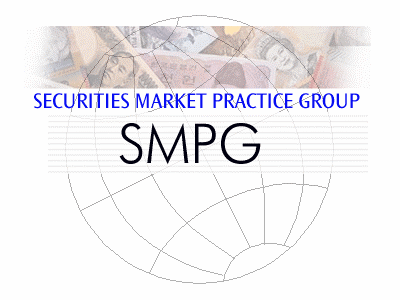
**SMPG La Hulpe meeting**



**April 15 - 17, 2015**



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**Hosted by:**

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| **Meeting Venue:**  SWIFT  Avenue Solvay 81  1310 La Hulpe,  Belgium.  **Dress Code**: *Business Casual* | \\BE-FILE01\jlittre$\MyData\01. STANDARDS\01. STD DEVELOPMENT DOMAINS\1. Securities\01. SMPG Global\06. Global Meetings\2014 Boston\Logo\EventSuite_SSGX_WebBanner.jpg |

1. **Meeting Global Agenda**

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| **Wednesday 15th of April** | | | | | | |  |
|  | ***8:15 (sharp)*** | | ***Bus leaves from the Hotel “Chateau du Lac” to SWIFT*** | | | |
| **Morning Session** | | | | | | |  |
|  | **8:30 – 9:00** | | Bus arrives at SWIFT (Solvay entrance), and visitors walk to the château in the grounds of SWIFT.  *(Coffee, drinks, croissants and fruit available before start of General Session)* | | | |
|  | **9:00** | | **Start of General Session** | | | |
|  | **9:00 – 12:30** | | **General Session Agenda**   1. SMPG Welcome Address (Karla Mc Kenna – SMPG Chair, ISITC) – 5’ 2. Welcome Address by Host (Stephen Lindsay – Head of Standards,SWIFT) – 5’ 3. Meeting Schedule Overview (Evelyne Piron / Jacques Littré - SWIFT) – 5’ 4. Best Practices for ISO 20022 Implementation (Stephen Lindsay – Head of Standards,SWIFT) – 30’ 5. CSD Regulation Update & Settlement Discipline (Alexander Westphal – ECSDA) – 30’ 6. SMPG Regional Updates EMEA (SMPG APAC / JP Regional Directors) – 15’ 7. SMPG Regional Updates APAC (SMPG EMEA Regional Directors) – 15’ 8. LEI Presentation (Gerard Hartsink – Global LEI Foundation) – 30’   --------- BREAK --------   1. SMPG Steering Committee Elections (Karla Mc Kenna / Jacques Littré) – 45’ 2. MyStandards – Status on WG Usage Guidelines Publication (Janice Chapman / Evelyne Piron / Jacques Littré - SWIFT) – 20’ | | | |
| **Afternoon Session** | | | | | | |  |
|  | **12:30 – 13:30** | | | **Lunch** | | |
|  | | **13:30 – 15:15** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **15:15 - 15:30** | | | **Coffee Break** | | |
|  | | **15:30 – 16:45** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **16:45 - 17:00** | | | **Go to the SWIFTLab (Adèle building by bus or walk if weather permits it ?)** | | |
|  | **17:00 – 19:00** | | | Introduction and presentation of the **SWIFTLab**  *(Drinks and finger food buffet will be available)* | | |
|  | **19:00** | | | **Bus back to the Hotel “Chateau du Lac”** | | |
|  | |  | | Free evening  *(Several restaurants are within walking distance of the hotel - see section IV below)* | | |

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| **Thursday 16th of April** | | | | | |
|  | | ***8:15 (sharp)*** | ***The bus leaves from the Hotel “Chateau du Lac” to SWIFT*** | | |
| **Morning Session** | | | | | |
|  | **09:00 – 10:45** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **10:45 – 11:00** | | **Coffee Break** | | |
|  | **11:00 – 12:30** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **12:30 – 13:30** | | **Lunch** | | |
| **Afternoon Session** | | | | | |
|  | **13:30 – 15:15** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **15:15 – 15:30** | | **Coffee Break** | | |
|  | **15:30 – 17:30** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
| **Evening** | | | | | |
|  | **17:30** | | **Leave for evening event and dinner** | | |
|  | **17:30 – 22:00** | | ***Evening Event and Dinner*** | | |
|  | **+/- 22:00** | | **Bus back to the Hotel “Chateau du Lac”** | | |

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| **Friday 17th of April** | | | | | |
|  | ***8:15 (sharp)*** | ***The bus leaves from the Hotel “Chateau du Lac” to SWIFT*** | | | |
| **Morning Session** | | | | | |
|  | **9:00 – 10:45** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **10:45 – 11:00** | | **Coffee Break** | | |
|  | **11:00 – 13:00** | | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
|  | **13:00** | | **End of meeting** | | |
|  | **13:00 – 14:00** | | **Light lunch (possibility to grab lunch and go)** | | |



**April 2015 – SMPG Corporate Actions WG – Detailed Agenda**

| **Item No** | **Short Description** | **Description and Pending Actions** | **Owner** | **Comment** |
| --- | --- | --- | --- | --- |
| **1** |  | Appoints one additional minutes taker/helper |  |  |
