

SMPG - Corporate Actions

Minutes of Warsaw Meeting

18 to 20 April, 2018

DRAFT Version v0.1 – May 8, 2018

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**Attendees**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** | **Title** | **First Name** | **Last Name** | **Institutions** |  |
| BE | Mrs | **Veronique** | **Peeters** | BNYM |  |
| CH | Mr | **Michael** | **Blumer** | Credit Suisse AG |  |
| DE | Mr | **Daniel** | **Schaefer** | HSBC |  |
| DK | Mrs | **Randi Marie** | **Hattens** | VP Securities |  |
| FI | Mrs | **Sari** | **Rask** | Nordea Bank Plc |  |
| FR | Mr | **Jean-Pierre** | **Klak** | States Street Banque |  |
| IT | Mrs | **Paola** | **Deantoni** | Société Générale Securities Services spa |  |
| JP | Mr | **Hideki** | **Ito** | Mizuho Bank |  |
| MDPUG | Mrs | **Laura** | **Fuller** | SIX Financial Information |  |
| MDPUG | Mr | **Peter** | **Hinds** | ICE |  |
| NL | Mr | **Ben** | **van der Velpen** | ING Bank Amsterdam |  |
| NO | Mr | **Alexander** | **Wathne** | Nordea Bank |  |
| PL | Mr | **Leslek** | **Kotakowski** | KDPW |  |
| PL | Mr | **Michal** | **Krystkiewicz** | KDPW |  |
| SE | Mrs | **Christine** | **Strandberg** | SEB | **WG co-Chair** |
| SG | Mr | **Jyi-chen** | **Chueh** | Standard Chartered Bank |  |
| SWIFT | Mr | **Jacques** | **Littré** | SWIFT | **WG Facilitator** |
| UK&IE | Mr | **Matthew** | **Middleton** | London Stock Exchange |  |
| US ISITC | Mr | **Paul** | **Fullam** | FIS |  |
| US ISITC | Mrs | **Karla** | **McKenna** | Citibank, NA | **SMPG Chair** |
| US ISITC | Mr | **Steve** | **Sloan** | DTCC |  |
| XS - ICSD | Mr | **Jean-Paul** | **Lambotte** | Euroclear Bank |  |
| ZA | Mr | **Sanjeev** | **Jayram** | RAND MERCHANT BANK |  |

# Meeting Agenda

These minutes are based on the distributed Warsaw meeting agenda. See document ” *SMPG\_Meeting\_Warsaw\_18\_20\_Apr\_2018\_CA\_DetailedAgenda\_v2*” here below (also posted on the SMPG web site):



# Notes Taking

Jean-Pierre to help with meeting notes for the minutes.

# Next Conference calls Schedule for 2018 Q3 / Q4

Next conference calls for Q3 & Q4 will be scheduled on July 31, September 25, November 13, December 11, 2018.

Next physical meeting: Sydney - 17 to 19 October 2018

There was also a proposal to reduce the number of conference calls of the CA WG and compensate it with longer physical meetings or eventually reduce the length of the conference calls and have an agenda a bit more focused.

**Decision**: As of the next Webex meeting in May, We will shorten the calls to 1H30 (instead of 2H00). The Webex will open at 2:00 PM CET but the conference call will actually start at 2H10 CET so as to allow people who have back to back conference calls/meetings to change rooms and join our call on time.

In Webex calls, focus on less complex topics and leave the complex/difficult topics rather for the physical meetings.

# Approval of March Conf. call Meeting Minutes

March minutes were approved without changes.

# Poll on Sydney meeting Attendance

Results of the attendance poll for Sydney meeting (CA WG):

* 2 members + AU can definitely attend
* 8 members can definitely not attend
* 10 members could possibly attend, and a short majority of those will most likely be able to attend

Follows a long discussion about the attendance to the SMPG meetings organised outside EMEA (Europe) region:

The main outcome of the discussion around the Sydney meeting is that since the SMPG is a global MP group, it is legitimate to organise some of the physical meetings in the APAC or in the Americas regions from time to time, knowing that most of the SMPG global meetings are in EMEA region already. The number of attendees should not be the only decision criteria to go overseas. Some of the APAC and Americas members travel already most of the time to the EMEA region and it is logic that some meetings are held in the other regions as well.

