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**La Hulpe Swift BE HQ**

**Global SMPG Meeting**

**November 14 – 16, 2023**



**Hosted by:**

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**Meeting Venue:**

**Swift BE HQ**

**Avenue Ernest Solvay, 81**

**1310 La Hulpe**

**Belgium**

**Dress Code: Business casual**

# Meeting Global Agenda

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| **Tuesday 14th of November** | | | | | |
| **08:30 – 09:00** | Arrival & Check-in at Meeting Venue | | | | |
| **Morning Session** | | | | | |
| **09:00 – 10:30** | Corporate Action WG | Investment Funds WG | | Settlement and Reconciliation WG | |
| **10:30 – 11:00** | **Coffee Break** | | | | |
| **11:00 – 12:30** | Corporate Action WG | Investment Funds WG | | Settlement and Reconciliation WG | |
| **12:30 – 13:30** | **Lunch** | | | | |
| **Afternoon Session** | | | | | |
| **13:30 – 15:15** | Corporate Action WG | | Investment Funds WG | | Settlement and Reconciliation WG |
| **15:15 – 15:30** | **Coffee Break** | | | | |
| **15:30 – 17:00** | Corporate Action WG | | Investment Funds WG | | Settlement and Reconciliation WG |
| **17:00** | **Drinks at Swift Premises – Registration required (see registration form)** | | | | |

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| **Wednesday 15th of November** | | | |
| **08:30 – 09:00** | Arrival & Check-in at Meeting Venue | | |
| **Morning Session** | | | |
| **09:00 – 10:30** | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
| **10:30 – 10:45** | **Coffee Break** | | |
| **10:45 – 12:00** | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
| **12:00 – 13:00** | **Lunch** | | |
| **Afternoon Plenary Session (with public virtual access via** [**Cisco Webex**](https://meetswift.webex.com/weblink/register/r6961c6cc6a0f8f3a110646f60b37c9c3)**)** | | | |
| * 13:00 (CET) * 13:05 * 13:10 * 13:15 * 14:00 * 15:30 * 15:45 * 16:15 * 16:45 | * Welcome by the host (Karin De Ridder – Swift) * Welcome address (Armin Borries – SMPG Chair – Clearstream) * Plenary Session Agenda (Charles Boniver – SMPG Program Director – Swift) * Update on the Swift securities strategy (Charifa El Otmani – Swift) * T+1 in America – what are the challenges from a global point of view?   + Keynotes – reporting from the regions (David Kirby – DTCC, François Baratte – ALFI, Anna Kulick – ECSDA, Tanaka Hitoshi - MUFG Bank)   + Panel discussion with the keynote speakers moderated by Christine Strandberg – SEB. * Break * ECMS - SCoRE update (Benjamin Hanssens - ECB) * EU Regulations update (Peter Betzel - Swift) * Conclusions / Wrap up / Closing (Armin Borries – SMPG Chair – Clearstream) | | |
| **16:45 – 17:00** | **Break** | | |
| **16:45 – 18:00** | **Joint Session between to three WGs to discuss:**   * **New Eligible Balances for Triparty Securities Lending Services in MT 564 / MT 535.** * **Usage of special characters in some ticker symbols in 35B.** | | |
| **Evening** | | | |
| **18:00 – 21:00** | **Dinner - Registration required (see registration form)** | | |

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| **Thursday 16th of November** | | | |
| **8:30 – 9:00** | Arrival & Check-in at Meeting Venue | | |
| **Morning Plenary Session** | | | |
| **09:00 – 10:30** | **Joint Session with all WGs to discuss:**   * **ISO 20022 Migration ISSA Report** * **Update of Structured Address** | | |
| **10:30 – 11:00** | **Coffee Break** | | |
| **11:00 – 12:30** | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
| **12:30 – 13:30** | **Light Lunch** | | |
| **Afternoon Session** | | | |
| **13:30 – 15:30** | Corporate Action WG | Investment Funds WG | Settlement and Reconciliation WG |
| Or (to be confirmed) | | | |
| **13:30 – 15:30** | **Joint SMPG payment task force + WebEx.** | | |
| **Closing** | | | |