| **2** | Next meetings | Schedule Conference calls for end 2015 | Christine |  |
| **3** | Meeting Minutes | Comments / Approval of March. 24 conf. Call Minutes | Jacques |  |
|  |  |  |  |  |
| CA284 | MP for amounts larger than 15d | 15d is not large enough for some Asian amounts. It needs to be reported in 1000’s and indicated in narrative.  **Action:** APAC WG to provide their feedback by the April meeting (otherwise will be closed). | Jyi-Chen / GMP1 SG | **Telco MAr 24, 2015:** Jyi-Chen is still chasing Indonesia for feedback on this aspect.  **Telco Feb. 24, 2015:** GR has no issues with the proposal. Feedback from APAC will be provided at next conference call. **Telco Jan. 29, 2015:** Consolidated Feedback from NMPGs about the current proposal above: Following NMPG’s agree: BE, SG, FR, UK, FI, RU, ZA, NO coming in addition to CH, SE, US, XS, LU  JP: Would not like to use ADTX since it stops STP; would like to agree on truncation on a bilateral basis. APAC WG: decided to reach out to Indonesia and Vietnam to check. **Telco Dec. 18, 2014:** Feedback from additional NMPGs about the current proposal i.e.: • CH: OK • JP: Would not like to use ADTX since it stops STP; would like to agree on truncation on a bilateral basis • SE: OK • US: OK **Telco Nov. 20, 2014:** Current Proposal: • Case 1: Amounts/rates/prices where the 15d character limitation means that not all decimals can be provided in a formatted field: -> In this case, include as many decimals as the field length allows PLUS include the complete amount/rate/price in 70E ADTX in sequence E. • Case 2: Amounts/rates/prices where the 15d character limitation means that not all integers can be provided in a formatted field:  -> In this case, do not include the formatted field; ONLY include the complete amount/rate/price in 70E ADTX in sequence E. Feedback from NMPGs about the current proposal i.e.: • XS: OK • LU: OK |
|  | Tax Subgroup | Withholding Tax CR review | Jean-Pierre/ Jyi-Chen |  |
| CA297 | MT564 & Multiple MT568 linking | 2 Questions on MT564/MT568 linking 1) Should MT568 REPL link back also to previous MT568 ? 2) How can multiple MT568s be linked to a MT564?   **Action:**  1. **Elena** to provide MT564 examples for scenario 2 (when more than 2 MT564 are linked in the multi-564 chain.  2. **All NMPGs** to provide feedback on the proposal. | Mari | **Telco Mar 24, 2015:** The document consolidating the initial proposal and received feedback at last call regarding the 2 linkage scenario (i.e. One MT564 with several MT568 and several MT564 with several MT568) is attached in the minutes.  The second scenario does not cover the cases with more than 2 MT564’s. The question remains whether the following MT564’s need to link to the first MT564 or to the previous one only ? Elena suggests that each MT564 in the chain links to the first MT564. Although this kind of scenario is probably not very frequent, we need however to define how it should work in all cases, so that there is no ambiguity when the case occurs. **Telco Feb. 24, 2015:** (See details of Mari's question in meeting minutes as well as the proposed solution illustration) The questions have been submitted by Mari regarding the way MT564 / MT568 linking should be actually implemented as the current SMPG MPs are not clear enough on that aspect. Jacques has provided a first draft illustration on the way 564/568 linking should be implemented. Some initial comments have been provided at the meeting to correct some mistake in the illustration and some more comments have been provided post meeting via email by Elena from RU NMPG. |
| CA299 | Definitions of MIEX MILT MINO quantities | **Action:** All NMPG’s to provide feedback o, Bernard's proposal at the April meeting. | Bernard | **Telco Mar 24, 2015:** Bernard has provided the following input document (see minutes) which proposes to slightly review the definition of the 3 quantities so as to clarify their semantic. |