The global and WG meeting detailed agenda should always be adapted to the number of attendees and we should not take the low rate of attendance (if any) as an excuse to not organise meetings in remote places.

The SMPG Steering Committee is therefore proposing that during the Warsaw meeting each WG is working on a potential WG detailed agenda for Sydney and that all this be consolidated with a plenary session agenda proposed by the SC so as to have a draft agenda for Sydney ready to be sent to the membership before end of April.

This will give us all more time to prepare a travel request to Sydney with a concrete agenda behind it.

# CA WG Co-Chair Elections

Christine is re-elected unanimously as co-chair.

Since we have learned that Bernard Lenelle is no longer working for Clearstream, the second co-Chair position has very recently become vacant.

**Action**: Jacques will launch asap the election process with a call for candidates to replace Bernard.

# CA279 Market Claims New Messages Development

The endorsement of our White Paper has been received from all industry groups contacted except EACH although the support for implementation of new MT messages (versus ISO20022) is not clear at this stage.

CH has informed the CA WG beginning of this week that they were not supporting the implementation of new MT messages for this, only ISO 20022 messages (see Mike Blumer’s email from April 16).

Most of the NMPG’s at the table thinks that there is not a huge enthusiasm for MT messages (except from the UK side – UK reps were absent on the Friday when the topic was discussed but UK confirmed their strong support via email afterwards).

Most think that the current ad-hoc solutions adopted by the markets are still manageable. In some cases, we could think of eventually using the MT567.

Also, with the time it will take to adopt the ISO 15022 solution, the migration to ISO 20022 might be there already.

Conclusion: Little appetite for creating messages in ISO 15022 around the table but consensus for creating messages in ISO 20022 for the future.

The question is whether we are ready to migration to ISO 20022? Should this be part of the incentives to move to 20022?

**Decision and action**: In order to have a complete picture for MT implementation, Christine will send an email today to all CA-WG members requesting them to respond by May 2 if there are institutions with a not insignificant market share in their NMPG which are willing to commit to implementing MT messages for market claims in SR2020.

# CA315 Extending GMP Part 1 in ISO 20022 – Remaining Issues

**Action 1:** how to tax cash dividend events and reinvest on cash dividend events in the context of an omnibus account.

The tax subgroup has discussed tax on optional dividends. French market uses different options to indicate the different tax rates. It does not use different options in mandatory dividends. The Tax SG has already closed the topic.

**Action 2**, PV: Postponed

# CA366 Voluntary Rolling Event – Review new CONV Definition CR

**Action**: Jacques to write the CR based on the proposal made by the group end of 2017.

# CA372 Reporting Issue with Reverse Market Claims

The Swiss market has not yet drafted the CR. The CA-WG discussed various solutions like a new code in ADDB to indicate reverse market claim or adding a 17B flag in sequence D of the MT564. However, another market claim ADDB code may cause confusion and should be avoided.

**Action**: Mike will review the different solutions, keeping in mind the importance of not asking for a change which affects everyone (such as the idea to change the definition of CLAI to only apply to market claims on pending transactions).

# CA375 SR2018 - GMP Part 1,2,3, Samples

**Pending Action 1 – Remaining Templates review**

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Christine has reviewed the templates assigned to Ben (both DRIP CHOS with Interim and REDM CHOS) and proposed some changes around the M/R/O settings against some fields in the DRIP CHOS as illustrated in the attached document. In addition, also apply following changes in DRIP in second event:

* CORP reference assign “R”
* OPTN assign “O”

All other proposed changes are accepted.

**Pending Action 2 – PPMT EIG CC for AU:**

No feedback received from AU (Narelle) so far.

MDPUG feedback: PPMT was only seen twice by ICE since the start of 2017. There is one PPMT event going on in Switzerland currently for funds unit emitted with a payment plan for 3 or 4 payments in the future.

