13 still needs clarified as to why it is needed.  21/10/09: it is optional. Some system needs this information for reporting purposes. Allocated client is the sender’s client and the cpty’s client is another party. Definition of allocated client was added to the MP.  3.      Segregation of amount breakdowns (Commissions, Fees, Charges, Accrual) need to be stated in data element section. Page 12  *Facilitator note: it is mentioned that the details may be provided. What more is expected?*  ISITC argued that the commissions section should be broken out to specifically explain the different scenarios that can occur on the EXEC broker commission:           Full payment of commission on open           Full payment of commission on close           Half payment on open and half payment on close  21/10/09: If further granularity is expected on executing broker commission, a CR will need to be raised. Closed from a SMPG point of view. If change request is raised and accepted, the documentation will be updated in due time. Closed.  4.      Deal amount and Settlement amount description need to differentiate between Futures and options.  Also Future Style options acting as a future contract were mentioned.  These are European style options that need to be clarified on how Amount fields should be stated.  Future style options mark to market daily.  Need more clarification from Europe counterparts who are experts in these instruments.  Version 3.5 now mentions deal amount is not required for futures .  Future Style options acting as a future contract raised in October, 2008 by Mike Dever.  These are European style options that need to be clarified on how Amount fields should be stated.  Future style options mark to market daily.  Need more clarification from Europe counterparts who are experts in these instruments.  Deal amount and settle amount should be stated as zero if this type of product is being instructed.  This needs to be included in MP under data element section once confirmed valid product by local NMPGs  21/10/09: No one can recall or have any comments on the future style option raised by Mike Dever in October 2008.  Action point: before being closed this item will be reviewed at last conf call on the subject in December.  5.      Confirmations on Page 13? When is a trade confirmation sent on a listed derivative since only the cash is settling?  When appropriate to send a full 54x confirmation if derivative is not settling?  21/10/09: In some markets (e.g. France) the settlement confirmation message is used to report that the deal has been fully executed. | ALL NMPGs | Next conference call mid December |
| SR-01 | Derivative settlement | n  6.      Same comments on deal and settlement amount differentiation between futures and options on confirmation message.  There is no settlement of a derivative. This will be equal to the value of the total commission.  If there is no  commission then the message should be free of payment.  In the case of a sale futures trade, the resultant SETT amount could be a negative (N) to reflect the fees/commissions as a debit instead of a credit as per the ISO 15022 recommendation that the negative indicator should be used when the direction of the payment is opposite than the normal way for a buy or sell transaction.  21/10/09: ISITC agrees with the comments in the MP documents: closed.  7.      Failing status message on top of Page 15 for a listed derivative is not applicable since derivatives do not settle.  21/10/09: linked to #5: it is to give a status on the execution of the deal.  Action Point: France will confirm whether ‘fail’ code can be provided? Could a match transaction not execute? What does ‘fail’ mean in this context (if anything).  8.      Page 17 market practice rules section needs to include more detail on the OCC Symbology initiative to create cusips on options.  Reference Data WG within ISITC to provide more detail.  If SMPG does not feel this is appropriate in SMPG document, then will be included in an addendum by ISITC US MP.  *Facilitator comment: please provide with the details. Will see with the group in October if make sense to include in a global MP rather than in the US specifics.*  21/10/09: MP updated to reflect the OCC symbology.  Action Point: each NMPG will check if they have derivatives and if yes, what is the instrument format: ISIN or other instrument identifications? If other, is there a possibility to apply the OCC symbology?  16/02/10: The reference data WG at ISITC is documenting a business case to be submitted end of February.  9.      Additional request to include clarification on Page 17 market practice rules section for the following:  a. Option Style: Not mentioned in data elements  OPST//AMER – American Style Option  OPST//ASIA – Asian Style Option  OPST//EURO – European Style Option  *Facilitator comment: Will be mentioned in the data element, not a MP rule. Not that it is mentioned in the ISO 15022 illustrations.* | NMPGs | Conference Call December |
| SR-01 | Derivative settlement | 21/10/09: 9: Closed. 0ption data element were included in the MT not that OPST//ASIA was deleted per SR 21010 CR II.26. MP v 3.5 was updated but OPST//ASIA will be removed.  b.  Commissions/Fees:  Executing broker commissions (EXEC) and FCM commissions/fees need to be separated.  Only option is to include OTHR.  Need to decide if new codeword should be added.  *Facilitator comment: what is FCM commission?*  21/10/09: Scenario raised by ISITC relates to executing and clearing commissions that get paid to clearer as a lump sum.  For record keeping purposes, these two commissions need to be broken down into separate amounts.  Currently only option is to state Executing commission within 19A::EXEC and clearing commission (FCM) under the 19A::OTHR, a CR will need to be raised if FCM (US market) or GCM (FR market) is needed.  c. Opening vs. Closing Contract:  One order for the full amount is sent as an instruction notification.  