| CA290 | New Date in MT567 for "Ongoing" / "Au fil de l'eau" events | Follow up of SR2015 CR 000781 - Propose a new implementation solution for an "Exercise" date or "Expected Payment" Date in the MT 567 for the on-going events. **Action:** NMPGs to provide feedback on the proposal. | Delphine | **Telco Jan. 29, 2015:** No additional feedback received at the call, the initial Proposal from Delphine remains. **Telco Dec. 18, 2014:** The following proposal has been received from Delphine: “Regarding the date itself, the proposal which was raised during maintenance of "Expected payment date" (CR288) does not fit because we do not receive such precise information.  Examples:  - Within 5 business days after the conversion date so basically the payment date can be CONV date + 1 + 2 + 3 + 4 or + 5. - No later than 40 business days after the conversion date...  - 5 business days after CONV date. So we should go more towards something like "instruction approved by agent date" which would be more generic than conversion date. **Telco Nov. 20, 2014:** Delphine has not yet proposed a solution. The item was postponed to the next conference call. **Telco Oct 23, 2014:** Delphine has not yet proposed a solution. The item was postponed to the next conference call. |
| CA300 | Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP | **Action**: Bernard and Delphine to check if their understanding is the same for bonds. | Michael | **Telco Mar 24, 2015:** Michael introduces the topic with the following document: (see minutes). The usage of the INTP qualifier with format option F is also questionable. Should format option M used instead ? Will be further discussed at the April meeting. |
| CA279 | Claims and Transformations in the T2S context | As we are close to the implementation of T2S and following some CRs that were part of SR2014, there seem to be confusion on how claims should be reported to clients (MT54X vs MT56X).  **Action:**  1. All NMPGs to collect traffic figures on Market Claims from their respective CSD/Institutions. 2. All NMPGs to provide feedback / comments on the draft business case and notifies if any process or business needs are missing. | Mari / GMP1 SG | **Telco Mar 24, 2015:** Mariangela has provided a draft business case document outlining the required coverage and functionalities for market Claims messages (see minutes). This document will need to be substantially beefed up at the La Hulpe meeting if we want to be able to submit the business case for new MT message(s) for board approval in June. Market Claims traffic figures from NMPGs are also required for the business case. Jacques mentions that the Euroclear ISO20022 Market Claims business justification submitted in 2008 already contains a good analysis that could eventually be reused for our business case. Kimchi mentions that for FR the development of new CA MTs messages for this is questionable whilst it might be done in ISO20022 only. Also, FR suggests to discuss this topic together with the SnR WG as some firms are using SnR messages for some of the market claims aspect. Nevertheless, Christine emphasises that the market claims functions have been long confirmed as being in the CA domain and should not be addressed via SnR messages as it might only generate confusion for the processing. The SWIFT maintenance process for the creation of new MT messages is fully described in the document attached in the minutes. **Telco Feb. 24, 2015:** A business case and CR for a new MT message covering the whole market claim lifecycle should be submitted in June by the SMPG. The volume from CREST figures (2200 claims per day) seems significant enough to justify a new MT.  Jacques mentions that the SWIFT procedure for creating a new MT message is heavier than the usual CR. The business case and request need to be first approved by the SWIFT Board and go to country voting. The whole process is about 24 months long. Jacques will provide the document describing the SWIFT process.  The business case should also cover automated buyer protection. It should preferable be ready for review at the SMPG April meeting. **Telco Jan. 29, 2015:** Action 1 status: No progress to date, Mari will schedule a call soon. Action 2 Status: Mari got some figures from CREST. They process an average of 2200 claims per day, which seems to indicate that there may be a business case for a specific message to report the creation of a market claim. Mari will contact other custodians to get some additional figures. **Telco Dec. 18, 2014:** Action 1 Status: The UK&IE NMPG has cancelled the last few meetings; the next meeting is in early January. Action 2 Status: Mari has asked CREST to provide the traffic figures for 2014. Mari is now waiting for their input. **Telco Nov. 20, 2014:** Since the Boston meeting, a “joint task force” between T2S CASG and GMP1 SG has been started; no progress can be reported at this time but work is ongoing. **Telco Oct. 23, 2014:** Regarding action 1, the GMP1 SG has started to discuss the issue, based on previous SMPG discussions as well as the original UK&IE CR III.78 from SR2006. In addition, the UK&IE NMPG will review the original CR at its next meeting on Nov. 6 to ensure it remains valid and complete. |
