

SMPG - Corporate Action

Minutes of Singapore Meeting

7 – 9 October, 2015

FINAL Version v1.0 – November 24, 2015

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Attendees

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** | **Title** | **First Name** | **Last Name** | **Institutions** |  |
| BE | **Mrs** | **Véronique** | **Peeters** | BNYMellon |  |
| CH | **Mr** | **Michael** | **Blumer** | Credit Suisse AG |  |
| DE | **Mr** | **Daniel** | **Schaefer** | HSBC |  |
| DK | **Mrs** | **Charlotte** | **Ravn** | VP Securities |  |
| ES | **Mr** | **Diego** | **Garcia** | Deutsche Bank |  |
| FI | **Mrs** | **Sari** | **Rask** | Nordea Bank |  |
| ISITC | **Mr** | **Paul** | **Fullam** | SUNGARD |  |
| ISITC | **Mrs** | **Karla** | **McKenna** | Citi | **SMPG Chair** |
| IT | **Mrs** | **Paola** | **Deantoni** | SGSS |  |
| LU | **Mr** | **Bernard** | **Lenelle** | Clearstream | **SMPG CA WG Co-Chair** |
| NL | **Mr** | **Ben** | **Van der Velpen** | ING Bank |  |
| NO | **Mr** | **Alexander** | **Wathne** | Nordea |  |
| SE | **Mrs** | **Christine** | **Strandberg** | SEB | **SMPG CA WG Co-Chair& EMEA Regional Director** |
| SG | **Mr** | **Jyi-Chen** | **Chueh** | Standard Chartered | **SMPG APAC Regional Director** |
| ZA | **Mr** | **Sanjeev** | **Jayram** | Rand Merchant Bank |  |
|  | **Ms** | **Magdalene** | **Goh** | SWIFT SG | **SMPG APAC CA WG Facilitator** |
|  | **Mr** | **Jacques** | **Littré** | SWIFT HQ | **SMPG CA WG Facilitator** |
| **OBSERVERS** |  |  |  |  |  |
| Observer - APAC CA WG - HK | **Mr** | **Noripah** | **Abu Samah** | JP Morgan Chase Bank |  |
| Observer - SG | **Mrs** | **Bee Tin** | **Pang** | HSBC |  |
| Observer - SG | **Mrs** | **Phoebe** | **Chng** | CLEARSTREAM BANKING |  |
| Observer - SG | **Mr** | **David** | **Hamlin** | SunGard |  |
| Observer –RMPG / CA WG | **Mr** | **Rudy** | **Ingkiriwang** | Citibank NA |  |
| Observer - SG | **Mr** | **Nimit** | **Jain** | SunGard Systems Singapore Pte. Ltd. |  |
| Observer - SG | **Ms** | **Daisy** | **Lam** | HSBC |  |
| Observer - VN | **Mrs** | **Sy Hoang** | **Le** | STANDARD CHARTERED BANK VIETNAM LTD. |  |
| Observer - APAC SG | **Mr** | **Harvinder Singh** | **Rana** | SunGard |  |
| Observer - SG | **Mr** | **Lilian** | **Soong** | UOB |  |
| Observer - HK | **Mrs** | **Vicky** | **Yiu** | HSBC |  |

# Meeting Agenda

These minutes are based on the distributed meeting agenda.

See document ”0\_SMPG\_Oct2015\_CAWG\_DetailedAgenda\_v1”



Input documents for the meeting: see files distributed on 19 September 2014 and stored on [www.smpg.info](http://www.smpg.info) at:

[**http://www.smpg.info/typo3conf/ext/um\_efmausers/pi1/includes/classes/download.php?file=/1\_Corporate Actions WG/E\_Global Meetings Documents/2015\_Oct\_Singapore\_Meeting/SMPG\_CA\_WG\_Singapore\_InputDocs.zip**](http://www.smpg.info/typo3conf/ext/um_efmausers/pi1/includes/classes/download.php?file=/1_Corporate%20Actions%20WG/E_Global%20Meetings%20Documents/2015_Oct_Singapore_Meeting/SMPG_CA_WG_Singapore_InputDocs.zip)

# Minutes / Notes Takers

Daniel Schaefer

Jacques Littré

# Telco/Meeting Schedule for 2015 Q3 & Q4

Conference Calls scheduled in 2016 on **January 19, February 16, March 22, May 17, June 21**

All conference calls from 2 PM to 4 PM CET

Next physical Meetings:

* Helsinki: April 20 – 22, 2016 (Hosted by Nordea)
* Switzerland: September 21 – 23, 2016

# Approval of March 23 Minutes

Minutes are approved with Michal Krystkiewicz (PL) comments on CA289 open item.