When the amounts of the trade crosses zero the concept of the (opening = greater than 0) and (closing = closer to 0).    Need a market practice around usage.  *Facilitator comment: please elaborate and propose a MP?*  Scenario raised by ISITC relates to when the IM is instructing to buy to close a negative position and at the same time buy to open a new positive position in a derivative.  ISITC would like it specifically stated in the MP that this should be two separate instructions.   The first instruction using the Seq. B, 22C::PROC//CLOP to close the negative position and the second instruction using the Seq. B, 22C::PROC//OPEP to open the new position position.  If the instruction is lumped into one instruction to close an negative position and build a new position position (crossing zero) this will cause issues for the custodians  21/10/09: Not enough knowledge among the participants. NMPG to validate the ISITC proposal .  Action point: A conference call between FR and US will be organized in order to come to closure by mid December.  10.  Page 23, 25 data element field usage includes field Trading environment. This field was removed from Page 12 as a data element after previously being raised.  Shouldn’t this also be removed here?  *Facilitator comment: indeed. Corrected in 3.5.*  21/10/09: MP document updated: closed. | NMPGs | Conference Call December |
| SR-01 | Derivative settlement | **Action:** - SWIFT Standards to produce a v3.5 (**Listed\_Derivatives\_Trade\_notification\_and\_management\_flow\_3\_5** posted July 2009) including the comments/corrections proposed from by the US as well as the remaining open question from the meeting in Moscow. 21/10: Closed.  - NMPGs (FR specifically) to review updates and open questions and provide their answers/comments. 21/10: Closed  Note: SWIFT Standards announced that listed derivative functionalities would be kept for now in the  settlement message waiting for the outcome of the post-trade projects. It is not yet confirmed that notification of listed derivative transactions will be part of the scope of the notification messages being developed.  - 21/10/09: need to define the role of clearing member in the section 2 and add in section 3 in the title Executing/Managing party: (Global clearing member). | NMPGs | Conference call December |
| SR-05 | S&R Factored securities – US to document MP | + Review of US proposal for global **MP Factored Securities MPv1.7.pdf**.  The group provided their feedback on the document:  - Current face should not be mandatory, only original. If the need to provide current face is linked to the fact custodians may perform both accounting and custody function, it should only be mandatory for such scenarios, not for all.  - Japan will need to provide their feedback as they are currently defining their MP on factored securities.  Post-meeting feedback: In our Market, we never use Current Face Amount. This means that AMOR isn't available for S&R message in Japan Market. We use only Original Face amount (FAMT) for settlement. It cannot be mandated in the MP to provide the current face.  **Action:**  *Facilitator comment: in view of the above meeting and post-meeting comments, US is requested to adapt their proposal to make current face optional. If it should be mandatory in their market, a US specific document should be posted explaining the context in which current face should be mandatory.*  - US to update their MP to  21/10/09: ISITC is in favour to have a global market practice document and they argue that the MP document says the current face is optional and a remarks that it is mandatory for the US market. JP would like to review the final draft of the MP before validating it. | NMPGs | Conference call December |
| SR-16 | Unitized bond global market practice | Presentation of the outcome of the survey. FR, NL, GR and UK responded.  - NL + FR: Following implementation of Euroclear SP for Settlement, all will be Face amount.  - GR: the CSD (HELEX) keeps them in Unit and report them in Unit. The local agent converts those into Face amount. There is still an issue for some market participants who receive direct report from the CSD.  - DE: there are more issues than just unitized bond: warrants, options that are traded in lots. This would need to be addressed.  The group recommendation is to create a document on quantities where all quantity related issues should be addressed or update on an existing MP document (e.g. the 10 common elements).  The first recommendation would be that, for unitized bond, face amount should be used, and it is the responsibility of the local agent/custodian to ‘translate’ if local CSDs cannot comply with this rule. It should be back and forth, i.e., if custodian receives face amounts in instruction, they should report back using face amount.  21/10/09: Discussion took place on what and how the document should describe. The consensus is now not to publish an additional document. The general recommendation for cross border communication bonds is to use face amount for bonds and let the market participant (i.e. local agent) to deal with the conversion if the bond needs to be settled in Unit. SLA could be in place between participants to use Unit for those instruments. MX NMPG representative questioned the rationale behind the fact of having bonds in face amount for the settlement chain if they are quoted, traded and settled at the CSD in Unit. In MX, all the securities (even factored securities) are unitized as this is the only information know by the trading venue. The group agreed to keep the recommendation for cross border communication bonds, and to leave the current process for the local market.  Action Point: a generic recommendation for the market infrastructures is not to issue bonds in Unit anymore.  A paragraph will be added in the 10 common elements document. | SWIFT | December conference call. |