| CA268 | Narratives scope/usage and indicate updates | **SR 2014 CR 608** - review and reinforce in GMP part 1 the market practices on narratives in the MT564/568 messages and clarify their scope/usage in particular for TXNR. - Define best practices to indicate event updates  **Actions:** All NMPGs: 1. Provide feedback on the proposed document in terms of adding and removing some qualifiers and provide feedback on the questions raised. 2. Investigate and provide further examples on “how to instruct” to be reviewed at the LA Hulpe meeting. | GMP1 SG | **Telco Mar 24, 2015:** Véronique and Jacques have made a consolidated version of the Excel sheet with the MT56X narratives table. See document in minutes. **Telco Feb. 24, 2015:** Jacques thinks he is still missing the consolidated input for narratives MPs on the MT 565 to be able to complete GMP1. **Telco Jan. 29, 2015:** Action 1 review – Narrative MPs on MT 565/566/567:  The draft MP document produced by GMP1 SG still needs to be consolidated before being sent out for review. Action : GMP1 SG & Jacques to do Action 2 review – CETI / DECL questions (NMPGs feedback) Can CETI also cover DECL narratives?  US is not in favour of aggregating CETI/DECL, they would like to keep both. Action can be closed. Action 3: review - Narrative for “How to Instruct” UK&IE has started to discuss the “How to instruct” narrative and members will provide feedback/examples at their next meeting on Feb. 19. Action: UK& IE to send input and all other concerned NMPGs are requested to investigate and provide further examples on “how to instruct” too. The analysis will be done at the April meeting in La Hulpe. **Telco Dec. 18, 2014:** Action 1 review – Narrative MPs on MT 565/566/567:  No progress yet. Action is still ongoing. Action 2 review – CETI / DECL questions (NMPGs feedback) Can CETI also cover DECL narratives? • CH agrees also with proposal (like BE, XS, UK&IE, FR, FI, RU), however ISITC US does not agree at this stage and would like to further investigate the business case behind the creation of the DECL/CETI as there were likely created for different purposes which are potentially still valid today. Action 3: review - Narrative for “How to Instruct” Delphine and Bernard have provided the following input proposal: “Proposal would be to create a new qualifier for MT564 in block F or MT568. This qualifier would be used to describe “how to instruct”, whether via Swift, a web application of the service provider or another communication channel. Any information provided under that qualifier can be ignored for automated processing. A receiver must be confident that they can completely ignore this type of narrative without impacting on the legality or completeness of the Corporate Action event.” The following feedback is provided during the discussion on the proposal:  - The “how to instruct” information must be isolated from the rest of the narrative as it provides information about what is required into the MT565. - The “how to instruct” information cannot be mixed up with the sometime very long (several pages) ADTX narrative. - CETI cannot be used for that kind of information. - Before creating new narrative qualifiers, let’s try first to use properly the existing ones. Decision:  - Euroclear (and everyone else) to include information that can be disregarded for processing into TXNR.  - All information regarding “how to instruct” that must be read, and complied with to be included in the applicable narrative qualifier that stops STP.  - It is necessary to analyse further in details the examples provided earlier on “How to Instruct” information before deciding what to do. |
| CA291 | New Date And Time for Narratives | Investigate how to create a new format option for narrative including date & time for updates of narratives  **Action**: Jacques to make proposal | GMP1 SG |  |