# CA203 SR2016 Maintenance Follow Up & GMP Part 1,2,3 and samples Updates

Below the summary table of SMPG follow up actions as requested by the CA MWG:

|  |  |  |
| --- | --- | --- |
| **CR#** | **CR Title** | **SMGP Requested Action** |
| CR982 | **Change of Use and Definitions of TAXR / WITL, Delete WITF/TAXE Tax Qualifiers and Add “Country of Income source” to Movements Sequences** | **SMPG to provide MP for COIN** |
| CR981 | **Delete qualifiers QOVE and QREC** | **SMPG to create a strong MP for QINS usage in DVOP/PRIO** |
| CR983 | **Add a new code to identify taxability for 302 Eligible Events** | **SMPG to provide MP for TXAP code list** |
| CR978 | **Add elements to narrative fields to identify updated date and time and updated descriptions** | **SMPG to create a more robust MP on narrative update** |
| CR977 | **Align and Amend all definitions of MIEX, MILT, MINO, MAEX across the messages** | **SMPG to look at MINO Format Option** |
| CR974 | **Amend name and definition of PCAL event** | **SMPG to Take into consideration PRED, DRAW, Pro-rata and re submit the CR proposing the amendment of PCAL definition. Clarify the fact if there is a sec move or not.** |
| CR975 | **Amend definition of spin-off event (SOFF)** | **SMPG to illustrate the usage of NSIS and NEIS as well as SOFF, DVSE and BONU in a global MP.** |
| CR973 | **Clarify definition of :92a::INTR Rate** | **SMPG to further refine it.** |

**Action**: Jacques to create one CA WG open item per CR from the above table.

## CR982 Change of Use and Definitions of TAXR / WITL, Delete WITF/TAXE Tax Qualifiers and Add “Country of Income source” to Movements Sequences

The SMPG should clearly define when the new “Country of Income Source” (COIN) field should be used so as to avoid any abuse.

**Decision**: The country of income source field (in cash and securities movements sequences) should not be used for ADRs or GDRs to specify the origin of the underlying instrument. It should only be used in exceptional cases where the country of origin of different portions of an income (for one specific instrument) need to be identified. It will usually happen when a different tax rate must be eventually applied to the different income portions.

This information should be filled in when provided by the issuer or its agent only.

The MT566 movements sequences will also need to replicate the MT564 movements accordingly.

The MP should be illustrated by an example as provided by the Canadian NMPG within the change request.

**Action:** GMP1 SG to add the new MP in section 8 in GMP1.

## CR981 Delete qualifiers QOVE and QREC

A new MP is required for the usage of QINS in DVOP/PRIO events when no rights are distributed as in this case the usage could be ambiguous.

*Comments received from FR via email*

*Potential vote against this CR also. In addition to PRIO and DVOP Corporate Events, we also see an issue on EXWA and CONV. The use of QINS only when it will be applied to new securities will be not enough if we are not allowed to transmit the underlying securities.*

*Example : client 1 with 17 underlying securities and client 2 with 18 underlying securities. Ratio 1/10*

*Total required : QREC = 2 new securities even if the QINS is 35*

*We consider that management of fractions in the different flows between CSD / Participants and Participants / Clients will be very difficult and will generate confusion or additional manual reporting (excel spreadsheets, emails, …). New discussions have been launched with Euroclear France which had already implemented messages with QREC for the Harmonization project.*

**Decision**: The GMP1 SG to come up with a proposal for the December 8 conference call.

**Action**: Véronique to make a proposal for a MP.

## CR983 Add a new code to identify taxability for 302 Eligible Events

An SMPG TXAP code list needs to be provided as referenced in the ISO150022 and ISO20022 Standards (similar MP to the ETYP/ITYP MP).

