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**Global SMPG Meeting**

**September 28 – October 2, 2020**

**Corporate Action WG**

**Virtual Global Meeting Agenda**

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| **Session** | **Date** | **Time**  **(Coffee Break**  **1:30 to 2:00 PM CEST)** | **Link** |
| **CA WG Session 1** | **Monday 28 Sept.** | **From 12:00 to 3:30 PM CEST**  **(Coffee Break - 1:30 to 2:00 PM)** | **See Webex invitation sent** |
| **CA WG Session 2** | **Tuesday 29 Sept.** | **From 12:00 to 3:30 PM CEST**  **(Coffee Break - 1:30 to 2:00 PM)** | **See Webex invitation sent** |
| **SMPG Plenary Session** | **Wednesday 30 Sept.** | **From 1:00 to 5:00 PM CEST** | [**Webex Link**](•%09https:/meetswift.webex.com/meetswift/onstage/g.php?MTID=e5030f259be24af593a99605ea5652303)) |
| **CA WG Session 3** | **Thursday 1 Oct.** | **From 12:00 to 3:30 PM CEST**  **(Coffee Break - 1:30 to 2:00 PM)** | **See Webex invitation sent** |

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| **Public Plenary Session Agenda**  **Wednesday September 30, 2020** | |
| **1:00 PM CEST** | **Opening of the Plenary Session** |
| **1:10 – 1:15 PM** | **Welcome Address**  ***(Armin Borries - SMPG Chair)*** |
| **1:15 – 1:30 PM** | **SMPG – 2020 Achievements and Challenges Ahead**  ***(WG Co-Chairs and / or WG Facilitators)*** |
| **1:30 – 2:00 PM** | **MP Harmonisation & Standardisation Initiatives in the Digital Asset & Blockchain Space**  ***(Alexandre Kech - CEO Onchain Custodian)*** |
| **2:00 – 2:45 PM** | **API story with the ISO 20022 data dictionary: Goodbye Messaging Standards, Welcome API Standards ?**  ***(Kris Ketels - SWIFT)*** |
| **2:45 – 3:00 PM** | **Break** |
| **3:00 – 3:45 PM** | **Securities Regulations: Where do we Stand ?**  ***Paul Janssens - SWIFT)*** |
| **3:45 – 4:45 PM** | **New SWIFT Platform Strategy**  ***(TBD - SWIFT)*** |
| **4:45 PM** | **Closing Plenary Session**  ***(Armin Borries - SMPG Chair)*** |

| **Item No** | **Short Description** | **Description and Pending Actions** | **Owner** | **Comment** |
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| 1 | 2021 Meeting dates | Schedule Conference calls for Q1 / Q2 2020 | Christine/ Mari |  |
| 2 | September 8 Minutes Approval | Comments / Approval of February webex / conf. call Minutes | Jacques |  |
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| **Work in progress** | | | | |
| CA419 | Definition of Instructed and Uninstructed Balances | Definition of Instructed and Uninstructed Balances. **Action:**  1. Mari will review the wording of the MP. | Jacques/Christine | **Telco September 8, 2020:** Pending action not yet performed. **Johannesburg - April 10 - 12, 2020:** Mari will try to propose a revised wording by the April call. **Telco February 18, 2020:** Mari will put together a proposal to reflect comments of last month. **Telco January 21, 2020:** NMPGs feedback: DE, ES, FI, FR, CH, JP, LU, SE, UK, ZA NMPGs approve the proposed definitions. However, the ICSDS have a concern in case the account servicer accepts instructions on the pending balance as this could result in a negative balance.  Therefore, we need to review the MP and be more precise and provide examples to describe the different scenarios in the MP text: • Instructions can only be provided on the settled position (some CSDs) • Instructions on eligible position with PENRs accepted (PACK) and so balance reported as INBA • Instructions on eligible position with PENRs kept on hold (PEND) and so balance reported as UNBA Mike will put together a proposal to reflect the above. |
| **CA437** | Auto-FX - Update of GMP1 Section 8.6 | **Actions:** Christine to refine the proposed MP. | Christine/Mari | **Telco September 8, 2020:** Pending action not yet performed. **Telco May 19, 2020:** It is proposed that the MT 566 should either have multiple cash sequences or multiple MT566 should be sent. **Johannesburg - April 10 - 12, 2020:** The example from Véronique is validated by the FR NMPG and agreed by all. Nevertheless, we should also illustrate in the new MP the scenario involving an intermediary currency i.e. 3 currencies in total. |
