

SMPG - Corporate Actions

Minutes of Virtual Meeting

October 4 – 8, 2021

Draft Version 0.1 – November 4, 2021

Table of Contents

[1. Summary of CA WG Meeting Agenda 4](#_Toc86937540)

[2. Meeting Dates for Q1/Q2 2022 5](#_Toc86937541)

[3. Approval of September 14 minutes 5](#_Toc86937542)

[4. CA465 CA Tax - Add VOLU to TREC in EIG+ 5](#_Toc86937543)

[5. CA466 MC - Handling MCs in the Cash Penalties and ECMS Context (SR2021 CR 001649) 5](#_Toc86937544)

[6. CA469 CA - Managing CA instructions in scope of CSDR when partial settlement are implemented 5](#_Toc86937545)

[7. CA470 CA Tax - DVOP - How to best Reflect Tax and CINL on DVOP 5](#_Toc86937546)

[8. CA473 GM - GoR TF GM templates 6](#_Toc86937547)

[9. CA475 GM / SID Market Practice Update 6](#_Toc86937548)

[10. CA476 CA for Funds Subgroup – Common Call with IF WG 7](#_Toc86937549)

[11. CA477 CA - CONS on TEND/EXOF/BIDS 7](#_Toc86937550)

[12. CA483 CA - GMP1 Section 7.6.1 - Reporting on Standing Instructions and Default Actions 7](#_Toc86937551)

[13. CA484 SID - MP: Exceptional Flow (p10) 8](#_Toc86937552)

[14. CA491 GM - Participation Method / Vote Instructions Scenarios vs SMPG MPs on MyStandards UGs 8](#_Toc86937553)

[15. CA492 CA - MP for new "End of Securities Blocking Period" (CR001635) 8](#_Toc86937554)

[16. CA494 GM - seev.004 instruction and the connection with seev.007 8](#_Toc86937555)

[17. CA497 CA - Use of EARD in CA processing – Including in the case of ESOF and SOFE 9](#_Toc86937556)

[18. CA498 CA - Tax Breakdown MP Update Review 9](#_Toc86937557)

[19. CA499 CA - BMET vs CONS differences 9](#_Toc86937558)

[20. CA500 CA Tax - Add new Event Type for Tax Classification (SR2022 CR 001796) 10](#_Toc86937559)

[21. CA501 CA - Amend scope of Tax on Non Distributed Proceeds Indicator (SR2022 CR 001794) 10](#_Toc86937560)

[22. CA502 CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (SR2022 CR 001789) 11](#_Toc86937561)

[23. CA503 CA - Add new URL and Narrative for Specific Additional Information for Next Party in Chain (SR2022 CR 001785) 11](#_Toc86937562)

[24. CA504 CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (SR2022 CR 001793) 11](#_Toc86937563)

[25. CA505 CA - Add new Other Type of Income Qualifier in Movements Sequences (SR2022 CR 001791) 11](#_Toc86937564)

[26. CA506 CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (SR2022 CR 001795) 11](#_Toc86937565)

[27. CA507 CA - Add New Protect Balance to Instruction Status (SR2022 CR 001792) 11](#_Toc86937566)

[28. CA508 CA - DateTime Format Options Consistency and Names Harmonisation (SR2022 CR 001780) 11](#_Toc86937567)

[29. CA509 GM - CMH-TF SCoRE ASEG New Requirements and BJ 12](#_Toc86937568)

[30. CA510 CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5) 12](#_Toc86937569)

[31. CA511 CA - Consistency between 22F::SELL & 69A::TRDP 12](#_Toc86937570)

[32. CA512 CA - Review “DRIP CHOS with Interim” template 13](#_Toc86937571)

[33. CA513 CA – Reversal / Repayment Process in ISO 20022 13](#_Toc86937572)

[34. AOB 13](#_Toc86937573)