**Actions:**

1. ISITC to come up with a proposal for the December 8 conference call.

2. SMPG will check if changes to the global MP are necessary or if an announcement in the US market practice is sufficient.

## CR978 Add elements to narrative fields to identify updated date and time and updated descriptions

The CR was rejected but the SMPG was requested to create a more robust MP on how to indicate in the narrative itself what has been updated in the narrative and when (update date).

The following theoretical scenario in the below table is discussed:

|  |  |  |
| --- | --- | --- |
| **Sending Date** | **MT564 - Function** | **Simulated ADTX Contents changes**  **(“$” is the delimiter placeholder character for the update description and date)** |
| 1. 1 Jan. 2069 | 1. 564-NEWM | 1. **ABC** 2. **DEF** |
| 1. 2 Jan. 2069 | 1. 564-REPL | 1. **$**20690102 added G**$** 2. **ABC DEFG** |
| 3 Jan. 2069 | 1. 564-REPL | 1. **$**20600103 added H**$** 2. **$**20690102 added G**$** 3. **ABC DEFGH** |
| 4 Jan. 2069 | 1. 564-REPL | 1. **$**20600103 added H**$** 2. **$**20690102 added G**$** 3. **ABC DEFGH** |
| 5 Jan. 2069 | 1. 546-REPL | 1. **$**20690105 E has been replaced by X**$** 2. **$**20600103 added H**$** 3. **$**20690102 added G**$** 4. **ABC DXFGH** |

In summary, we have the 3 following options for what can be done:

1. Keep last change info only:

Provide a summarized description of the changes (as described above), but only keep the latest update date and summarized description in the free text field of the message. The messages then would always look like the January 2 example outlined above. This would comply with the current ISO 20022 Standards which does not repeat the “UpdateDescription” element in a narrative.

1. Keep the history of change info:

Provide a history of all summarized descriptions of all the updates, as outlined in the example above. This would require a change to ISO 20022 Standards to enable the repetition of the “UpdateDescription” element.

The argument for supporting options 1 & 2 above is mainly that it helps the operator in a long narrative to quickly identify what has changed in the text.

1. Do not define a MP for update information

The argument for some in the group is that this would not bring any STP improvement anyway since the narrative must be read anyway and therefore it is not worth having such a complex MP.

**Action**: All NMPG’s to provide their option of choice and comments/feedback on the proposal.

## CR977 Align and Amend all definitions of MIEX, MILT, MINO, MAEX across the messages

The SMPG is requested to look at a potential new Format Option for MINO as UK argued (when discussing the CA299 open item early 2015) that MINO might be provided in cash amount instead.

The following example was provided by Bernard when the CR was discussed at the SMPG early 2015:



Since the UK representative is not present, the item is postponed to next conf call.

**Action**: UK&IE NMPG to come up with business examples for the proposed new format option.

## CR974 Amend name and definition of PCAL event

This SMPG CR has been rejected by the CA MWG. The MWG has asked the SMPG to look at the various redemptions events and eventually re-submit the CR with a more detailed description as the description of PCAL today doesn’t really fit the use of the Pro-Rata Events.

The Pro-Rata events also called sometime “Danish Drawing” is a partial redemption similar to a draw but where exactly the same proportion would be redeemed on all owner accounts.

The following table provided by Bernard summarizes the characteristics of all partial redemptions events in comparison with a pro-rata event:



There is only a difference between PCAL (with reduction of nominal) and PCAL (as pro-rata) from a pure accounting perspective (mainly at issuer level) both events look more or less the same.

**Actions**:

1. All NMPGs to provide feedback if they agree with the description as a basis for the discussions for a change of the PCAL definition.

2. Bernard to provide the description of PCAL (with reduction of nominal) and PCAL (as pro-rata).

## CR975 Amend definition of spin-off event (SOFF)

The following table was discussed and illustrates the distinguishing factors between the SOFF, BONU and DVSE events:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **SOFF** | **BONU** | **DVSE** |
| Increase Shares | **Y** | **Y** | N |
| Other company (new shares) | **Y** | N | N |

Pending question: Should the NSIS (New Securities Issuance Indicator) be used or not?

**Action**: Christine to come up with a proposal for a MP based on the above table and criteria.

## CR973 [CA300] Clarify definition of :92a::INTR Rate

The proposed INTR definition change was rejected by the CA MWG.