| **CA444** | Usage of QINS as requested quantity | GMP1 - Section 5.1 Instruction QINS - refer also to 5.5 for the requested quantity **Action:** Mari, Jean-Pierre and Christine to draft an extra text to 5.5, for a recommendation to include narrative when it is not clear on what QINS will mean. | Mari | **Telco September 8, 2020:** Pending action not yet performed. **Johannesburg - April 10 - 12, 2020:** The WG agrees to add new wording to section 5.5 to state that if the usage of QINS cannot be deduced from the event and option, then it is recommended that the usage of QINS be specified in the announcement.  **Telco February 18, 2020:** *Not covered during this call by lack of time.* **Telco January 21, 2020:** No additional feedback received at the call. **Telco December 17, 2019:** Feedback received: RU: No issue with QINS as Requested Quantity. ES: Same feedback as SE NMPG (do not believe there is a business case for this). |
| **CA450** | Usage of TBSP and UNSP for DTCH events (SR2020 - CR1533) | Create a new market practice to specify the usage of the TBSP and UNSP price codes for DTCH events. **Action:** Remaining NMPGs are reminded to review and revert by the SMPG virtual meeting (including to say that the proposed MP is N/A to the market). |  | **Telco September 8, 2020:** US supports the proposal. **Telco July 14, 2020:** Input: Catarina presented the proposal from the LU NMPG (see minutes). **Telco June 16, 2020:** Catarina will send a proposal, validated by the LU NMPG, later this week. **Johannesburg - April 10 - 12, 2020:** The WG compared the rejected CR from LU (CR001533) with the US MP.  The WG suggested that LU has a dedicated so-called “competitive option” with an early consent / premium deadline. |
| **CA451** | New MITI MP (SR2020 - CR1517) | Create a new MP describing the MITI usage in CA **Action:** Remaining NMPGs are reminded to review and revert by the SMPG virtual meeting (including to say that the proposed MP is N/A to the market). |  | **Telco September 8, 2020:** DE supports the amended proposal. **Telco July 14, 2020:** The French NMPG proposed adding “securities transaction statements” and amending the second paragraph slightly as shown in the document inserted here below (see minutes). **Telco June 16, 2020:** LU approves the proposed text. **Telco May 19, 2020:** See Daniel's input in minutes. **Johannesburg - April 10 - 12, 2020:** Everyone agreed on the purpose to recommend use of MITI in all cases where it is needed for reconciliation, but the text is focused more on a T2S description. It is agreed to remove the focus on T2S. The resulting text should rather focus on CSD participants/DCA holders receiving MITI from their account servicers. |
| **CA457** | GMP1 Section 8.17 on Usage of DateTime with Format Option E (UTC) | Add something about UTC for events subject to SRD II compliance as SRDII compliance requires to use UTC time for SRDII date time elements. **Actions:** NMPGs to review and comment. | Mari | **Telco September 8, 2020:** Jacques presented the results of his analysis on the usage of DateTime format options and of the corresponding ISO 20022 formats. The document has been already revised during the discussion (see amended document here below) - see minutes To be progressed at next call **Telco July 14, 2020:** Jacques has not yet had time to perform his action; the item was postponed. **Telco June 16, 2020:** DTCC is currently using offset in ISO 20022. Steve will check on the impact of the proposed market practice on their side. Jean-Pierre suggests to clarify the market practice and to specify usage of Format Option 98C for local time only and Format Option 98E with zero offset for UTC/Zulu time. Should we state also that the UTC indicator (i.e. “/00” in ISO 150222 and “z” in 20022) should always be present in that case? It is also suggested to change the title of section 8.17 and remove “UTC Time” and to review also the other GMP1 sections in chapter 3 talking about deadlines like 3.11.6 (Response and market Deadlines). As per the SRD2 MP, the MKDT deadline should be in UTC time whilst the RDDT would be the local time (i.e. the local time of the country specified in the country code of the sender BIC code) that might be ambiguous.  Why not review also the usage of format option C and E of all date/time elements?  **Telco May 19, 2020:** FR and LU indicate that they would like UTC time usage to become mandatory for the Market Deadline and Issuer Deadline elements. ISTC/US will come back with comments for the next call. All other NMPGs agree with the proposed reviewed market practice in section 8.17 of GMP1. |