ZA Feedback: there has not been a need to process PPMT events in the ZA market thus the event has not been used.

It is agreed that SECU is the correct option code for the payment option.

**Pending Action 3 - PCAL template not compliant with the CAJWG standards?**

After some discussions it appears that the PCAL event does not fit really well into either a “Reorganisation” event or into a Distribution event as defined by the CA JWG standards.

In theory as per the European CA JWG Standards, PCAL should result in a change of ISIN. However, in practice, it is not the case.

Currently ZA utilises PCAL for partial redemptions and as only part of the security is redeemed the remaining securities do not change ISIN. In the event the ISIN changes then it could be said that the existing ISIN converts into a combination of cash and new security.

In the UK, PCAL is becoming more frequent with 40% of the bond redeemed and the remainder goes to a new ISIN. These are currently processed in the UK as EXOF event (with NEWO but no RATE) as PCAL shows only CASH. However, CHAN could be used instead in those cases.

**Decision**: A new CA JWG market standards for PCAL might be needed. For now, no change should be made to the existing PCAL template and to the EIG+.

**Action**:

1. Jacques to correct the DRIP CHOS changes in the template document and check if all :11A::OPTN are optional in the document.
2. Véronique, Jean-Paul, Ben, Randi, Christine and Jacques will work together to draft a template for a partial call event according to CAJWG standards.

# CA378 TNDP MP and TNDP Indicator DSS Usage

**Action 1 – New TNDP Market Practice**

AU and the US have been working on creating a new market practice for use of the new TNDP event code, but are not yet ready.

The US has however decided to not use the DEEM rate, and instead use the “ordinary” qualifiers such as GRSS and INTP. However, the WG fears that if GRSS or INTP are used, the account owner might think they will receive some cash proceeds whilst it will not be the case. The WG asked that the US market reconsider this position and recommend to use the DEEM rate as well so as to have a consistent market practice.

Decision: The DEEM rate type codes should only be used if there is a need to break down, due to different tax treatment of say deemed interest vs. deemed dividend.

**Action**: Steve and Paul will take this back to the tax group in ISITC and revert at the next call.

**Action 2 - Use of the new TNDP indicator and DSS for the tax regime**

Decision: For the TNDP indicator, the WG agrees to use an “SMPG” DSS. This means that a list of available codes for various tax regimes in various countries including the reference of the tax law in question can be defined, managed and published under the SMPG control.

Any code would start with the country code and followed by a sequential 2 digits number. For instance, the US could have two codes:

* US01 for 871M
* US02 and 305C

and AU could have AU01, etc….

# CA382 CAST Message Enhancements to Provide Options Instructions Details



Steve provided background on the original CR which was rejected at MWG for SR2018 due to lack of knowledge/understanding.

Most of the information in the CR is already used today by DTCC and its clients in the ISO 20022 extensions of the CAST message.

Véronique proposed that the CAST message be expanded to also potentially replace the Excel spreadsheets exchanged between custodians and with the CSDs today.

Compare also with the structure and information that is included in the MT 536 statement of Transaction message.

**Decision**: The business need for adding this information is acknowledged and supported by the WG, however we need still need to agree on some of the CR detailed information.

**Action**:

1. Véronique to provide some samples of the Excel sheets exchanged between custodians and with CSD.
2. Set up a pre-MWG session to discuss this in more detail.

# CA387 MT566 and Tax Breakdown for Omnibus Account

Feedback received from remaining NMPGs:

FI: One MT566 is sent per account and tax rate

PL: KDPW sends an aggregated MX CACO (seev.036) with multiple BO movements. CSD members split that into multiple MT566, one per BO.

SE: sends either one MT566 per tax rate or one MT566 per account.

DK: Only two NMPG members responded; both send one MT566 per account and tax rate.

JP: Depends on the sub custodian, some send one MT566 per account and others send one MT566 per account and tax rate.

ZA: Depends on the custodian, some send one MT566 per account and others send one MT566 per account and tax rate.