Attendees List

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **Oct. 4** | **Oct. 5** | **Oct. 7** | **Oct. 8** |
| AU | Ms. | Priscilla | Ferri de Barros | ASX |  |  |  |  |
| BE | Ms. | Véronique | Peeters | BNY Mellon |  |  |  |  |
| CH | Mr. | Mike | Blumer | Credit Suisse | 🗸 | 🗸 | 🗸 | 🗸 |
| DE | Mr | Daniel | Schaefer | HSBC | 🗸 |  | 🗸 | 🗸 |
| DE | Mr | Melchior | Hendrik | Clearstream |  |  |  |  |
| DK | Mr. | Randi Marie | Hattens | VP Securities A/S | 🗸 | 🗸 | 🗸 | 🗸 |
| DK | Mr. | Pernille | Rix Rasmussen | VP Securities A/S |  |  |  |  |
| DK | Ms | Charlotte | Ravn | VP Securities A/S | 🗸 | 🗸 | 🗸 |  |
| ES | Mrs | Diego | Garcia | DB | 🗸 |  | 🗸 | 🗸 |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |  | 🗸 |  |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 | 🗸 | 🗸 | 🗸 |
| FR | Ms. | Stephanie | Clarkfischer | BNP Paribas |  |  |  |  |
| GR | Ms. | Angela | Katopodi | Eurobank |  |  |  |  |
| HK | Mr. | James | Mullens | Nomura | 🗸 | 🗸 |  |  |
| HU | Mr. | Zoltan | Tkalecz | Citi | 🗸 |  | 🗸 | 🗸 |
| HU | Mr. | Gàbor | Szentpéteri | Keler | 🗸 | 🗸 |  |  |
| IT | Ms | Paola | Deantoni | SGSS spa | 🗸 |  | 🗸 | 🗸 |
| JP | Mr. | Arata | Kazunori | Mizuho Bank |  | 🗸 |  |  |
| JP | Ms. | Yukie | Chiba | Mizuho Bank |  | 🗸 |  |  |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank |  | 🗸 |  |  |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸(Partial) |  |  | 🗸 |
| MDPUG | Mr. | Peter | Hinds | Interactive Data |  |  |  |  |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 | 🗸 | 🗸 | 🗸 |
| NL | Mr | Ben | van der Velpen | ING Bank N.V. |  |  |  |  |
| NO | Mr. | Alexander | Wathne | Nordea | 🗸 | 🗸 | 🗸 | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | KDPW | 🗸 | 🗸 | 🗸 | 🗸 |
| PL | MS | Monica | Adamowicz | KDPW | 🗸 | 🗸 | 🗸 | 🗸 |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 | 🗸 | 🗸 | 🗸 |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 | 🗸 |  | 🗸 |
| SG | Mr. | Jyi-Chen | Chueh | SC | 🗸 | 🗸 | 🗸 |  |
| SL | Mr. | Rok | Sketa | KDD |  |  |  |  |
| UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 | 🗸 | 🗸 | 🗸 |
| UK & IE | Mr. | Matthew | Middleton | LSE |  |  |  |  |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 | 🗸 | 🗸 | 🗸 |
| US ISITC | Mr. | Paul | Fullam | FIS | 🗸 | 🗸 | 🗸 | 🗸 |
| XS | Mr. | Jean-Paul | Lambotte | Euroclear | 🗸 | 🗸 | 🗸 |  |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸(Partial) | 🗸 | 🗸 | 🗸 |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 | 🗸 | 🗸 | 🗸 |

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# Summary of CA WG Meeting Agenda