| **GMP1 Subgroup – Pending Items** | | | | |
| **CA403** | Multi-Deposited Securities and COAF / CORP / SAFE in the MT565 | 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). Action: 1. GMP1 SG to draft a proposal to amend GMP1 section 5 and 8.1. | GMP1 | **Telco November 27, 2019:** No input received from GMP1 SG yet. **Brussels - Sep. 18, 2019** The action 2 on COAF has been removed since this has been transferred into the new open item CA442. The review of GMP1 section 5 and 8.1 still pending from Véronique.  The group agrees that the need for global custodians is mainly to use “Place of Safekeeping” for the few cases when in the instruction the COAF cannot uniquely be used to identify the local custodian to be instructed in cases the instrument can be kept by several local custodians. **Decision:** If bilaterally agreed in an SLA between the account servicer and account holder, the MT565 can include the place of safekeeping in addition to the COAF. **Telco June 18, 2019:** Véronique will draft a proposal for next call.  **Frankfurt - April 8 - 10, 2019:** Veronique explained her illustration in the attached document here above (see minutes) to justify the usage of place of safekeeping to remove any ambiguity in some cases.  COAF is not used in all markets and sometime inconsistently. So, all instructions should rather carry a CORP.  The WG agreed to review the market practice to not require a CORP (or having CORP with NONREF) and recommend that each instruction carry a CORP and if there is a SLA, COAF can be used and place of safekeeping may be used.  It was noted that the Place of Safekeeping is the immediate place of safekeeping, not the “top” level which would always be the issuer CSD and hence useless in the context. It is also proposed to move the CAOF Registration List into GMP2 Excel sheet and to ask the NMPGs to update their respective contents and ask about the current market usage (not used, partial use and wide usage). **Telco February 22, 2019:** Comments were provided by ISITC (Paul via email): “The use of NONREF in place of a CORP creates an issue as there would be no differentiation with an unsolicited response. The solution suggested is not addressing the issue holistically. The entire market practice should be reviewed. Better solution could be to make the COAF mandatory (currently optional) on the MT565 and continue to require the CORP”. Comments received from Jean-Paul and Charlotte/Randi in the following documents: (see minutes) Comments provided by Mike (CH): As the use of the COAF is still very sparse, and a lot of markets and more intermediaries are not we propose to strike the 2nd. sentence and any reference to "NONREF". Current automation/STP processes for MT565 messages are largely built based on CORP and other key data, not COAF. To track (and perhaps promote) the use of COAF, we propose to add another sheet into the GMP2 file, titled COAF use (see minutes).Discussion The first paragraph above on the usage of NONREF has been there already for years and has not been amended in any way in this open item.  In view of the comments received and of the discussion at the call, there is a lot of confusion about what is the issue we want to solve in that MP.  The open item will be scheduled for the Frankfurt meeting.  **Telco January 22, 2019:** Input document from Véronique (see minutes) The MP update will be approved at next February meeting if no objections are raised in the meantime. **Telco December 11, 2018:** Véronique confirms that Place Of Safekeeping should not be removed from the proposed paragraph in section 8.1.2.7 since it will allow to differentiate in the instruction between events having the same CORP similarly to the notification message. |