Follows a discussion of what exactly the original question was: did it refer to a breakdown received before payment date, a breakdown received after payment date/i.e. a quick refund or a tax reclaim?

From a GMP1 market practice perspective, it should not matter, as long as the movements in the messages reconcile with the movements on the account/s, we are fine.

**Action**: The Tax SG to revert in case they wish to create a market practice on use of aggregated tax rate

# CA388 CR on Round-Up Quantity Related to the French DVOP / Warrants Exercise / Convertible bonds



Jean-Pierre presented the French DVOP examples and related FR change request on the MT565. The scope of the CR is wider than just between Euroclear France and its members.

The information is part of the official announcement (if the issuer chooses to use its legal right to offer this round-up) and should be forwarded to all investors – including those outside of France.

This case also represents a large part of the elective events on the French market i.e. around 30% of all elective events per year.

ZA feedback (sent via email prior to the meeting): “*The suggested CR could prove to be a complicated method of dealing with fractions. ZA MP is to round security entitlements down to the nearest whole number and fraction entitlements rank for a cash residual payment. The Issuer would announce an issue/offer price (which would normally be the 5 day VWAP) and fractions will be paid at that rate. Fractional entitlements are aggregated by CSD Participants and sold in the open market. The proceeds from the sale of the shares are used to pay fractions. It could result in a Participant being long or short in cash however the amount is negligible in the greater scheme of things.”*

Other feedback from NMPGs:

* The “Buy up” feature for disposition of fraction on DVOP is not offered in many countries.
* If some countries do support the buy up for DISF, the instruction is usually done at the BO level.
* In some other countries (UK & DE for instance), the ratio is not known in advance. Therefore this solution is not applicable for them.
* There are possible alternative to the issue: using the “Over” option instead or instruct at BO level or using a structured narrative to cover this case. Note however that using the OVER option may entail to have to report it under MiFID.
* QREC and QOVE were already removed some years ago from the MT565 so as to work with a single QINS qualifier only; putting a second quantity qualifier back in the MT565 could lead to some confusion again.

**Decision**: The CA WG could not reach a consensus at this stage to support this CR. The MWG in August will decide.

**Action**: Close Item

# CA389 Brazilian Distributions



Citi has sent some more input to Laura about the different types of distribution in BR:

* The dividendos is **not** subject to income tax
* The rendimento is subject to income tax
* The juros is subject to income tax
* The rendimento de juros is subject to income tax

**Decision**: The CA-WG discussed it and proposed that the **DVCA** event code should be used with repetitive GRSS rates and rate type codes would be used to break down the rate using for instance TXBL/TXFR etc..

The existing rate type codes should be sufficient for the various types, but the Brazilian market has recommended to review the codes and to eventually request new (generic) rate type codes if necessary.

Ana Abidor from the Brazilian NMPG provided more background details as well during the meeting.

After some discussion, the WG’s recommendation remained unchanged – with a possible addition of having two DVCA events, one for the dividendos and one for the juros.

**Action**: Ana Abidor will bring those recommendations back to the Brazilian NMPG and see what they say and will revert.

# CA390 Moratorium Interest in RU

No input received from Elena after Christine’s email.

The topic is postponed until next call.

# CA391 Identify which Line of Multi-listed Securities on a Notification

After a long discussion on Place of Safekeeping, Place of Listing, Multi-Deposited securities and Multi-Listed securities, the recommendation should be to use the PLIS (Place of Listing) that is connected to where the securities is safekept.

**Action**: Veronique will write up her notes of the discussion and draft a proposal for and addition to GMP1, and send this to the WG for review.

# CA392 ZA CR on Foreign Dividend Indicator



The key issue for South Africa is to be able to distinguish between a local/domestic and a foreign dividend payment as there are different withholding tax implications and then receiver would also be able to distinguish which DTT (Double Taxation Treaty) is applicable. ZA is currently using COIN whilst but this should only be used when there are multiple distributions as explained in the GMP1 MP.