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| --- | --- | --- | --- | --- |
| **Corporate Actions** | | | | |
|  | CA469 | CA - Managing CA instructions in scope of CSDR when partial settlement are implemented | | Mari/Christine |
|  | CA477 | CA - CONS Vs BMET | | Steve |
|  | CA483 | CA - GMP1 Section 7.6.1 - Reporting on Standing Instructions and Default Actions | | Christine |
|  | CA492 | CA - MP for new "End of Securities Blocking Period" (CR001635) | | NMPGs |
|  | CA497 | CA - Use of EARD in CA processing – including in the case of ESOF and SOFE | | Catarina |
|  | CA498 | CA - Tax Breakdown MP Update Review | | Mari |
|  | CA499 | CA - BMET vs CONS differences | | Mari |
|  | CA501 | CA - Amend scope of Tax on Non Distributed Proceeds Indicator (SR2022 CR 001794) | | New |
|  | CA502 | CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (SR2022 CR 001789) | | New |
|  | CA503 | CA - Add new URL and Narrative for Specific Additional Information for Next Party in Chain (SR2022 CR 001785) | | New |
|  | CA504 | CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (SR2022 CR 001793) | | New |
|  | CA505 | CA - Add new Other Type of Income Qualifier in Movements Sequences (SR2022 CR 001791) | | New |
|  | CA506 | CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (SR2022 CR 001795) | | New |
|  | CA507 | CA - Add New Protect Balance to Instruction Status (SR2022 CR 001792) | | New |
|  | CA508 | CA - DateTime Format Options Consistency and Names Harmonisation (SR2022 CR 001780) | | New |
|  | CA510 | CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5) | |  |
|  | CA511 | CA - Consistency between 22F::SELL & 69A::TRDP | | Jean-Pierre |
|  | CA512 | CA - Review DRIP CHOS with Interim template | | Mari |
| **General Meeting / SID** | | | | |
|  | CA473 | GM - GoR TF GM templates | | Catarina/Jean-Paul |
|  | CA475 | GM / SID Market Practice Update | | Mari/Christine |
|  | CA484 | SID - MP : Exceptional Flow (p10) | | Paola |
|  | CA491 | GM - Participation method / vote instructions scenarios vs SMPG MPs on MyStandards UGs | | Catarina |
|  | CA494 | GM - seev.004 instruction and the connection with seev.007 | | Randi |
|  | CA509 | GM - CMH-TF ASEG New Requirements and BJ | | Christine / SMPG |
| **Tax SG Related** | | | | |
|  | CA500 | CA Tax - Add new Event Type for Tax Classification (SR2022 CR 001796) | | Tax SG |
|  | CA465 | CA Tax - Add VOLU to TREC in EIG+ | | Tax SG |
|  | CA470 | CA Tax - DVOP - how to best reflect tax and CINL on DVOP | | Tax SG |
| **CA For Funds** | | |  | |
| 31 | CA476 | CA For Funds Subgroup – Common Call with IF WG ? | | CA / IF WG |
| **Market Claim** | | | | |
| 32 |  | CA466   MC - Handling MCs in the Cash Penalties and ECMS Context (SR2021 CR 001649) (Action: NMPGs) | | Christine/Mari |
|  |  | **AOB** | |  |

# Meeting Dates for Q1/Q2 2022

The following CA WG WebEx meeting dates have been agreed for 2022 Q1 & Q2:

**18 January, 22 February, 22 March, 26 April, 24 May, 21 June, 19 July** (all from 2:00 to 4:00 PM CET)

# Approval of September 14 minutes

Minutes are approved without any comments.

# CA465 CA Tax - Add VOLU to TREC in EIG+

Input:



The update has been done in the EIG+ and samples of TREC VOLU included in the new tax breakdown MP.

**Action**: Close Item.

# CA466 MC - Handling MCs in the Cash Penalties and ECMS Context (SR2021 CR 001649)

The MP for market claims should be finalised by Q1/2 2022.

NMPGs to also consider whether there is any appetite to reverse engineer them in 15022 via the MT567 solution proposed in 2020.

**Actions**:

1. NMPGs to email Mari or Christine if you would like to participate to the sub-group.

Current group members: Mari, Christine, Matt Schill, Jean-Paul, Véronique, Frank Fuerbeth (DE) Patrick Bertram (DE), Jacques

2. Mari/Christine to schedule the meetings.

# CA469 CA - Managing CA instructions in scope of CSDR when partial settlement are implemented

Action not yet completed.

**Action**: Mari to draft a first version of the MP to be reviewed by Christine.

# CA470 CA Tax - DVOP - How to best Reflect Tax and CINL on DVOP

Input:



It was agreed that it will be included in the review of the tax breakdown MP for DVOP/DRIP.