| **CA446** | GMP 1 section 3.17 - Clarify Usage of instructions when OPTF//BOIS is mentioned | OPTF//BOIS means that instructions are to be sent at beneficial owner level. Considering that BENODET is a repetitive sequence in the MT565, this meant that one MT565 could still be sent, albeit with the instructions report individually in the BENODET sequence. Instead, it seems that other custodians have interpreted that if OPTF//BOIS is populated, only one MT565 can be sent per beneficial owner. I looked at section 3.17 of GMP1 and I noticed nothing is mentioned on this point **Action:** GMP1 SG to clarify the text in section 3.17. | GMP1 | **Brussels - Sep. 18, 2019:** Business Context: OPTF//BOIS means that instructions are to be sent at beneficial owner level. Considering that BENODET is a repetitive sequence in the MT565, this meant that one MT565 could still be sent, albeit with the instructions report individually in the BENODET sequence. Instead, it seems that other custodians have interpreted that if OPTF//BOIS is populated, only one MT565 can be sent per beneficial owner. I looked at section 3.17 of GMP1 and I noticed nothing is mentioned on this point. |
| **CA452** | UETR in MT566 - seev.036 | NBB request (Jimmy Steenhout / Marc Lejoly) via Karine Taquet- SWIFT. For non T2S currency the tracking of the payment of a redemption for instance, can be difficult when there are several intermediaries and therefore having the UETR would allow to track the payment in GPI. If such is information is available upon the generation of the CA confirmation, then the request would be to have a CR that would require the addition of the UETR in the MT566 and the seev.036. Moreover as this information is required by January 2020 a workaround should be found in the meantime. Knowing that we intend to let SAA generate the UETR reference, is there a way to pass back this UETR to the back-end application that generated the related payment in an automated way?  **Agreed action:** The GMP1 SG to draft a text for inclusion in GMP1, stating that confirmations should only be sent to confirm movements that have actually settled. | GMP1 | **Brussels - Sep. 18, 2019:** The question has been raised by the NBB. Jimmy Steenhout from NBB is present to introduce the business case. The business case is related to the tracking in GPI for payments related to DVPs outside of T2S with currency such as USD GBP, JPY. This has been driven by CSDR and the harmonisation effort. In the case of CA coupons and redemptions, NBB would like the participants to be able to track the payment outside of T2S with the GPI tracker. This would require the UETR to be added first to the MT564 and second, for completeness, the UETR should also be included in the MT566 confirmation. This UETR is generated by the NBB (and is not and will not be generated by SWIFT). At the moment NBB includes this information in fields 70E on 2 lines as the length of the field is limited to 35 characters and 36 are required for UETR.  WG Discussion: The WG agreed that this is not how the confirmation is to be used since you should not confirm something you do not know have already settled. However, NBB could use the UETR to verify that payment has been made before sending a confirmation.  Should it still be possible for NBB and others to send the UETR to their participant? If so, in what message? The UETR could possibly be added on the CAPA (MT 564 CAPA or seev.035) message. Another alternative could be eventually to use the Event Processing Status (MT567 EPRC or seev.032) message with a new pending reason code like “Payment initiated”. |
| **TAX SG Items** | | | | |
| CA427 | Create new MP to declare a foreign income in regard of the (tax?)domicile of the event's underlying security. | COIN was created, because for many payments/distributions, the important/available information in a lot of cases is, that the income/revenue was NOT generated in a certain country but abroad, e.g. non-US, non-FR, etc…. (Australia resolved this with SR2018's CDFI, but others have no such qualifiers/codes available.) Thus the proposition would be to set up a MP to use XF as meaning eXternal/Foreign when used with COIN. **Action:** The Tax subgroup to take over the item for discussion. | Tax SG | Same as CA447? **Telco June 18, 2019:** Mike indicates that this issue could be solved by using the tax solution used by ZA reusing CDFI with a change of definition of rate type code. The Tax Subgroup will take over the open item. **Frankfurt - April 8 - 10, 2019:** Mike explained the issue (see also input document in minutes): how to declare a foreign income in regard of the (tax) domicile of the events underlying security to identify that relevant money is not coming from the home domicile? COIN is designed to be used when the country is known.  There are two alternative solutions, assuming the CDFI CR (see CA392 above) is accepted: • Either Use CDFI for the non-US components, or  • Use COIN, with XF to say foreign (in this case, equal to non-US) • Use COIN with US for all US components  **Telco February 22, 2019:** Skipped due to lack of time. **Telco January 22, 2019:** No time left. Will be rescheduled for next call. |