| SR-31 | Time deposits | Update on UK and US work on the subject.  Comment received from the US: “initial draft of business case of differences between US and UK MP has been completed. Sub-group of subject matter experts in US and UK are working through ISITC to document all differences to present to SMPG”.  Clarification will be needed as UK commented that there was no progress done recently on this subject.  **Action:** ISITC and UK NMPG to clarify where they stand with this.  21/10/09: UK did not have a chance to review. Conference call between the UK and ISITC will be scheduled in a month time. | ISITC  UK&IE NMPG | Conference Call November 24. |
| SR-32 | CSD-CSD settlement | Feedback of NMPGs on the CSD-CSD settlement MP produced by ECSDA.  The group is happy about the conclusions of ECSDA’s MP (in line with the SMPG place of settlement MP) but concerned by the effective implementation. Many suspect there will be no implementation prior to T2S, but as the MP is defined, it will hopefully be taken into account during T2S development.  FR noted that the actors and roles section needs to be reviewed and checked in order to make sure that they are consistent with the T2S current definition. No other comments on the document itself.  The MP being an ECSDA country MP, how can we get non ECSDA CSD to adhere to this MP? We could share this with the local NMPG in America (US, CA) and Asia (Japan) to see whether they can convince their CSD to implement the MP in their CSD-CSD settlements scenarios. ACSDA was already contacted about this. Armin will be asked for an update.  In the meantime, it will be up to the local custodian to “translate” the SMPG compliant messages into whatever their local CSDs require.  **Action:**  - JP, ISITC, CA and other non ECSDA countries to inform their CSD of the ECSDA document and of the CSD-CSD settlement section of the SMPG Place of settlement MP. Try to obtain their buy-in.  22/10/09: MX NMPG representative confirmed that this is not a priority for non ECSDA countries. The document is fine, and it could be taken into consideration if there is a project for CSD to CSD connection.  In Japan, there is no CSD to CSD connection, but they agree with the document.  Action Point: Check with Jonathan (who?) to see if he has feedback from other Asian countries.  - Armin to provide feedback on contacts with ACSDA.  22/10/09: Action Point. Jaime to contact Mary Ann Callaghan to have an official response. Done  This document could still be valid after T2S is live in Europe because T2S has not yet define all the eligible instrument in T2S, so we might have some instruments that will stay at the CSD level that would need CSD to CSD settlement.  The CSD to CSD document is in the country specific section on the SMPG website under the country ECSDA. | MX NMPG | Conference Call December |
| SR-33 | Time Zones | **Timezones MP v3.0.doc**.  The group reviewed the document and updated it on line. Chapter V.I. was not reviewed. See **Timezones MT 3.1.doc**  **Action:**  - NMPGs to review 3.1 and focus on chapter V.1. not reviewed.  - CA WG and IF WG to add the topic to their agenda to define their rules.  22/10/09: Need to share this document with other SMPG working group.  Question: in the MT548, maybe we should have a status time and there we should put the UTC time that reflects the status at the CSD or at the place where the matching took place.  The group realizes it is confusing when we enter into cross border scenarios (Transaction settled in Asia with SD+1, confirmation is sent back to a custodians in Europe which applies SD ), what will be the settlement date/time forwarded to the next party in the chain? .  Action Point: Alan Bredin, Ton Van Andel, Jaime & Karine Taquet will create some scenarios. Conference call on the 12 or 13 of December to have a kick off. | NMPGs and SWIFT | Separate Conference Call to be organised in December. |
| SR-36 | Countries with no NMPG or country specific document | See Country Missing MP v1.0.xls. The document was updated during the meeting.  Indonesia is a priority for the US (as per their comments). All the European market without a NMPG should also be a priority. SWIFT Standards is also very active in the Middle East as they are implementing new systems. FR and DE have explained that they have several big issues with several Middle East markets.  FR is asking that we check if Jersey and Guernsey to see if they are part of the UK IE NMPG. What about the other products that would not settle in Euroclear UK.  The NO and FI representatives (Nordic country) will check to see if we can contact also Iceland and the Baltic countries. Christian (AT) explained that for Slovenia, Czech Republic and Hungary, they will use the same CCP. The next step would be to set-up a new single CSD in Czech Republic for those three countries. In the meantime, Christian will propose them to have a generic template to explain the basic requirements.  For Argentina, there is a template created with the help of the GC. Also there is an initiative to try to have NMPG in the big country in South America. For Cyprus, the Greek will help to create one. For Gibraltar, the UK&IE should help to facilitate the creation of a CSD. In Vietnam, SWIFT is doing something. Saudi Arabia should be a priority (SWIFT). For Malta, we will ask Italy to see if indeed Malta is using the Italian CSD. For Bulgaria, Christian (AT) will look at it..  22/10/09: Indonesia: The CSD is meeting with the different players in the market in order to create a NMPG.  Vietnam: Discussions are taking place  Qatar and UEA: SWIFT is in discussion with those markets.  China: There is no NMPG in China. Mori-san and Jonathan to come back.  Argentina: no update.  Jersey, Guernsey and Isle of Man are not represented into the current UK & IE NMPG, but their financial instruments settle through Euroclear UK & IE.  Iceland is part of the Nordic market practice.  The Baltic countries: they obey by global market practice. There doesn’t seem to have any market specificities. Christine will check with those countries to make sure they are ok.  Hungary: NMPG has posted a document.  Slovenia and Czech Republic  Cyprus: All documentation was sent: waiting for them to create a NMPG. | See document | End 2009. |