**Action**: Mari, Randi, Alexander, Jean-Pierre, Jean-Paul to create a sub-group to update this market practice. Any other NMPG that is willing to participate, please feel free to put forward your name. Mari to arrange a call next week

# CA473 GM - GoR TF GM templates

As per Jean-Paul, the CA GoR templates would likely have been passed to the CEG for follow up.

The risk is that these GoR CA templates are not maintained in line with the successive standards releases (like the SMPG templates are) and that there is a total disconnect between both.

**Action**: Mari, Christine & Jacques to contact the previous co-chair of GOR task force to understand next steps, especially vis-à-vis maintenance of the templates.

# CA475 GM / SID Market Practice Update

Previous Input from Jean-Paul:



All comments raised by Jean-Paul on the SID MP have now been taken into account in the latest version of the MP shared by Christine this week. We can now remove the comments, accept all changes and have it published in the SMPG website

Final SID MP:



GM MP

Mari provided an overview of the changes made in the GM MP:

* Any change request where we amended definitions hasn’t been included
* No change was made where we added codes (e.g. new REJT codes) because we never listed them in the MP
* Most of the Italian changes are included, especially where we believed the change could be used in other countries. However, we didn’t include:
  + the changes for the natural person because we never entered in that level of detail in the MP
  + the changes for the pledge because it’s too specific to the Italian market
* A new scenario 4 has been added to the Instruction message section (MEIN) to cover XS scenario requirements (essentially a merge of scenarios 1 & 2).

A Call with European NMPG representatives is scheduled on November 2 to further discuss and approve the MP early November.

Draft GM MP:



**Actions:**

1. Jacques to publish final SID MP on SMPG.info

2. Mari, Christine and Jacques to discuss the “linkages” of instructions as Mari believes it may not work for general meetings.

3. NMPGs to review the draft GM MP by next call.

4. Jacques to update the MyStandards templates in draft based on the above changes.

# CA476 CA for Funds Subgroup – Common Call with IF WG

Input:



We agreed that the Investment Fund WG will work on their problem statement for two main topics:

* Management of CA impacting the assets held in the fund
* Management of CA impacting the fund

Once they believe they have a document for each topic ready to be shared, they will contact us to agree on a workshop.

# CA477 CA - CONS on TEND/EXOF/BIDS

In GMP 1 - section 9.22.2, the CA WG agrees to amend the last paragraph as follows:

*If the offer becomes compulsory, the tender/exchange itself becomes mandatory, holders who elected “No Action“ [code NOAC] or “Consent Denied” [code CONN] will therefore be subject to a second ~~new mandatory~~ event,* ***which will be mandatory****.*

**Action**: Jacques to update GMP1 and close open item

# CA483 CA - GMP1 Section 7.6.1 - Reporting on Standing Instructions and Default Actions

Input from Christine:

Christine has amended the text as follows in agreement with Robin Leary (who submitted the open item):



**Action**: All NMPGs to review input from Christine and revert for next call.

# CA484 SID - MP: Exceptional Flow (p10)

Paola is asking to remove the picture at page 10 describing the flow along the custody chain as exception.

However the picture is taken from the SID Market Standards and the SMPG MP should remain aligned with it.

**Action**: Close Item.

# CA491 GM - Participation Method / Vote Instructions Scenarios vs SMPG MPs on MyStandards UGs

Input:



The GM MP was updated by Mari recently and it includes a new voting scenario to cover this case (see CA 475).

However, NMPGs should confirm whether another scenario should be added for the request of attendance cards.

**Action**: NMPGs to provide feedback by end of October.

# CA492 CA - MP for new "End of Securities Blocking Period" (CR001635)

Input from Christine:

Christine has amended the text as follows:



NMPGs that do not provide feedback will be deemed to have approved the new wording.

**Action**: All NMPGs to review input from Christine and revert by 31 October.

# CA494 GM - seev.004 instruction and the connection with seev.007

Randi explains the issue raised.

We have the issue where rights-holder do not have the ability to 1) request a seev.007 after sending an instruction or 2) change the indicator they quoted in the seev.004.

Two options were discussed:

* Create a new seev message to independently request to receive the execution confirmation message;
* Amend the existing messages (seev.004/005/006) to allow for this functionality by submitting CR for SR2023.