The issue with Floating Rate Notes for INTR is illustrated below:

|  |  |
| --- | --- |
| **Standard Bonds** | **Floating Rate Notes (Interest rates based on Index)** |
| MICO = A001  INPE 1.1.2015 – 31.3.2015  DAAC = 90 days  INTR = 1 %  INTP = 0,25%  *INTP is calculated based on MICO, DAAC and INTR* | Libor 6 months + 5 BP  In case the Libor is 0,53%, the coupon is 0,58% (interest on 6 months period)  Therefore the annualised interest rate would be INTR: 1,16%  However, looking at the definition, we should not use INTR to display this rate. |

Proposed alternative definition for INTR*: “Interest rate of an instrument taken as a basis to calculate the actual interest rate of the coupon.”*

A decision will then be taken based on more examples provided by Bernard. Then the group will decide whether we really need to change the definition or if we just provide a clear description of the usage in the global market practice.

**Action**: Bernard to provide more examples for next conference call.

## Comments received from FR NMPG (via email) on CR976 (Dividend Rates GRSS/NETT and Deletion of FDIV/PDIV)

If FDIV and PDIV are deleted, would it be possible to postpone deletion to **SR2017?** Indeed, all French participants are using these codes and it may cause trouble to cancel these qualifiers : risk of massive nacks.

Furthermore, the risk is that some payments in May announced and paid with FDIV and PDIV (MT564 and MT566) will have an additional credit in November or December 2016 so AFTER the SR2016 implementation. Messages may be not consistent.

Postponing to SR2017 would allow France to implement a new Market Practice without FDIV / PDIV before the dividend period for example with effective date 1st Jan 2017.

On the other hand, the proposed qualifiers ACTU and INDI doesn’t mean the same thing so the decision of the French Market (still under discussion) may be simply not to replace FDIV /PDIV and just remove them from the messages.

*Note from SWIFT: The MWG decision to implement this CR in SR2016 can no longer be reverted. France can still vote against the CR at the country voting phase.*

# CA278 Sample for usage of PRFC / NWFC in INT and redemption



The above Market Practice proposal from Bernard in the attached document is approved by both RU and the ICSD’s.

We have not received any ISITC feedback yet on this proposal (on how do the 2 MPs compared with each other ?).

**Decision**: The new proposed MP will be approved at the next conference call and the open item closed if no other feedback is received by then.

Action: Remaining NMPGs to provide feedback on the proposed MP.

# CA284 MP for amounts larger than 15d

The group agrees to modify the case 3 of the proposed market practice in section 8.33 by replacing the terms “*by as many MT 566 as necessary*” by “*as many movements as necessary*” and also to extend the case to the securities movement as well for the :36B::PSTA quantity.

Section 6.11.1 of the GMP1 document is also amended to be consistent with the above.

**Action**: All NMPGs to review and revert if they don’t agree with the new version. If no objections are raised prior to or during the next conference call, the MP will be approved and item will be closed.

# CA289 MAND event with Required Owner Action

The proposed market practice has been slightly amended during the meeting and a 5th use case added (similar to case 4 but with dividend held in escrow).

Amendments to the proposed MP are shown in the attached document below:



***Comments received from FR NMPG via email***

*We don’t understand scenario 3. Does it mean that the account owner must answer before the Rights Distribution?*

*If this is the case, French NMPG is against this proposal because we don’t see how to manage the messaging flow because it is said that we require an answer from the client “in order to receive the securities”. If we refer to the new securities coming from the associated EXRI event, it could work but in such a case, the description of the scenario should be reviewed because ‘securities’ is used both for the rights and the new securities.*

**Action**: All NMPGs to review and revert if they don’t agree with the new version. If no objections are raised prior to or during the next conference call, the MP will be approved and the item will be closed.

Action 2 for GMP1 SG is still pending.

# CA297 MT564 & Multiple MT568 linking



No further comments received by NMPGs. The market practice is approved. The item can be closed.

# CA298 Capital Gain - cash distribution components

No answers yet received from ISITC on the pending question 4 (*Q4. Why is CAPD mentioned in the ISITC market practice document? Should the event type be CAPG?)*

**Action**: ISITC are kindly requested to provide an answer by the next call, in order to close the item.

Action 2 still pending on ISITC answer.

