

SMPG - Corporate Action

Telephone Conference Minutes

14 March 2011

Final v1.0 – March 31, 2011

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Attendees

|  |  |  |  |
| --- | --- | --- | --- |
| **Country** | **First Name** | **Last Name** | **Institution** |
| BE | Véronique | Peeters | BNY Mellon |
| CA | Cairbre | Cowin | RBC Dexia Investor Services |
| FI | Sari | Rask | Finland |
| FR | Kimchi | Phungtran | BNP |
|  |  |  |  |
| IL | Mira | Neufeld | Tel Aviv Stock Exchange |
| IL | Haydee | Livschitz | Tel Aviv Stock Exchange |
| LU | Bernard | Lenelle | Clearstream Banking |
| MDPUG | Laura | Fuller | Telekurs |
| NO | Grethe | Pedersen | DnB NOR Bank |
| UK & IE | Alan | MacAlpine | JP Morgan |
| US/ISITC | Sonda | Pimental | Brown Brothers Harriman&Co. |
| XS/ICSD | Delphine | Haillez | Euroclear |
| ZA | Sanjeev | Jayram | First National Bank |
| Facilitator | Jacques | Littré | SWIFT Standards |

Apologies

|  |  |  |  |
| --- | --- | --- | --- |
| Country | First Name | Last Name | Institution |
| AT | Anita | Boehm | Unicredit Group |
| JP | Ichiro | Yamamoto | Mizuho |
| SE | Christine | Strandberg | SEB |

# Tax Subgroups – Status

The kick-off meeting/conference call is now rescheduled on April 1 from 3 PM to 4.30 PM CET. If additional members want still to join the subgroup, contact Bernard, Kimchi or Jacques.

Actions:

* Bernard/Kimchi: to send out ASAP the agenda and call in details to the subgroup members

# Proxy Subgroups – Status

The kick-off meeting/conference call still to be scheduled by Didier Hermans.

Actions:

* Christine to contact Didier Hermans so as to ask him to set a date and agenda for the meeting.

# ISO 20022 Subgroups – Status (CA188/ CA199)

The ISO20022 subgroup had already 2 conference calls and a third one scheduled on March15.

The primary objective of the subgroup is to publish a cleaned and up-to-date SR2011 version of the GMP Part 1 document before making it compliant with ISO20022.

Sections 2,4,5,6 remains to be reviewed. The clean-up of all other sections have already been completed.

Any new volunteers to participate to the clean-up of those remaining sections can contact Véronique.

# “Shareholder Transparency” Related Change Requests for SR2012

In the past months and under the umbrella of the European Central Bank, a T2S Taskforce on Shareholder Transparency[[1]](#footnote-1), has reached an agreement on a set of harmonized market practices in disclosing shareholders information.

As a follow up of this work, some institutions are working on a set of common change requests on CA notification and instruction messages (MT and MX) for SR 2012.

The T2S Task Force has asked the CA SMPG for a joint conference call so as to be able to present their market practice document as well as to clarify the business case and resulting information flow. A review of the related change requests will also be proposed by the submitting institutions to the CA SMPG shortly after.

This joint conference call will most likely happen around April 21 and will be confirmed in due time.

# Issues with PRPP/EXER Prices and NETT rate placement (CA170)

**PRPP/EXER :** Bernard raises the issue that for some specific events like accumulating funds or automatic reinvestments (DRIP MAND as there is no choice in this event), there is a reinvestment price provided (as :92a::PRPP price) whilst actually there is no ensuing cash movements.

Since the PRPP price is now located exclusively in the cash movements sequence E2, this forces to open E2 only to provide the PRPP price and nothing else which may seem quite odd. The same case may also happen with EXER price.

Therefore the following solutions are proposed:

1. Short term for SR2011: use PRPP/EXER as is in E2 with the mandatory Credit/Debit indicator and no cash movements.

2. Long term for SR2012: Add also PRPP/EXER price in securities movement sequence E1.

3. Since EXER and PRPP are never used together in events, we might think about keeping only one of the two.

Remark: About DRIP MAND, note that this CAMV option for DRIP is not currently listed in the EIG+; therefore the EIG+ should be amended to explicitly allow it.

**NETT**: For SR2011, it was decided for some reasons (likely based on DE request ?) to keep the GRSS rate in E whilst also copying it to E2. However, the NETT rate was fully moved to E2.

For DRIP MAND events again, we might want to provide both GRSS and NETT rates together whilst they might not be any cash movements and therefore the sequence E2 should be opened only to provide this rate.

Proposal:

1. Short-term: for SR2011: Use GRSS in E and NETT in Narrative

2. Long term: for SR2012: Reinstate NETT also in sequence E in additin to E2.

Actions:

NMPG’s to provide feedback on PRPP/EXER/NETT placement proposals for Rio meeting

Jacques: Add the issue in CA 170 – placement of Rates / Prices at cash movement sequence

Andreana: to submit the CR for WITF back in E for review in Rio.