| **CA447** | New MP required for the usage of Rate Type Code CDFI (SR2020 - CR1518) | Now that the name and definition of the rate type code CDFI has been modified, a MP is needed to restrict use of the code to ZA kind of scenario. | Tax SG |  |
| **CA449** | New Tax Breakdown MP (SR2020 - CR1551) | Create a market practice to clarify the usage of the new TAXR element in the MT565 and the related message flows.  **Action:** NMPGs are reminded to review and revert by the SMPG virtual meeting. | Tax SG | **Telco September 8, 2020:** Sanjeev for ZA has provided some comments on the draft market practice but overall positive (see comments inserted in the document here below): (see minutes). No other NMPG has provided feedback in writing so far. **Telco July 14, 2020:** Mari has nearly drafted the text, as approved by the Tax SG.  Mari will send it to everyone for NMPG final review asap. **Telco June 16, 2020:** Mari presented the draft market pratice for tax breakdown prepared by the tax subgroup. The draft MP will be updated based on the comments received in the TX SG and will be circulated to the whole CA WG for review. |
| **CA465** | Add VOLU to TREC in EIG+ |  | Tax SG / LU |  |
| **Dormant Items** | | | | |
| **CA381** | Usage of Pagination in ISO 20022 | (Follow up of SR2018 CR1361) MP on pagination in ISO20022 and specifically for Confirmation (seev.036) | Steve / Matt | **Luxembourg - October 4 - 6, 2017**: A global market practice for the Pagination of the CACO (seev.036) message is not necessary. This is purely a local US market practice and it does not need to be discussed by the SMPG. A Pagination MP for CANO messages should be created either by “translating” the MP for multiple MT564s or by copying the US market practice once they have created one and this is not an urgent issue. Decision: wait for the US MP on CANO pagination and make it global afterwards. |
| **CA410** | CAST Message enhancements to provide Options Instructions Details for SR2020 | (Follow up of SR2019 CR1482) Action:  Véronique to prepare the input for the changes on the CAST message for SR2020 with samples of the Excel sheets exchanged between custodians and with CSD | Steve / Veronique |  |
| **New Open Items** | | | | |
| **CA466** | Handling MCs in the ECMS Context (SR2021 CR 001649) & what changes, if any, are needed in ISO 15022 once the ISO 20022 messages have been developed? |  |  |  |
| **CA467** | New MP on New Reason Codes for Reorg (SR2021 CR001653) |  |  |  |
| **CA468** | New MP on Multi- Language Announcement (SR2021 - CR 001661) |  |  |  |
| **CA469** | Managing CA instructions in scope of CSDR when partial settlement are implemented | If the client instructs on the total PENR position expecting the trade to fully settle, but on the deadline the PENR has only partially settled, then the Corporate Action instruction from the client can only be partially accepted against the partially settled portion. If at this stage the Custodian rejects the clients Corporate Action instruction, which was for the full PENR position, then they would be putting at risk the acceptance of the part of the PENR that has settled from participating on the Corporate Action, as the client would then have to re-instruct for the part of the PENR position that has settled, which would be after the Corporate Action deadline. What we are trying to understand is if there is any thought around how this should be handled from a SWIFT perspective, given SWIFT protocol is to cancel the instruction in full and/or whether a partial cancellation of a Corporate Action instruction has been considered. | Mari |  |
| **CA470** | DVOP - how best to reflect tax and CINL on DVOP | See Randi's email | Randi |  |
| **Other Items** | | | | |
|  | SRD - GoR TF GM template review |  |  |  |
|  | AOB |  |  |  |