# CA300 Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP

See minutes above in section 4.8.

# CA303 Usage of PWAL for DVOP & DRIP

A new section 3.11.9 on PWAL has been added to the GMP Part 1 which reads as follows: “*The period of action is provided by the issuer (or its agent) and always ends on market deadline.*”

**Action**: Christine to try to find the text regarding “Market Deadline” vs. “CSD Response Deadline” from meeting minutes between 2002 and 2008.

# CA305 MT567 for Late and Accepted Instructions

The following proposed market practice in new GMP1 section 7.2 was approved: “*A single “Status” subsequence only may be included in the MT 567 though more than one reason may be included if needed and applicable.*“

No CR to remove the repetitiveness of the “A2 Status” subsequence is deemed necessary at this time, but this will be monitored.

**Action**: Item can be closed.

# CA306 Which Event for Redemptions on ELN without any Resulting Payments

Both BE and CH are also in favor of using REDM.

**Decision**: Since there is a high majority in favor of REDM, REDM with option LAPS is the event to be used in this case.

Action: GMP1 SG to add this to GMP1.

# CA307 NMPGs/Market/Country Status Report on Local MP Publications

Oral NMPG/Country reports have been provided at the meeting by FI, CH, BE, DK (rather VP), NL, US, SG, KR & JP (unofficial report provided by SWIFT), ZA, HK (unofficial report provided by observer), IT, DE, LU and SE.

**Country Report Highlights**

***The following sections are based on quick notes taken by Jacques on the fly with no guarantee of correctness or completion.***

**Action**: All NMPGs to send their updated written report to Jacques if they want to complete/correct the below highlights. **Action**: Spain is reminded that they should submit a specific country column for the EIG+ table.

Informal list of topics you may want to include in your report:

* new MP publication (new local MP documents, new EIG CC, …)
* new MP in development
* any deviations from Global MPs
* status of MPs implementation
* regulatory related news
* ISO 20022 migration plans
* other project / migrations news
* MyStandards UG Dev. Status
* …

**BE**

Key focus is on the T2S Wave 2 dependent on EOC ESES sphere for CA.

Otherwise few CA local topics in BE as CA volumes are quite low.

No real BE specific MPs to be covered.

**CH**

On June 22, CH has been operating fully as per the CA JWG principles.

**DE**

Working on T2S wave 3 for Sept. 2016.

Record date in DE: the law must be amended to since for the moment the Ex-date is set on the day after the GM. Should be completed and implemented for 1st of Jan. 2016.

The “CUM” and “Option” flags will be implemented for T2S on Nov. 23 release.

Tax issues need to be aligned with CA and S&R.

There is a possibility that all GMs have to be announced to all EU clients (not only DE clients) with the new MiFiD/EMIR regulations.

**DK**

VP (CSD) moving to ISO15022 and ISO20022 standards for CA.

**ES**

Iberclear migration from Proprietary solution to ISO15022 is underway but the live date (October 2015) was been very recently postponed to later next year.

**FI**

FI is changing the CSD platform replacing proprietary standards with ISO15022 and 20022 for corporate action and asset servicing.

Live date targeted is May 2016.

Related UGs on MyStandards have been created by EOC Finland.

**FR - Written report**

We spent our last NMPG to work on the SR2016 Change Requests so nothing new except some feedbacks on the SMPG open items (see all above topics).

Regarding Market Practices, they are currently reviewed globally by the Market in the frame of the H2D / HDR project so I don’t know what sort of information you may require.

Furthermore, the French NMPG was wondering if the report was supposed to highlight the discussion topics during our NMPG meetings or only what relates to Market Practices amendments?

The reason why I’m asking is because the French NMPG meetings are usually dedicated to the Global CA SMPG open items and not necessarily to Market Practices review and update … except when it relates to the above mentioned Harmonization project ! … Or Swift Releases.

**HK**

No real active NMPG so far.

**IT**

Mainly busy on T2S migration.

Start using MyStandards for CA, S&R and IF.

MonteTitoli has been pushing issuers to enter the CA event information in a structured way on a central platform.

Ongoing discussions with Issuer on Proxy (in the pipeline for after T2S).