During a Tax SG conference call it was suggested to also distinguish in which “foreign” country the dividend is paid, hence the second/replacement CR asking for an ICTX qualifier to include the issuer’s country of taxation.

In general, there is not much support for the CR in the group as this information should normally be part of the reference data. However, this information is not in the corporate action announcement. The CR has come from client demand and ZA has changed the listing rules to say this information must be in the market announcement which generates a high volume of client queries.

**Decision**: The SMPG does not endorse the CR but instead asked the South African NMPG to propose an amendment to GMP1 for using COIN for single payment cases.

**Action**: Sanjeev/ZA NMPG to propose amendment to GMP1.

# CA393 GMP Part 1 Section 6.6 - Total Eligible Balance Usage in the Confirmation message

Discussion on what is meant by ELIG in the confirmation, for MAND/CHOS/VOLU events. The meaning of ELIG may be different at different stage of the event.

Decision: Since the ELIG balance is optional in the confirmation, the WG decided to not investigate the matter further and leave the section 6.6 in GMP1 unchanged.

**Action**: Topic can be closed.

# CA394 GMP1 Section 8.5 - Linking Using the Same CORP

In the section 8.5 on” Events on more than one underlying security”, the second paragraph of section 8.5 states that the same CORP can be used to link the 2 events whilst the same CORP can normally not be reused for another ISIN.

The MP should be corrected and indicate that the link can be done between 2 different CORP and eventually with a same COAF.

**Decision**: This MP may be supported as such in local MP, but since the event is very rare, the WG voted to remove the whole 8.5 section.

**Action**: Jacques to remove the section from GMP1.

# CA395 GMP1 - Remove PRII Reference in the Whole Part 1 Document

PRII is no longer used in US market practice.

**Action**: Jacques to remove PRII references from the GMP1 document.

# CA396 GMP1 section 9.7 Adjustment of Interest rate

The MP needs to be clarified.

**Decision**: Remove the entire section

**Action**: Jacques to remove the section 9.7 from GMP1.

# CA397 GMP1 – Remove CERT (Certification/Breakdown) flag in MT566

The WG discussed if there were any markets which could need to keep the flag.

**Actions**:

1. NMPGs to revert at next conference call if they wish to keep the flag in the MT566.
2. Jacques and Christine to draft a CR to remove it from the MT566.

# CA398 GMP1 – Full revamp of section 10 on Market Claim



The input document written by Mari was included in the second batch sent by Jacques the week before the meeting, therefore, no NMPGs had time to discuss it before the meeting.

**Actions**:

1. Christine to email everyone the specific questions and
2. NMPGs to review the input and provide feedback

# CA399 SR2019 ISITC CRs

**Buyer Protect Instruction CR**



The US cover and cover protect is not the same as European buyer protection, and should not be confused. The protect and cover instructions are sent to the CSD to be forwarded/on behalf of the issuer or offeror, and are for “preliminary” instructions on positions which are not yet available/received/settled.

The business case is approved although the naming and definition for the elements should be reviewed to avoid confusion and be less user-specific.

**Action**: Steve to remove all references to ‘buyer protection’ in the CR.

**Odd Lot Preference Indicator in MT565/CAIN**



The WG discussed this but the non-US members preferred the existing process of having two options with the same CAOP code, one which is for odd-lots and hence cannot be pro-rated, and one which is for larger holdings and hence can be prorated.

Decision: The CR was not supported by the CA-WG.

**Information to Comply With in the MT565 & 567**

The CR requests a new condition sequence in the MT565 / CAIN and MT567 / CAIS to provide acceptance/rejection (or compliance/non-compliance?) with various conditions for an elective event.

The idea is that the various conditions would be given a number/ID in the event notification and these numbers/IDs would be used in the instruction to indicate if they are supported or not.

This is not at all a current practice in Europe. Usually the conditions are indicated as supported globally and not on an individual basis.

The WG asked for a few example events, in order to try to determine if the changes would work downstream of the CSD members. If this is not possible, the WG is not in support of the CR.