**Summary of CA WG Meeting Agenda – 14 to 16 November 2023**

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| **Corporate Actions** | | | |
|  | CA512 | CA - Review DRIP CHOS with Interim Template | |
|  | CA573 | CA - Add RDDT to WTRC in EIG | |
|  | CA526 | CA - Review GMP1 section 3.14 and 6.11 | |
|  | CA562 | CA - Instructions below MIEX after proration | |
|  | CA566 | CA - Short/Long balances in CA MX Messages | |
|  | CA568 | CA - Usage of CINL in MT564 Seq. E or E1? | |
|  | CA542 | CA - Questions on SCoRE & ISO 20022 Migration | |
|  | CA556 | CA - Add new instruction processing statuses | |
|  | CA560 | CA - Cancelation Reason in seev.039 | |
|  | CA578 | CA - CA Reversal Reason | |
|  | CA576 | CA - CA Business Elements for camt.053 message | |
|  | CA583 | CA - Regulatory Initiative in DE Market | |
|  | CA546 | CA - API Framework (Swift Presentation) – Wednesday 9:00 AM ? | |
| **Tax Related Items** | | | |
|  |  | Tax Subgroup Membership and Co-Chairs | |
|  | CA569 | CA Tax - Add Tax Information to Securities Proceeds (Follow up of SR2023 CR 1846) | |
|  | CA500 | CA Tax - Add new Event Type for Tax Classification (SR2022 CR 001796) | |
|  | CA505 | CA Tax - MP for Other Type of Income Qualifier in Movements Sequences (SR2022 CR 001791) | |
|  | CA550 | CA Tax - Usage of Tax Qualifiers & RateType Code & TAXR//0, | |
| **General Meeting** | | | |
|  | CA579 | GM - Vote through network and usage of the VOPI code | |
|  | CA580 | GM – Add Resolution Id MP | |
| **Market Claims** | | | |
|  | CA466 | MC - Handling MCs in the Cash Penalties and ECMS Context (SR2021 CR 001649) | |
|  | CA571 | MC - Question on Market Claims | |
|  | CA582 | MC - Notifications Questions | |
|  | CA572 | MC - Market Claim market Practice review | |
| **Shareholder Identification Disclosure** | | | |
|  |  | *Nothing for the moment* | |
| **FASTER Directive** | | | |
| **24** | CA575 | | EU FASTER Directive - New ISO Messages required |