# CA 192 – EIG+ Updates Review

**A. Redemption events issue – OFFR & RATE**

Bernard raises the issue that in the EIG+ for the redemption events (PRED, CAPI, PCAL, REDM) there seems to be an inconsistency with the usage of the OFFR price and the need for a redemption rate.

OFFR should be considered as the price of the bonds.

Bernard’s proposal is to add the rate “:92a::RATE” as the “current rate” for PRED and CAPI (In addition to the previous factor PRFC and next factor NWFC rates) and to add also RATE in PCAL events. In place of INTP. See detailed illustration in the “Redemptions” file attached for changes to the EIG+.



Action: NMPG’s to provide feedback on the proposal for the Rio meeting

**B. Other Action items review**

**1. EIG+ NMPG comments:** Comments/updated EIG+ country column received from DE, JP, NW, DK, ZA and integrated in new SR2011 draft EIG+ published on February 25 on the SMPG web site. The final SR2011 EIG+ publication is scheduled for beginning of May.

All remaining comments / updates must be sent to Jacques before end of April. UK and FR planning to send comments before end of April.

**Post meeting comments**

SWIFT has also applied a validation process on the latest EIG+ version and a number of inconsistencies have appeared as a results in some country columns. In some cases, the list of options differs from the global grid (GG) in the country column but the DPRP columns are not filled in whilst the rules of the EIG+ specifies that if there is a difference between the GG and the country column, the whole set of data (options + PPRP must be provided).

List of country column remaining issues in the EIG+:

**Austria:**

CAEV//EXOF – CAMV//VOLU

CAEV//EXWA – CAMV//VOLU

CAEV//LIQU – CAMV//MAND

CAEV//MEET – CAMV//VOLU

CAEV//MRGR – CAMV//MAND

CAEV//PRIO – CAMV//VOLU

CAEV//REDM – CAMV//MAND

CAEV//RHTS – CAMV//CHOS

**Australia:**

CAEV//BIDS – CAMV//VOLU

CAEV//DRIP – CAMV//CHOS

CAEV//DVOP – CAMV//CHOS

CAEV//LIQU – CAMV//MAND

**Belgium :**

CAEV//DVOP – CAMV//CHOS

**Switzerland:**

CAEV//PRIO – CAMV//VOLU

CAEV//REDM – CAMV//CHOS

CAEV//TEND – CAMV//VOLU

**Denmark**

CAEV//BRUP – CAMV//MAND

CAEV//REDM – CAMV//MAND

**Spain:**

CAEV//MEET – CAMV//VOLU

**Eurobonds Market (ICSDs):**

CAEV//REDM – CAMV//CHOS

**The Netherlands:**

CAEV//DVOP – CAMV//CHOS

**US:**

CAEV//LIQU – CAMV//MAND

CAEV//DRAW – CAMV//CHOS

**Germany**

CAEV//BONU CAMV//CHOS: Germany has a BONU / MAND defined in the second BONU/CHOS row of the GG whilst it should be defined in the BONU/MAND row of the GG. This placement is not consistent and should be reviewed.

**Action**: NMPG feedback is needed on those identified issues in order to confirm that the DPRP columns are either the same as the GG or are different and have been omitted, in which case the applicable set of DPRP data must be provided. Feedback required by the Rio meeting or by end of April at the latest.

**2. Record date tracking non-european countries**: Table is now present in the GMP Part 2 and needs to be filled in with countries input. Will be addressed in Rio.

Action: NMPG’s to provide input on support of RDTE at next meeting in Rio.

**3. NMPG to report if NOAC explicit (i.e. included as an option) or implicit for VOLU.**

FR: NOAC Explicit

US: NOAC usually explicit via Account Servicer SLA, not per se an ISITC MP. NOAC not supported by DTCC.

UK: NOAC usually explicit via Account Servicer SLA, not per se an UK MP. NOAC is not proposed by the CSD. Issuers does not want to have NOAC in instructions.

BE: NOAC Explicit

FI: NOAC Explicit.

ZA: NOAC Explicit

Decision: Create a new market practice recommending that NOAC should be explicit in VOLU events.

**4. Complete List of MT 564/566 Qualifiers located at more than 1 place**:

The list is currently available in the GMP Part 2 SR2011 v0.1 in the DvE sheet. However, it is requested that the list be removed from the GMP Part 2 and put in a separate document for discussion at next meeting.

Action: Jacques to create separate document and create a new open item on this (see CA 206).

**5. and 6. New CRs from co-Chairs:**

Action: Bernard and Christine to present draft versions at the Rio meeting. CR deadline is June 1. Jacques to send new SR2012 CR template.