**Action**: Steve to provide examples of those conditions for some typical events

**Oversubscription Deposit Price**

The request is to move oversubscription deposit price to the movement level. The OSUB is not the price per oversubscribed share, it is the deposit required, per share, when sending an OVER instruction

The US would like to change this in order to use it as the price for oversubscribed shares and move it from the option level to the movement level

The CA-WG once again proposed that the US market implement over-election as a separate option, and hence use PRPP for this price

**Decision**: The CR was not supported by the CA-WG.

# CA400 Scheme of Arrangement



The proposed CR from XS requests to create a new event for “Schemes of Arrangement”. The CR has already been submitted for SR 2010 by Canada but was rejected at the time.

Scheme of arrangement is already available as an ADDB code today in the standards.

It is usually announced as an exchange offer. There are a lot of options, with same option code SECU, but with different underlying conditions per option code and consent which makes the management of options very complex, usually too complex. It requires often lots of narrative and it breaks STP.

Decision: The preliminary conclusion of the WG discussion is that that creating a new event for this would not improve STP at all.

**Action**:

1. Affected NMPGs to investigate if STP would be improved by such a change and revert by the next conference call.
2. Steve to look if a US MP cover this already and,
3. GMP1 SG to eventually create a new MP based on ISITC one if any.

# CA401 SHRD2 Proxy Voting Minimum Requirements - Consultation





The CA-WG discussed the content of Shareholders Rights Directive II and the business/process implications, but after some time decided to focus on the messaging issues: the annex.

The goal is to check also that the ISO 20022 PV messages are compliant with the Minimum requirements for SHRD2.

Table 1 - Request to disclose shareholder:

* No ISO message exists to date for this purpose.
* “Date from which the shares have been held”: not clear at all what are the conditions around the provision of this date for instance if same shares are bought/sold at different dates, which date need to be provided ?

Table 2 - Response to shareholder disclosure request

* Semt.041 is a possible candidate, but it is based on an aggregated balance report/statement going through the chain of intermediaries and would need substantial changes/additions to suit this purpose. In the case of SHRDII, the response to the request should go directly to the issuers or a third party appointed by the Issuer (i.e. not back through the chain of intermediaries).
* It may be better to develop a new message for this, since the request would be a new message anyway.
* The enforceability of the disclosure process is not clear outside of the EU ?

Table 3 - Meeting notice

* The PV meeting notice message, seev.001, should work for this, though minor amendments may be needed. However, more significant changes are required if part C cannot be included. Indeed, the statement in the annex that if a URL is available only blocks A and B should be provided is questionable especially from an instruction processing/validation perspective.

Tables 4-7, Should be covered by the other ISO PV messages suite.

Table 8 - CA notification

* Should not be any issues.

Should the SMPG CA-WG create the market practice for these new processes?

**Decision**: Yes, we should. And we likely need to start quite soon, to prevent diverging local market practices from being developed.

**Action**:

1. Jacques to put the topic at the agenda of the next SC meeting to discuss if we need to write to the EU Commission calling for common EU approach on messaging for the SHRDII and a global market practice be developed?
2. PV subgroup to be reactivated to work on PV MPs.

# CA402 New Status Reason Code for Amended QINS

Question submitted by Véronique:

For an event/option where instructions must be sent with a quantity on multiple of 5 and an instruction is received where QINS is for instance 101 units, do we need to reject it?

An alternative could be to accept it as QINS for 100 (at least if covered in an SLA) and send this status in the MT567 indicating the QINS was amended.

But there is no code today in the standards to say that the amended quantity was accepted, so the receiver of the 567 would need to notice the quantity discrepancy.

Could the MT567 be amended to alert the receiver of the amendment?

**Decision**: The SMPG accepts to support a CR to create a new reason code for the PACK status or a new “Accepted after Amendment” Status.

**Action**: Véronique will draft a CR from the Belgian market requesting either a new status qualifier (allowing further development of reasons for the amendment), or a new IPRC code to say ‘accepted after amendment’

# CA403 Multi-Deposited Securities and COAF / CORP / SAFE in the MT565

Question submitted by Véronique:

For multi-deposited securities (e.g. due to T2S, due to two sub custodians in the market), some institutions are reluctant to using CORP in the MT565. Some prefer sending MT565s with COAF and having “NONREF” in CORP, and use Place of Safekeeping (:97a::SAFE).