# Corporate Action Detailed WG - Agenda

|  | **Item No** | **Short Description** | **Description and Pending Actions** | **Comment** |
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|  |  | 2024 Q1 & Q2 Meeting dates |  |  |
|  |  | October 17 Minutes Approval |  |  |
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|  | **Corporate Action** | | | |
|  | CA512 | CA - Review DRIP CHOS with Interim Template | Inconsistency between the DRIP CHOS without Interim and with interim templates. The DRIP CHOS with Interim does not follow the global MP in GMP1 **Action:** Mari to forward the updated version of the templates to Jacques so that they can be included into the SMPG templates document on the SMPG website. | **Telco May 25, 2023:** Mari will update the template. **Oslo Meeting - April 18 - 20, 2023:** Input document (see minutes)  NMPGs agreeing with the proposal and the addition of sequence D in the template of the MT 564:  FR, NL, CH CH has two comments: NETT//EUR0,16575 rate should be Optional (not Mandatory), and CINL price needs to be included (as mandatory).  JP, SE and ES all voted to go with majority (event type not used). **Decision**: Will be approved in May unless there are objections. |
|  | CA573 | CA - Add RDDT to WTRC in EIG | Key data as per the Tax Breakdown MP |  |
|  | CA526 | Review GMP1 section 3.14 and 6.11 | **Action**: Jacques to update GMP1 accordingly and close item | **Telco October 17, 2023:**  Input document from Mike (received on July 4) - see minutes  No further comments received from NMPGs.  The MP is approved by the WG.  **DE Comments Post Meeting:**  DE-NMPG feedback: For fund distributions, we use :92J::GRSS// to report the different elements of the distribution (e.g. INCO, INTR, SOIC, REES), which can, depending on the type of investor, lead to different tax rates being applied to these elements. However, the payment is executed in one final sum only. This is documented in the German Market Practice and cannot be changed in the German market.  Do you agree that we can still use :92J:GRSS// with different elements of the distribution (e.g. INCO, INTR, SOIC, REES)? |
|  | CA562 | CA - Instructions below MIEX after proration | Is there a way to indicate in the MT564 what would happen to instructions below MIEX after proration. Apparently, in some cases, they are either accepted or rejected. Example:  - The event MIEX is 5 - The account owner sends an instruction with QINS 10 - Following proration (30%), the instruction quantity is reduced to 3 (so, below MIEX) - Is there a flag in the MT564 indicating if those instructions will be accepted (because originally above MIEX) or rejected (because below MIEX after proration)? **Action**: NMPGs to provide feedback/comments on the proposed approach for a CR. | **Telco October 17, 2023:** ISITC/US input: On this topic, there may be some misunderstanding of the issue. We think where instructions can be rejected is, if after proration, the resulting units falls below the base denomination of the entitled security. It is not the minimum exercisable. The US supports to go ahead with a CR to create a new indicator to confirm that in case of proration, instructions that fall below the MIEX will be rejected. |
|  | CA566 | CA - Short/Long balances in CA MX Messages | Currently, when informing of BALANCE in PENR or PEND in seev.031, it is mandatory to specify whether the holding is long or short Does that make sense? **Action**: NMPGs to review input. | **Telco August 22, 2023:** New input from Randi (see minutes). **Telco June 20, 2023:** SE, CH agrees with the business case for some balances (to be defined). **Oslo Meeting - April 18 - 20, 2023: Decision**: Long should be used. Only use Short where referring to settled or eligible balances when the account really has a negative balance.  Should we add this into GMP1 or also add a usage rule of some sort in the standards? |
|  | CA568 | CA - Usage of CINL in MT564 Seq. E or E1? | The MP on the usage of the CINL and its position in the MT564/566 should be clarified. **Actions**: 1) Mari to share the FR example with Randi to see if a recommendation on the usage can be put forward for GMP1. 2) Tero to provide an example of the Finnish calculation to ensure the reporting of the pricing is correct. | **Usage of DISF in E or E1 ? Telco June 20, 2023:** Input From Randi **(**see minutes**)**.  Randi explain why the MP on the usage of the CINL and its position in the MT564/566 should be clarified. |
|  | CA542 | CA - Questions on SCoRE & ISO 20022 Migration | Topics/questions I collected in the last few weeks/months via the UK NMPG Question from Jean-Paul: Apparently, it is possible to put special characters in the ISO20022 references (which could create issue in many systems). Would it be possible to prevent it either via change in the message or via market practice ? **Actions**:  1) NMPGs to review the use cases for CAPC usage for lottery events. 2) Christine, Mari and Jacques to finalise review of GMP1 Section 3 & 4 in light of the new CAPA “Function” element. 