IT column for EIG+ will be addressed after T2S.

**KR**

Working on their EIG+ column.

No news on ISO20022 implementation plan at this stage.

MyStandards is used in the S&R context for the moment.

**LU**

CA on IF is now being discussed. Key players are the TA’s in this matter but there is apparently no real desire to progress on this. Will be addressed by ALFI in November.

No ISO20022 plans for now. MyStandards mainly used by Clearstream and RBC.

No real MPs to document domestically since domestic market is small.

**NL**

The NL NMPG has been integrated into other NL Securities groups.

CA JWG market standards and T2S are the main focus for now.

In September 2016, in Europe, MT 565 for instructions should be adopted.

MT564 formatted templates have been set up for use by Issuers.

**SA**

The focus is on market infrastructure for the moment with the possible move in settlement from T+5 to T+3.

**SE**

No SE MP document since no real SE market specificities. There is however a “Nordic countries” generic MP doc. Maintained and the SE EIG+ column is maintained as well.

No ISO20022 plans but Euroclear has decided to fast track ISO20022 in FI using TCS Banks.

**SG**

The NMPG has been working on the first issue of the EIG+ SG column earlier in 2015.

There has been recent regulatory law changes for e-Proxy in SG impacting Nominee/Omnibus Accounts management and Registrars.

SGX plans to create a utility to become e-Proxy conduit for APAC.

The focus is now on S&R ISO20022 standards.

There are still discussions about which standards to adopt for CA processing (ISO20022/ISO15022 or proprietary).

**US**

Migration to ISO20022 for CA still ongoing. Phase 4 is now targeted for 2016.

# CA308 Question on Multi listed securities MP

In some instances, Euroclear UK&IE might pay EUR on a holding in a given security that is safe kept in Ireland and GBP on a holding that is safe kept in the UK. This will be the case even though the ISIN and PSET are the same, since it is the same security, held in the same CSD, i.e. Euroclear UK&IE

The CA-WG reviewed GMP1 and made changes to two sections covering this:

Section 3.8.2, on multiple deposited securities: This section was removed since deemed redundant with section 8.1.2.9 covering the COAF and multi-deposited securities as well.

Section 3.8.3 Place of Safekeeping: This section was slightly rephrased.

Section 8.1.2.4 of GMP1 on COAF was reviewed and found that it is not defined sufficiently clear in cases where, for example, a Global Custodian is holding a security with several sub-custodians which are offering different options and/or different deadlines. In these cases, the global custodian should be allowed to use different CORPs to correctly reflect this.

**Action**: Christine to draft an amended section 8.1.2.4 so as to better reflect the option to have several CORPs for one COAF (i.e. n:1 relationship)

# CA311 Question on CAPA Cancellation

**Decision**: In the case the eligible balance has gone to zero after a first MT564 REPE CAPA message [or seev.035 (Corporate Action Movement Preliminary advice message)] has been already sent, this message must not been cancelled but a replacement MT564 REPE CAPA message [or seev.035 (Corporate Action Movement Preliminary advice) REPL message] must be sent with eligible balance and entitlements set to “0”.

Action: GMP1 section 4.3.3 was updated accordingly during the meeting. The Item can be closed.

# CA313 Instruction no longer accepted on some VOLU events

Bernard provided the following example:



Decision: An MT567 REJT with Reason in the narrative field is to be used.

**Action**: Close Item.

# CA314 Make Format Option L available for PRPP (as it is for OFFR)

The PRPP price (in MT564 sequence E2) contains already the format option K (Index points) therefore the question is no longer needed.

**Action**: Close Item.

# Tax Subgroup - Status / Progress Report

Jyi-Chen reports about the latest status of the tax subgroup:

1) The tax CR was accepted – now the Tax SG needs to create an MP for it

2) The tax certification process will be progressed. There are today 2 schools of thoughts. Pros and Cons of each solution are now collected.

3) Some other items are also under discussion:

* Message Flow: Another questionnaire to be sent to the group to ask for opinions regarding the flow for messages in case of tax relief at source.
* Question regarding Tax reclaim with multiple tax rates will be answered shortly.
* Recent KR and SA questions have now been closed.

4) More members are always welcome!

The next call has been scheduled for December 10 at 2:00 PM CET.