| CA285 | FDIV / PDIV usage | When should FDIV / PDIV be used and what is the difference with GRSS//INDI or ACTU. How should INDI be used in general versus PROC//PREC or COMP **Actions:**  1. To be discussed at the April meeting:  Would it be acceptable to add a new “Rate Status” to some format option to send GRSS (or NETT, if applicable) as indicative, without using a “Rate Type Code” (this would necessitate a standards change) ? | Jacques | **Telco Feb. 24, 2015:** Additional feedback was received from UK&IE and DE: both do not use PDIV/FDIV and agree with the proposal for a Rate Status.  Only some FR institutions are using FDIV/PDIV for tax adjustment.  We will discuss at the April meeting the proposed Rate Type Code solution. **Telco Jan. 29, 2015:** Feedback from additional NMPGs on the questions: JP: does not use FDIV/PDIV APAC WG reported that they do not use PDIV/FDIV, but some markets in the region wondered if perhaps they should do so. However, the case presented was for a preliminary dividend rate, not a provisional or estimated rate. MY: Do not use PDIV, Agree with usage of a Rate Status NO: Does not use FDIV/PDIV A part of the issue is to define precisely what is meant by “provisional” versus “proposed” or “estimated” rate. Nevertheless the most common way today of treating this provisional rate is to work with the message “Processing Status” field and the values PREC” or “PREU”. The item will be further discussed at the April meeting.  Jacques mentions that a change request to get a rate status associated to some rates like GRSS and NETT was already submitted in SR2008 in CR III.49 and the business case approved but that the solution retained was not implemented correctly preventing to associate the “rate status” without a “Rate Type Code”. Sonda mentions that this was also the goal of the ISITC SR2012 CR260.  **Telco Dec. 18, 2014:** Feedback from additional NMPGs on the questions: • CH: Does not use PDIV/FDIV. Agree with option b), and believe it could be extended to other rates/fields. • ISITC US: Does not use PDIV/FDIV. They do have estimated rates for ADRs. ISITC is also questioning the actual meaning of “Provisional” in this context.  Sonda proposed that we also ask the NMPGs to report the usage of PDIV or FDIV to clarify why they use it. Is it an estimated rate, a provisional/contractual payment rate or something else? Sonda recommends that the definition of PDIF be refined and that a “flag” be used to indicate an “provisional / estimated” rate.  • FR: will provide feedback about the usage at the next conference call. **Telco Nov. 20, 2014:** Feedback from NMPGs on the questions: • XS: OK with proposal b). • FR: Agree with b). but a number of institutions in FR use FDIV/PDIF as a stand-alone qualifier • RU: No usage of FDIV or PDIV; fine with proposal b). Regarding Action 2, SWIFT has already performed a traffic analysis of the first three months of 2014. The analysis shows some usage of both PDIV and FDIV, but over twice as much for FDIV. This traffic analysis was a one shot only this year. SWIFT is currently having a project to collect those type of traffic data on a regular basis but this is not in the short term. **Telco Oct. 23, 2014:** Regarding action 1, only the Swedish NMPG provided feedback on the item. The Swedish market reported no usage of PDIV; no concrete view on a new rate status; and no usage of FDIV.  JP states also that PDIV/FDIV are not used in the Japanese market contrarily to what was indicated into the Boston meeting minutes (this has been amended into the Boston final minutes). |
| CA 295 | New Dividend Type REIT | Proposal for a new REIT (Real Estate Investment Trust) Dividend Type for ZA so as to adequately indicate in a DVCA that the dividend relates to a REIT distribution and alert the message recipient of the DWT implications. (See input file for more info) **Action:** Sanjeev will advise with the ZA NMPG and revert at April meeting. | Sanjeev | **Telco Mar 24, 2015:** Action still pending. Sanjeev will provide feedback for April meeting. **Telco Feb. 24, 2015:** (see input dociment in minutes) Sanjeev summarises the input paper from South Africa requesting the creation of a new dividend type (GRSS Rate Type Code in E2) REIT (Real Estate Investment Trust) or eventually changing slightly the name of the existing REES Rate Type code (and keep definition). At this stage, a fully new rate type code for this does not seem really needed since it is very similar to the existing REES code. |