Can we add a new market practice in GMP1 to cover this case ?

**Decision**: The group agrees to have a market practice added in GMP1 around that case and stating that in case of “split holdings” in T2S, when a COAF is unique, either the CORP & COAF can be used in the Instruction or the COAF & the Safekeeping place (as provided in the Statement of holdings) with NONREF in the CORP.

**Action**: Véronique to draft a new market practice for GMP1.

# CA404 Value Date in the Confirmation

Question submitted by Randi-Marie:

The Danish CSD (VP), when acting as the issuer’s system paying agent in central bank money has been requested to include “value date” in the confirmation.

The group discuss about the following points:

1. That value date is not applicable for central bank clearing systems, and

2. Whether CSDs should nonetheless follow global market practice and simply include value date, equal to posting date, in the confirmation?

**Decision**: This practice only affects a limited community and the value date is meaningless in the context.

**Action**: GMP1 to draft a new MP for GMP1 providing an exemption from including value date in the confirmation for CSDs paying events in central bank money.

# Market Claims for Cash Distribution at SG

Question submitted by Jyi-Chen:

SGX is in the process of implementing support for market claims for cash distributions. They are using the European standards and T2S as the basis.

SGX has proposed to create market claims as PFOD instructions (0 quantity), since that is how it is done on T2S.

The CA-WG members who are also members of the CAJWG and T2S CASG responded that all movements of cash and/or securities have to be instructed using sese.023 messages, since T2S was built as a securities settlement system, with an additional restriction on using only sese.023 messages (and not messages such as corporate action instructions). There is no reason for CSDs not on T2S to implement the same messages, and the same system restrictions.

The recommendation from the CA-WG is to use the same transaction/message type for the market claim as that for the underlying event transactions.

# October Sydney Meeting – Preparation of a Global and Detailed CA WG Agenda

Armin Borries joined the CA WG for some time in order to discuss an initial global agenda for Sydney so as to be able to send a draft agenda to the SMPG members around end of April already. This should help all SMPG members to prepare their travel request for their management enough time in advance.

Plenary meeting – Morning Session October 17 – Proposal for agenda

* AU Market Business Topics by the Sponsor(s)
* Regulation – an overview on what is happening down under (Speaker from the local regulator)
* Experience on ISO20022 implementation by AU market
* Experience on the instant payment system in AU
* GPI update – securities industry impact
* Implications on SMPG from the ISO20022 survey by SWIFT

Afternoon – 3 Rolling Demo Sessions of 45’ each

* DLT experience – overview with a deep dive in the respective working groups for dedicated questions (in ASX lab facility)
* API – what is it and how will this influence our work
* Third topic TBD

CA WG Proposed Detailed Agenda

1. Market practice issues from the Asia Pacific region
2. SR2019 MWG actions for the SMPG
3. Market practice for the business/process changes due to SRD II
4. SR2019 GMP1-3 updates
5. RMPG / APAC regional update – after regional APAC meeting – CA topics
6. Finalise extending CA MPs to ISO 20022
7. Development of ISO 20022 market claims messages
8. Continue working on CA current Open Items

**Action**: SMPG SC with WG –co-Chairs and facilitators to finalise the global agenda and consolidate the WG agenda all together in an extraordinary conference call next week on Wednesday April 25.

# AOB (CA405 & CA406)

CA405 - Question from Daniel: Should there be an indicator at securities movement level that the securities will be blocked?

The topic is not discussed, only raised.

**Action**: to be added to the Open Items list

CA406 - Question from Daniel: For CA-related cash postings on a T2S DCA, only the MITI/T2S reference exists according to the information provided to Daniel. Should then the MITI be added to the MT 566?

**Action**: Paola and Daniel will check what is included in the cash posting on T2S and revert.

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