# CA315 Extending CA MPs to ISO 20022

Christine provided the background to this request from the SWIFT board (and community).

The CA-WG believes the existing document should generally be sufficient, since the market practice principles are “standards neutral”. Also, the US market has been able to implement MX messages using the existing ISITC market practice, and they are continuing to use the existing market practices.

However, we interpret the request to make the GMP documents more standards-neutral and to also provide examples of ISO 20022 messages (or parts of messages), as is done for ISO 15022.

**Decision**: As a “proof of concept” or “feasibility study”, a few examples of how a completely standards-neutral GMP document and/or a GMP document with illustrations in both ISO 15022 and ISO 20022 would look like, will be created.

Once we have found an optimal solution how to amend the existing market practice, Christine will revert to the SWIFT board.

**Actions**: Jacques to create a couple of examples of the above and send it to the CA-WG.

# CA316 MPs specific for Issuer announcements ?

Christine outlines the different issues:

Issue 1: What happens when the issuer (or the CSD as official source of the COAF) changes the event after the CSD has announced it?

**Decision**: The three key elements are applicable also for the COAF, not only the CORP. In this example, and provided the change relates to one or more the three key elements (CAEV, CAMV, ISIN), the CSD should announce a new COAF. The first event is regarded as withdrawn.

Issue 2: Can the options be changed (replaced and/or removed)?

* The issuers must not replace any options; they are to adhere to the rules that have been defined by the SMPG regarding the option numbering (section 3.11.11);
* All official options have to be passed on stating the correct option number throughout the chain. E.g. there are 001/EXER and 002/LAPS issuer options. 003/SLLE is an account servicer option. Then the issuer announces 003/OVER. What to do?

**Decision**:

a. CSDs are not to allow issuers/issuer agents to change the order/number/code of options, but instead use the OSTA//INTV (Inactive) or CANC (Cancelled) indicator codes (easier said than done)

b. Propose to resurrect the old market practice proposal to assign account servicer options option numbers starting with 9, e.g. 9nn, to prevent conflict between issuer and account servicer option numbers

Issue 3: What if the issuer CSD makes an incorrect interpretation of the event at the same time it assigns a COAF? Can intermediaries use the same COAF but with the correct CAEV?

**Decision**: The least bad solution was agreed to use the correct CAEV code but still include the same COAF. This will assist in reconciliation between different information sources.

**Actions**:

1. All NMPGs are requested to review and revert on the above proposals.

2. Jyi-Chen to raise the question at (and coordinate the discussion with) the ISSA committee.

# AOB

## A. BMET vs. CONS (Raised by Alexander/NO)

How do we correctly announce an event that involves both, a physical meeting of the bondholders and a consent payment?

The proposal would be that CONS should be used, if there is a consent fee (to reduce the risk that the client misses the potential fee that they can collect).

If BMET is being used, the MT564 messages could, if the client has appointed a proxy service provider, be sent to this proxy provider (e.g. Broadridge, ISS). However, the MT566 for the Consent payment should still be sent to the account holder (who has never received an MT564).

But if CONS would be used by the agent bank and ISS/Broadridge are receiving the information from another source, the client would potentially be able to vote through both, the agent bank (processing the CONS event) and through the proxy service provider (processing the meeting event that they have received from another source) (Side note: Broadridge and ISS are informed about the holdings of the client by a daily statement of holdings that is mandatory to be sent to them, when subscribing to their service, so they don’t need the MT564 from the agent bank).

A question that has been raised during the discussion is, if Broadridge and ISS can instruct directly to the issuer/agent or if they have to send the instruction to the subcustodian. It is important to ensure that no duplicate instructions are sent and that the subcustodian can correctly process the incoming consent payment.

**Action**: Christine to get in touch with the co-chairs of the proxy voting subgroup (who are from Broadridge and ISS) to clarify the process on their side.

## B. The Corporate Actions Survey 2015 (CityIQ/SWIFT)

The Corporate Action 2015 survey results report is available at the following location:

<http://www.cityiq.com/uploads/documents/f3443c66a3fa0286003ad3897be5d398.pdf>

**Note that on page 25 the SMPG appears from the survey as the group likely having the biggest impact on corporate actions quality and STP !**

**------------------------ End of the Meeting Minutes ---------------**