**Action**: Options to be further analysed and discussed at next calls.

# CA497 CA - Use of EARD in CA processing – Including in the case of ESOF and SOFE

Catarina introduced the topic.

EARD seems to be used in the US and ICSDs to identify options with incentive fees.

**Action**: NMPGs to confirm whether EARD is used or not in their local market.

# CA498 CA - Tax Breakdown MP Update Review

Input from Mari & Jacques (for ISO 20022 compatibility)

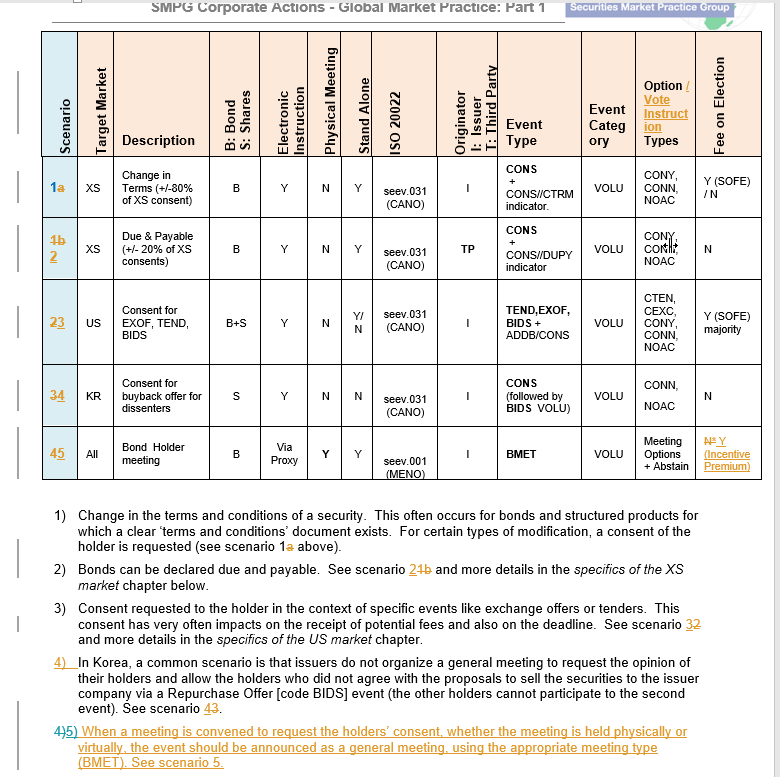


**Action**:

1. Mari to update the pictures and add comments from Randi.
2. Mari & Jean-Pierre to put forward a proposal for DVOP/DRIP in the text.
3. Jacques to integrate into GMP1 once approved by NMPGs.

# CA499 CA - BMET vs CONS differences

Following the comments from Alexandre and Daniel to clarify differences between BMET and CONS, the CA WG agrees to amend the table in GMP1 section 9.22.1 as follows:



**Action**: Jacques to update GMP1

# CA500 CA Tax - Add new Event Type for Tax Classification (SR2022 CR 001796)

New item to be covered in the Tax Subgroup.

# CA501 CA - Amend scope of Tax on Non Distributed Proceeds Indicator (SR2022 CR 001794)

As the TNDP indicator scope has been modified for SR2022 by MT CR1794, the TNDP MP text needs to be slightly reviewed.

**Action**: Steve to propose amendments to GMP1 section 9.29 text and revert.

# CA502 CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (SR2022 CR 001789)

**Action**: Steve to propose input to GMP1 to document usage of the new First and Last Bid Increment prices and Bid Range Type.

# CA503 CA - Add new URL and Narrative for Specific Additional Information for Next Party in Chain (SR2022 CR 001785)

Input from Mike for new MP on new elements created in CR1785 for SR2022:



**Action**: All NMPGs to review input from Mike and revert at next call.

# CA504 CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (SR2022 CR 001793)

**Action**: Steve to propose input to GMP1 to document usage of new ::22F::OFFE//NDIS indicator code.

# CA505 CA - Add new Other Type of Income Qualifier in Movements Sequences (SR2022 CR 001791)

**Action**: The Tax SG to propose new MP for the usage of the new OTYP qualifier.

# CA506 CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (SR2022 CR 001795)

**Action**:

1. Jacques to update GMP3 with new reason codes
2. Steve/ISITC to revert whether a reason codes review is needed in the CAST as well for a possible CR next year.