**7. DRIP/DVOP Announcement Flow document updates**: Still to be updated based on the EIG and integrate the document in GMP Part 1.

Action: Jacques to integrate updated document in GMP Part 1.

**8. CONV,EXWA, CAPI sample review by MDPUG:**   
. Review feedback has been provided by MDPUG and will be integrated into the template document (re. OFFR not in CAPI).  
- Also question from MDPUG on EXER price in CONV. EXER is used in the sample but not indicated in the EIG+. Shouldn’t it be PRPP instead ? It is confirmed that PRPP is to be used instead of EXER.

**10. RDTE and NEWO usage for PPMT**:

Action: MDPUG will discuss at their next meeting and revert.

**11. New EIG+ layout to have EIG+ terms ISO20022 enabled**:

EIG+ DPRP terms definitions sheet has been produced and will be published in next GMP Part 2 release in May.

**12. EIG+ release schedule**: The official schedule is fine, the issue is to schedule properly the NMPG’s inputs sufficiently in advance so that NMPG prepare for it in advance too. Christine proposed to supplement the schedule with a schedule for NMPG input.

Action: Co-chairs and Jacques to propose such a new schedule.

**13. SOFE and INCE Redundancy**: Both rates seems to have the same meaning. INCE is used for CONS and TEND events.

**Action**: NMPG to provide feedback for Rio meeting. If the redundancy is confirmed, a CR to remove one of the two will be submitted for SR2012.

# CA200.2 - Options: Different options for different tax treatment

Bernard introduces the topic on how to format the option sequence when different tax treatment/rates should be provided.

A. The current market practice outlined in the GMP Part 1 section 3.12.9 for omnibus account is to have multiple options each with a different tax rate specified. This was typically used in France for DVOP events and 2 tax rates (15% and 30%). (In the US, only one option is provided with tax information in narrative).

B. However, with the SR2011 release and the rates present in the Cash Move sequences, Bernard proposes that it now would be possible also to provide the different tax rates in different cash move sequences and to use the 92A::TAXB in the MT 565 to specify the requested tax rate.

Input below : current example on usage of tax rates/treatment with different option and usage of narrative.



Action: NMPG’s feedback on the above 2 solutions A or B to be provided before next meeting in Rio for the income events and for the CHOS/VOLU events.

# CA78.2 - COAF Official Bodies Identification and COAF Guidelines

Actions still ongoing.

Action :

* Jacques to rename the document as a MP with implementation date.
* Sonda to send proposal for new agenda item to discuss in Rio for use of CORP.
* Jacques to send NMPG’s new request for validation of the COAF Registration Organisations list.

# CA86.3 – Bulk MT564s

Sonda has provided the ISITC amendment document for updating the ISITC MP for linking Bulk MT564s (see document below) using a forward linking mechanism. 2 ways of forward linking is proposed according to the technology capability supported by the account servicer.



Action: NMPG’s to provide comments on the documents by next meeting.

# CA159 - Maintenance of the CA Event Templates document

Bernard and Veronique have provided missing samples.

Jacques has validated the sample against the EIG+.

A thorough final review of the SR2011 SMPG Templates document is now conducted by Bernard and Jacques before publication so as to ensure highest quality and reliability of the document.

Action:

Bernard and Jacques to finalise quality review of the document.

# CA194 - Reinvestment of Fund Cash Distribution (REIN) Code (UK)

Not discussed.

Actions:

* MDPUG to investigate further before reverting to the SMPG.
* Andreana will contact Alan to discuss about the REIN Issue.

# CA197 – Create New Funds Related Events

Closed as UBS is not in a position to provide input on time for submitting an SR2012 CR.

# CA199 - Extending Global MP to ISO 20022

See ISO20022 Subgroup status report in section 3 above.

# CA200.1 - Options: Renumbering in cases of currency option change ?

Not discussed.

Action Bernard: To provide more input/explanations on the issue and potential solutions to be discussed at the next conference call.

# CA201 – QUOT Date Replacement

Not discussed.

# CA204 – Eligible Balance - Clarify/review Current MP (from ISO20022 subgroup)

Not discussed.

# CA205 - Payment Date, Earliest Payment date and Value Date - Clarify/review  current MP (from ISO20022 subgroup)

Not discussed.

# CA206 - DvE for Non-DPRP Fields (from ISO20022 subgroup)

Not discussed.

# CA207 - Impact of changes on chain of linked MT 564 & MT568 (from ISO20022 subgroup)

Not discussed.

# CA208 - Notification of Conference Call (from ISO20022 subgroup)

Not discussed.

**------------------------ End of the Conference Call Minutes -----------------**

1. T2S Task Force on Shareholders Transparency: formed by 23 members representing issuers, a broad range of industry practitioners of issuer services (i.e. issuer agents, registrars, CSDs, banks), the EU Commission, and the T2S project team [↑](#footnote-ref-1)