| SR-36 | Countries with no NMPG or country specific document | Gibraltar: Gibraltar will fall under the auspice of Crest (the UK/Ireland CSD). By way of background here is information that may be useful to SMPG. CREST allows settlement of 3 Gibraltar ISINS, subject to Stamp, & Registration. All 3 are online Casinos and are virtual so they're not on the island at all. The FSA however does list these securities for stamp duty and they are, technically, listed at the LSE. There are also a few Gibraltar entities who issue in the UK through their UK affiliation. Therefore these entities end up with GB ISINs. Gibraltar has an exchange - GibEx - but it doesn't appear on any list with serious activity. There is no recorded CSD, NNA, or onshore CCP. Finally there is an 'Off-shore Companies house' in Gibraltar which tends to suggest that it operates as a central Registrar, which is where the CREST would link to.  So to conclude, if they have no on-shore settlements they're unlikely to have or need an NMPG.  Malta: They are not with the Italian NMPG. Free of payment is done with matching. No taxes. Similar to the UK for the registration: nothing to do with Italy financial market.  Bulgaria: no news. | See document | End 2009. |
| SR-34 bis | ISO 15022 MT 535 and ISO 20022 Securities Balance Reports. | Proposal for optimization and simplification. See MT535\_versus\_MXs.doc on [www.smpg.info](http://www.smpg.info)  A conference call with the IFWG will be held during the meeting.  22/10/09:  Securities Accounting Balance Report: removal of sub-balances, both S&R and IF rejected the proposal as many institution still receive one message for both accounting and statement report. Moreover it is sometimes used to reflect the collateral…  Securities Custody balance Report: removal of pricing and holding value information, both S&R and IF rejected the proposal as it is sometimes used to check the value in the static data. Valuation and pricing should remain optional in the custody version of the 535 though  Conference call with IFWG: it would be very expensive for the fund community to change the financial instrument identification (and attributes) in all their messages as quite a few players have just implemented version 2 and this would imply changing the message components in most of IF messages.  IF WG felt it would be acceptable to use version 2, whereas in the other securities areas would be using version 3 and this until the IF industry feels ready to move to version 3 (or version 4). The decision might be to fully move to an updated version when the MT/MX coexistence period is over. Euroclear stated that prior accepting the securities identification and the financial instrument attributes message component, IF WG should confirm all message elements needed by the IF industry is included is version 3. In conclusion t IF WG agreed with the security identification message component as defined by WG11 but need to confirm for the Financial Instrument Attributes message component one.  Action point for IF WG: UK, LU and IT will evaluate the impact of moving to version 3. However a priori the IF users do not want to put pressure their community as they have just been able to get some momentum within the IF player to adopt ISO 20022,. Moreover there is a gentlemen agreement not to change anything in the fund messages until the full conversion in 2012.  **Post meeting feedback:** IF WG agreed to align their security identification message component to the one used in the other securities areas. For the Financial Instrument Attributes, a specific to IF will be created and be will be added to the version 3 of the MT535 (basically a subset). This means that that within the IF community, some users will be using MT535 v2, some others v3 (the ones used by S&R), IF WG is fully aware but this should not be an issue as both version are backward compatible in terms of message elements. | NMPGs | Next meeting. |
| SR-38 | Allegement | SMPG is asked by users to set business rules on what are the criterias for sending a 578. Some of the rules the users would like to have are:   * When should a 578 be sent? As soon as the cpty instructs or on SD-1? Some users are bombarded with 578 for trades they know about and handling the flow is so burdensome that they just do not look at any of them. * Is there a way to identify markets where 578 are currently supported? * Can there be a rule mandating the presence of a client of the REAG/DEAG on 578 in an Omnibus account market? * Use of references. * Removals. * Etc.   22/10/09:   * NMPGs believed it is difficult to give a general standard timing for the 578, some CSDs will send it as soon as it is not able to match the message received, some other on SD-1 etc…. The recommendation is that the timing of MT578 is defined by SLA. * Action Point: NMPGs to identify which markets support the MT 578. * We need to have our CSD system ready to take into account the settlement chain (at least 2 parties for the local agent and three for the local agent’s client: READ/DEAG, RECU/DECU, BUYR/SELL). If the CSD does not carry the full chain, then the allegement is useless to for the receving agent as he cannot forward the allegement to the appropriate client. The CSD should send back in the allegement all the information related to the settlement chain they receive. * The recommendation should be that at least all the matching fields should be present, if they are not and the allegement is sent out anyway then the alleged party must be very careful to potential cross matching (e.g. buyer/seller account is missing) * Action Point: Karine Taquet will work on a first draft for the MP: target for the first draft is next physical meeting 2010. It will include usage rules for identification and references. | NMPGs | Next meeting |