3) Jacques to further update the ISO 20022 guidelines document. Guidelines to be shared with NMPGs ahead of November meeting. | **Telco October 17, 2023:** • Follow up on Action 1: ISITC Use cases of CAPC usage Input (see minutes) In the US market, for Redemption events, the CAPC message is used in a number of scenarios involving Lottery processing. The attached PowerPoint document outlines the usage per each Redemption event based scenario. As the CAPA message details the lottery results, the CAPC is involved with the cancellation of lottery results. For distribution events such as DVCA, the CAPC message is utilized whenever a CAPA projection is cancelled prior to allocation. • Follow up on Action 2: Review of GMP1 sections 3&4. The review of GMP1 section 3 & 4 still needs to be completed. The updated sections will be distributed for review to the group ahead of the meeting in November. • Follow up on Action 3 – ECMS/SCoRE Std - Migration of CA to ISO 20022  Input (see minutes) Catherine, Jean-Paul, and Jacques have worked on a comparison of the data types supported in ISO 15022 and ISO 20022 variant 1 and gave prepared some draft guidelines for the use of variant 1 of CA messages in ISO20022 to ensure coexistence with ISO15022. These could be generic guidelines (e.g. in a market practice) or stricter guidelines/schema in MyStandards. This should ideally be discussed with other organisations like ISSA, AFME, ECSDA to understand if and how we can arrange to only have one message version and one variant supported with defined guidelines (CBPR+ like?).  To be addressed at the November meeting. We should discuss the interaction with other associations, such as: ECSDA, AFME and ISSA. |
|  | CA556 | CA - Add new instruction processing statuses | Assess the appetite to have in CA new statuses to indicate the processing of the instruction by the issuer agent, similarly to what happens in general meetings. **Action**: Mari to provide input. | **Oslo Meeting - April 18 - 20, 2023:** More time is needed to think about the various scenarios. Will be addressed later in the year. |
|  | CA560 | CA - Cancelation Reason in seev.039 | The seev.039 CA Cancellation Advice. In the General Information, there’s an optional Cancellation Reason narrative element, up to 140 characters. Just wondering if there may be any discussions around coding that instead of being narrative, eg are there, in reality, only really a few cancellation reasons that may apply, some that may be more common etc?  **Action**: NMPGs to gather input on potential usage of additional reason codes. | **Telco October 17, 2023:** SE: no such business case in Sweden. Carried forward to November meeting. |
|  | CA578 | CA - CA Reversal Reason | Could we create a market practice about the usage or reversal reasons to make clear the reason should originate from the source and that it should not be up to an intermediary to guess what the reversal reason is ? |  |
|  | CA576 | CA - CA Business Elements for camt.053 message | For the SMPG Payment Task Force, identify CA business elements that need to be present in the camt.053 for all the CA transactions that generate a cash proceed? |  |
|  | CA583 | CA - Regulatory Initiative in DE Market | In the German market, there is a regulatory initiative ongoing to allow SPACs. We did already have some SPACs target at the German market in the past, but these usually had foreign ISINs (e.g. LU). In order to avoid similar issues as we have had with DVOPs in recent years, we would like to come up with proposals for processes & market practices for the German market which are aligned with international standards that issuers and issuer agents can then use.  We are wondering, if any markets (e.g. ISITC) already have market practices and market standards for SPACs that we can build upon.  Our feeling from the past is that the messages sent by different agent banks look very differently and that no real market standard has been established (or if there is one, it may not have been implemented by all actors). |  |
|  | CA546 | CA - API Framework | Would it be an added value to standardize CA API’s ? **Presentation on CA API's by Didier Hermans (Swift)** | **Amsterdam Meeting - Oct 5 - 7, 2022:** The SMPG CA WG can provide the CA expertise to support the definition of the API standards. |
|  | **Corporate Action Tax Subgroup Items** | | | |
|  | CA569 | CA Tax - Add Tax Information to Securities Proceeds (Follow up of SR2023 CR 1846) | MP Update on GMP1 Section 8.11 (CINL) and 8.32 (:92::TAXR & WITL)  **Action**:  1) NMPGs to review and revert for next call. 2) Jacques to also add the ISO 20022 data elements in the EIG for the items in red color (mainly rates). | **Telco August 22, 2023:** Input for Updated MP (see minutes). **Telco TAX SG Jul. 11, 2023:** See input from Mari in Tax SG Minutes. |
|  | CA500 | CA Tax - Add new Event Type for Tax Classification (SR2022 CR 001796) | the SMPG CA WG (Tax Subgroup) to further investigate the US business case, the information sent in OTHR event today and look at what solutions exist in other countries that could be the object of a new change request to solve this case in 2023. **Action**: All NMPGs to provide feedback if any at the November meeting. | **Telco October 17, 2023:** The proposed draft market practice was further discussed within the tax sub-group at the October 13 call. It will be further discussed and developed with the tax subgroup and DTCC will provide an example and then it will be turned into a market practice. **Telco August 22, 2023:** Input from ISITC (see minutes). The above proposed market practice was shared with the tax sub-group in July with feedback due at the end of September. Due to the impact on income/CA processing, the CA WG should also provide feedback by the next call (October 17). |