| CA202 | Funds/CA related Issues | The IFWG will present their analysis | IFWG | **WILL BE HELD IN A COMMON SESSION WITH THE IFWG on Thusrday April 16 at 1:30 PM** |
| CA304 | COAF Issue in DE | Issue with COAF on multi-listed securities | Andreana |  |
| CA296 | Usage of :25D::PROC//COMP and "UKWN" for DPRP elements | The current MP is not clear as to whether the Mandatory elements in an event must no longer be UKWN to move to COMP (Question From Robin Leary) **Action:** All NMPGs to investigate / provide feedback. | Sonda / ISITC | **Telco Mar 24, 2015:** It is not fully clear whether this is a topic is to be left to SLA or if it can be addressed via a MP ? We might eventually find some MP rules per group or type of events (like MAND/CHOS/VOLU or Distributions/ redemptions/reorganization events ?). This will be further discussed at the April meeting **Telco Feb. 24, 2015:** We have received recently the following question from Robin Leary about the criteria to move the 564 PROC Status element from PREC to COMP: *"How much of the EIG+ information is deemed necessary to move from PREC to COMP? For example, if there were ten optional elements for an event on the EIG, is there a specific percentage / number of that where valid information is available that makes it COMP? Or, if 9 of those 10 elements where optional and known but the only mandatory element was still unknown, is that still PREC or would it be considered COMP? Would a certain element, for example pay date, always need to be known before it moves to COMP?"* |
| CA293 | Add Interest Period Inclusive or exclusive indicator ? | Feedback from ops regarding CA281 documenting how each market uses the period: this is important however this will not help STP specially for actors dealing with multiple countries. Do you think harmonization would be possible, or should we request a new indicator to advise if the period is inclusive to inclusive or inclusive to exclusive ? **Action:**  NMPGs are requested to discuss the below and report at the April Meeting at the latest: • Is it a problem? • Are INPE used in your STP processing? • Do you believe harmonisation is possible? • Do you believe the new indicator could be used? | Delphine | **Telco Nov. 20, 2014:** Comment about feedback from Euroclear on the Inclusive/Exclusive Indicator: This issue does not seem really a CA specific issue, so why bother ? Is it really needed ? **Decision:** Discuss it at the April meeting. |
|  | NMPGs Status Report on Local MP Publications | Status on Docs published on smpg.info & UGs on MyStandards (All NMPGs) |  |  |
| CA288 | Information (INFO) Event Types | Review DE SR2015 CR769 requesting creation of new INFO event types. **Action:** DE NMPG to provide more information on the reasons to use an INFO event rather than the appropriate corresponding event code for Investment Funds. | Andreana, Daniel | **Telco Feb. 24, 2015:** The German NMPG has not reverted on the issue following up from the SR2015 CR000769, and did not attend the conference call.  However we have received the following input on this topic from the RU NMPG (Elena):  *“Currently we do not use INFO for CA in MT564, but we are considering the possibility to use it to transmit information about main (important) facts. According current legislation the issuer is obliged to inform their shareholders about main facts in financial activity of the company. It may be done via Internet and information agencies or via special issuer's Internet pages. Formerly this information is not considered as a CA but it is influencing decisions making of shareholders on investments or this information is important as the shareholder need to know Registrar and the address of this entity (it may change) or web-address of the pages where the issuing company discloses the information on CA and main facts. So important facts may be as follow: • information on Supervisory Board meetings and decisions taken • changes in Supervisory Board membership • changes of Registrar responsible for Registry of the company, about termination of an agreement with the Registrar or conclusion of new agreement with the Registrar and main conditions of such agreement  • about creation or closure of branches or representatives of the issuer • about signature of agreement with the auditing company, special depository, Currently this information may be transmitted to the Central depository or to information agencies as a message in free format.”* **Telco Jan. 29, 2015:** The German NMPG has not reverted on the issue following up from the SR2015 CR000769, and did not attend the conference call. The item is postponed to the next conference call. The RU NMPG has provided the input (post meeting) regarding the usage of the INFO event - please refer to the meeting minutes document. |