## New items:

* + 1. Update on Reverse Engineering – Translation Rules

Translation rules (human and machine readable) are being created and will be published in April 2010. SWIFT raised the question on whether for the Balance Reports there was a need to translate from MX to MT? The participants did not have any input yet except for the Polish participant that indeed encountered the issue.

At the moment there is no alternative except to make sure the application generating the Balance Report generates messages with a maximum length that would comply with the ISO 15022 limitation in terms of size. Now if the split must be done when translation must take place what will be the rules to be put in place? This will quite complex to do. Item will be discussed at a conference call end of January 2010.

## Other items:

* + 1. After 10 years of productive work, more thoughts were given on the future of the S&R WG meeting and organization for the next 5 years. With subjects more and more specific and applicable to a limited number of countries, should we still meet twice a year? Should we organize ourselves differently?

The group discussed the future meetings: In 2010, Luxembourg will host one Global SMPG meeting the other meeting still need to be confirmed. In 2011? In 2012 Japan will host.

Even though the S&R messages are now mature, the majority of the group felt that 2 physical meetings should be kept in order to avoid losing focus and dedication. Nevertheless regular conference calls will be organized on specific topics (e.g. listed derivatives, time deposits, securities financing etc…) that require the attendance of subject matter experts. This conference will of course be open to anybody who is interested, minutes will be sent out and an update will be provided at the physical meeting.

The group also mentioned that information sessions were useful but should not exceed one third of the physical meeting

* + 1. Business Market Practice Template. There are around 16 documents that will need to be migrated to the new syntax neutral template. Priorities were already set, now before splitting the task among the SMPG participants, SWIFT will check internally whether a tool could be built to extract the info and convert it is a Business Market Practice document. as most of the flows and descriptions are already in the modelling application.

Post meeting feedback: the automation of such a process will take probably more than a year. This means that this will have to be done manually. The work will be split among various persons, but this will be done later this year.

* + 1. Information session on T2S, Linked Up Markets, Euroclear Single Platform and Future Standards - Architecture and Platform Evolution. The presentation were posted on the following link.

<http://smpg.webexone.com/default.asp?link=>

* + 1. DUMP presentation NL ( Ton van Andel).  
       Well received. The usage of the Reject of an alledged settlement should be described and could be used for other reasons as well.

This item was not covered at the meeting however SWIFT is currently working on a Securities Settlement Counterparty Response ISO 20022 message that would serve this purpose. Draft version 2 will be posted on the SMPG website FYI and comments.

Post meeting feedback: See the Allegement MP when will posted on SMPG website.

**Dress code will be business casual.**