|  | CA505 | CA Tax - MP for Other Type of Income Qualifier in Movements Sequences (SR2022 CR 001791) | The SMPG to create a new strong market practice on the usage of this new qualifier. **Action:** Christine to amend the wording to make it more generic and have it reviewed by the Tax subgroup as well. | **Telco October 17, 2023:** Input from ISITC: (see minutes) The ISITC MP has been drafted specifically for the US. It may need to be updated to make it more generic and applicable across various jurisdictions. It should also be further reviewed by the Tax subgroup. |
|  | CA550 | CA Tax - Usage of Tax Qualifiers & RateType Code & TAXR//0, | GMP1 section 3.12.5 and 13.2 If I recall well, one of the first decisions we took as part of the tax subgroup was to agree that we should never report TAXR//0, neither when the security is not subject to tax nor when the beneficial owner is exempt because it provided the relevant tax documentation. However, I was looking at GMP1 this week and I realised I cannot find such decision there. On the other hand, the examples in 13.2 seem to contradict this decision as there is TAXR//0. Looking at those examples, I also believe we should review them and re-discuss the usage of TXBL versus TXFR. If I remember well, we had decided that there was no need to report TXBL if there is already a TAXR rate.  **Action**: Mari to put forward a proposal for September/October 2023. | **Telco TAX SG Jul. 11, 2023** Case presented by Mari. **Telco Dec. 13, 2022:** To be further discussed in the tax sub-group. |
|  | **General Meeting** | | | |
|  | CA579 | GM - Vote through network and usage of the VOPI code | Usage of VOPI should be clarified. |  |
|  | CA580 | GM - Resolution Id MP | Would be good to create a market practice to ensure the uniqueness of a resolution id and avoid misuse. |  |
|  | **Market Claims** | | | |
|  | CA466 | MC - Handling MCs in the Cash Penalties and ECMS Context (SR2021 CR 001649) | what changes, if any, are needed in ISO 15022 once the ISO 20022 messages have been developed? **Action:** Mari/Christine to put up some MP proposal. | **Oslo Meeting - April 18 - 20, 2023:** Pending action on draft MP. The UK will most likely submit a CR for SR2024 to translate the new ISO 20022 market claims into the MT567. |
|  | CA571 | MC - Question on Market Claims | We have a question in connection with market claims.  When a claim is raised, we send seev.035/MT564 (credit) to the receiving party in the claim.  The delivering party only receives the seev.031/MT564 informing that the corporate action will take place.  Would you be able to clarify, if it is market practice also to send seev.035/MT564 (debit) to the delivering party in the claim?  The same goes for seev.036/MT566?  We have discussed the matter internally and we have not found it necessary to inform the delivering party, because they have already received the seev.031/MT564.  But we have also not been able to find any documentation to ensure that our scope is sufficient. And we worry that the customer of the delivering party will not be aware of the claim against them until they receive the settlement instruction.  Example:  Party A agrees to sell 10 shares to Party B  The transaction doesn't settle in time before a dividend payment and a market claim is generated.  • Party A - Receives seev.031/MT564, because he has the shares in holding  • When the market claim is generated, we send seev.035/MT564 to Party B. We don’t send any additional messages to Party A.  • Settlement instructions are created and send to T2S (various settlement messages are sent to both parties).  • When the claim has settled on T2S, we send seev.036/MT566 to Party B. We don’t send any additional messages to Party A.  **Action**: Mari to answer based on the answer discussed with Christine in May. |  |
|  | CA582 | MC - Notifications Questions | \* Is there a way to indicate in the CA notification that market claims will be created as reporting-only transactions (settlement to be managed outside) ? \* Is there a way in the market claim notification (seev.05x) to report that a market claim is notified but will not settle (reporting only notification… up to the counterparties to arrange outside) | New |
|  | CA572 | MC - Market Claim market Practice review | **Action**: Mari, Christine, Jacques to review the draft MP document and then share with the group . | **Telco August 22, 2023:** Christine has provided an initial draft of the MC MP. It will be shared with the group once reviewed by Mari and Jacques. |
|  | **EU FASTER Directive** | | | |
|  | CA575 | EU FASTER Directive - New ISO Messages required | Should the SMPG drive the ISO messaging solution (contents similar to seev.047 Disclosure message) **Action**: SMPG involvement in the design of the new messages for the CFI reporting to be further discussed at the November meeting. | **Telco October 17, 2023:** We have been contacted recently at Swift by Ross McGill - chair of the AQAI (Association of Qualified & Authorised Intermediaries) - to see if Swift /SMPG would be interested to collaborate with AQAI to drive the ISO message design to support the FASTER directive. Input (see minutes). |
|  | **Shareholders Identification** | | | |
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