# CA507 CA - Add New Protect Balance to Instruction Status (SR2022 CR 001792)

The protect balance does not apply to the Buyer Protection process.

**Action**: Mari & Christine to propose new MP input in section 3.10. (Balances).

# CA508 CA - DateTime Format Options Consistency and Names Harmonisation (SR2022 CR 001780)

Proposed changes / outcome of WG discussion on Dates and Time:



The table should clearly state that it also apply to ISO20022. This also means that every time we remove a time in 15022, the ISODateTime element in ISO 20022 will be replaced by a new ISODate data type.

The US raised a comment on keeping EFFD and PAYD (mainly EFFD) as date and time.

**Action**: All NMPGs to review the proposed changes and provide feedback for items where there is still no agreement.

# CA509 GM - CMH-TF SCoRE ASEG New Requirements and BJ

Input from ECB in September via email:



Christine has provided feedback to ECB on the fact we won’t support the fast-tracking maintenance process for their request for a change in the meeting messages to pay incentive premium.

Concerning the request to create a new GM message to pay incentives, only one new message will not make it. Several new GM messages should be created to cover the overall flow (projection of payment, payment, reversal, request for reversal, confirmation of non-payment).

In this case, it may be easier to reviewing CA messages than creating new meeting messages, which are not reversed engineered in ISO15022.

**Action**: Christine to send a note to ECB to let them know we discussed the matter and it should be considered that not only one message is required but multiple.

# CA510 CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5)

As a result of the CA MWG discussion and the rejection of the FR CR 1772 on adding an ADDB//EVNT code for REPE messages, the WG discusses potential solutions to amend the MP.

**Decision**: The WG should review the section starting from the ISO20022 flow to understand how we want to recommend the usage of CANO vs CAPA and whether CAPA should have two functions i.e. confirmation of entitlement and projection of proceeds.

Once the MP is agreed for 20022, we will reverse engineer it to 15022.

**Action**: Mari, Christine, Jean-Pierre, Daniel, Alexander and Jacques have volunteered to work on a MP proposal.

# CA511 CA - Consistency between 22F::SELL & 69A::TRDP

Input from Jean-Pierre:



For rights issues managed as two events (RHDI + EXRI), the trading period (TRDP) should only be reported in the RHDI only. Where the account servicer offers BUYA / SLLE options in the EXRI, the period to instruct a buy/sell should be reported in PWAL.

Wording in 3.11.8 should be amended to indicate that if used in an account servicer option, it should report the trading period although instructions will only be accepted until the response deadline.

**Action**: Christine to draft the proposed change in GMP1 section 3.11.8.

# CA512 CA - Review “DRIP CHOS with Interim” template

Input:



GMP1 seems to be inconsistent with EIG and templates for the two events DRIP CHOS in NL.

Tax withholding information should also be accommodated into the template.

To be further discussed, especially the approach vis-à-vis the maintenance of the templates for dividends and inconsistencies spotted by Randi and Jean-Pierre.

**Action**: Mari and Christine to prepare questions list for NMPGs to answer.

# CA513 CA – Reversal / Repayment Process in ISO 20022

Input from Jean-Paul:



New item raised by Jean-Paul on the sequence of messages in case of a reversal (see also flow of CAPA messages in GMP1 sections 4.4.5 and 4.4.6.).

After review with the group, it was decided that:

* In scenario 1) a CAPA message should be sent followed by a CARE. It was questioned whether a CAPS should also be issued (as per the SCoRE standards)?
* The same logic should be applied to scenario 2); however, a CANO should also be sent to inform of the change of terms (rate change).

# AOB

None

**Next CA WG call/Webex:** November 16, 2021 from 2:00 to 4:00 PM CET.

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