|  | Tax Subgroup | Status on other Tax Open Items | Jean-Pierre / Jyi-Chen |  |
|  | MyStandards Subgroup | SMPG CA UGs development MyStandards - Status and examples | Jacques |  |
| CA298 | Capital Gain - cash distribution components | ISITC MP 2.2.1.4.2.3 and SMPG MP 9.22 are not consistent regarding cash distribution of several Capital gain components (short term, long term). | Laura / GMP1 SG | *Return of Capital – Return of Capital events in the US market are recognized as Capital Gains Distributions (ISO Event Code CAPD). There are scenarios where multiple payments are distributed within a single event. In this case, the multiple payments are announced as one event (i.e., short term capital gain, long term capital gain, etc.). When a dividend is announced with a capital gains distribution, the dividend is considered a separate event.* Q1. Should long and short term capital gains be output in one MT564 or two?  When long term and short team pay in the same distribution, it is to be announced in one event. It is one event, with multiple payouts. There must be separate cash movement sequences for each payout.  Q2. If there is a dividend announced at the same time, how should this be shown? In the US Market, if there is a dividend announced at the same time, it should be a separate event  Q3. If long term and short term capital gains are in one event, should they be output in one CASHMOVE or two? They must be separate cash movements.  Q4. Why is CAPD mentioned in the market practice document? Should the event type be CAPG? I need to double check this one. I will come back to you with a reply. |
| CA278 | Sample for usage of PRFC / NWFC in INT and redemption | Create template to illustrate correct usage of the NWFC and PRFC factors.  **Action:** Bernard and Sonda are requested to draft a basic illustration and describe verbally in more details of how factors should be used and send it to Jacques for the April meeting. | Elena | **Telco Nov. 20, 2014:** The explanation by Sonda at the Boston meeting about the usage of factors was quite convincing to demonstrate that the current usage of those factors can be very misleading; hence the current ISITC MP which is trying to have a working solution despite the removal of CUFC some years ago. Since Bernard had already left the Boston meeting by the time Sonda explained the ISITC MP and since Sonda cannot attend today call, the item is postponed to the February call. **Telco Oct.23,2014:** Bernard did not attend the conference call, and has not provided any feedback in writing. The item is postponed to the next conference call. **Boston - Sept 24 - 26, 2014:** Since Elena is not present and since Bernard had to leave early, we could not review the document and also identify what Bernard believes is wrong with the US MP.  Sonda instead described the process and the current US market practice (see enclose here above) which is a work-around since the current factor CUFC (the one used for the payment) is no longer available as it was removed in SR2006 based on a CR from LU. The US asked for it to be put back in SR2007 as CR III.64 but it was rejected as well. Nevertheless, as Sonda explains it, the usage of the 3 different factors made much sense and seems more consistent than playing with 2 factors to actually report 3 different values, which makes it difficult to understand what factor is actually provided. The current definitions of both factors are today not really accurate either. Instead an MP was created in GMP1, (section 8.19) but this does not seem to address the issue and the MP seems actually incorrect as saying that the “new factor applies after the redemption date of the event” is actually wrong.  **Telco Sept. 4, 2014   Telco July 24, 2014:** In Bernard’s opinion, the US MP on PRFC / NWFC is not correct. The current SMPG text simply refers to ISITC US, but this should be changed.  Decision: Remove the reference to ISITC and work on a new global MP. **Telco June 19, 2014:** Sonda has sent the US MP for PRFC/NFWC (see attachment iin minutes). Second attachment is Elena sample (see minutes). Bernard and Elena discussed the usage of factors. Bernard has a recollection that the SMPG long ago decided the usage, and that what was agreed contradicts this US MP.  Bernard thinks that we should not create a template but rather a MP on the usage of those factors. |
| CA289 | MAND event with Required Owner Action | Define new Market Practice based on the Outcome of SR2015 CR771. **Action:**  1. Christine to amend the text accordingly, 2. GMP1 SG should review the texts on DFLT and STIN to ensure they are aligned. | Christine | **Telco Nov. 20, 2014:** Christine emailed the following draft text on November 16: *There are certain types of mandatory events where some form of action is required by the account owner in order to receive the entitlement/proceeds. Examples include spin-off where the outturn securities cannot be held in the same CSD/account as the underlying securities, and distribution of interim securities/subscription rights where the account owner must certify it is not restricted from participation before the entitlement/proceeds can be distributed. For these events, the CAMV code CHOS should be used instead of MAND, with option SECU/CASE/CASH according to the terms of the event and option LAPS, forfeiting the entitled proceeds, as the default. In addition, two other fields may be used: Since the event is not a standard mandatory with options event, the ADDB code Required Action (:22F::ADDB//REAC) should always be included in sequence D to better explain the reason for the non-standard mandatory/voluntary indicator. For some recipients of the event notification, the information needed by the issuer/agent may already be known to the account servicer (e.g. due to a fully segregated account). In these cases, the Applied Option Flag (:17B::APLI//Y) should be included in the applicable option sequence to inform that the default option will not be applied unless an instruction to that effect is received. Please note that the flag should only be used with value Y and only for mandatory events requiring account owner action (i.e. when :22F::ADDB//REAC is used in sequence D). It should also only be used for the non-default option (i.e. it should not be included for an option where the DFLT flag value is Y).* This proposal was discussed and a few changes were made.  Since this cannot be included in GMP1 for SR2015, there is no particular hurry. **Telco Oct 23, 2014:**  Christine has not yet drafted the market practice. The item was postponed to the next conference call. |
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| CA210 | Overelection/subscription market practice review | Review GMP Part 1 section 3.12.8.4 and 4.3 on the market practice of oversubscription and usage of :36B::QINS, QREC and QOVE and 22F::OPTF//QOVE **Actions: Veronique Re-submit the CR to SWIFT for SR2016.** | GMP Part 1 subgroup | **Telco June 19, 2014:** The action Item on this point which was to write a CR and submit it to SWIFT was not done on time (before the June 1st deadline) and therefore it will have to be resubmitted for SR2016 before June 1st 2015. |
| CA301 | SOFF Change Definition for "Distribution in kind of " or "Divestment" and add new MP. | "Distribution in kind of " or "Divestment" new type of event where shares from a third party company are distributed to holders:  E.g.: First we had the “LVHM, Christian Dior et Hermès International” (ISINs FR0000121014, FR0000130403 et FR0000052292) one, where both LVHM and Christan Dior would distribute Hermès International shares to its own shareholders. | Michael |  |
| CA302 | Redemption events in Poland | Which CAEV should be used ? | Michal |  |
| CA303 | Usage of PWAL for DVOP & DRIP |  | Jacques | Jacques has noticed that the PWAL period was handled differently in the EIG+ for DVOP and DRIP CHOS without intermediate security events whilst there is no real reason to have a difference (present in DRIP and absent in DVOP).  This will be addressed at the La Hulpe meeting in a new open item. |
|  |  | SR2016 CRs Presentation to/Review by SMPG of any local CA CRs to be submitted for SR2016 (NMPGs) ? |  |  |
| AOB |  |  |  |  |