

SMPG - Corporate Action

Telephone Conference Minutes

17 October 2012

Draft Version v0.1 – October 22, 2012

Table of Contents

[1. Approval of Sept 13 minutes 4](#_Toc338681345)

[2. CA 203 – Remaining actions & new questions 4](#_Toc338681346)

[3. CA 167 – Consent Events /+ Schemes - Clarify business flows 4](#_Toc338681347)

[4. CA 202 – Funds related Issue 5](#_Toc338681348)

[5. CA210 - Over-election / subscription market practice review 5](#_Toc338681349)

[6. CA 226 – Disclosure (DSCL) event  - Clarify Usage / MP 5](#_Toc338681350)

[7. CA 238 – Reporting of Bond Holder Meeting in ISO 15022/20022 5](#_Toc338681351)

[8. CA 239 - SR2013 Maintenance WG follow up items 5](#_Toc338681352)

[9. CA 240 - New CAMV code or Option code for disclosure / certification 6](#_Toc338681353)

[10. Tax subgroup update 6](#_Toc338681354)

[11. PV subgroup update 6](#_Toc338681355)

[12. Osaka CA SMPG meeting 6](#_Toc338681356)

[13. AOB 7](#_Toc338681357)

[14. Next Meeting / Conference Call 7](#_Toc338681358)

Attendees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | BE | Veronique | Peeters | BNY Mellon |
|  | CH | Michael | Blumer | Credit Suisse |
|  | DK | Charlotte | Ravn | VP Securities Services |
|  | FI | Sari | Rask | Nordea |
|  | FR | Kimchi | Phungtran | BNP Paribas |
|  | JP | Ichiro | Yamamoto | Mizuho |
|  | MDPUG | Laura | Fuller | Telekurs |
|  | RU | Elena | Solovyeva | NSD (National Settlement Depository) |
|  | RU | Sofia | Prokofeva | Rosbank |
| Co-chair | SE | Christine | Strandberg | SEB |
|  | UK & IE | Mariangella | Fumagalli | BNP Paribas |
|  | US | Sonda | Pimental | BBH |
|  | XS | Delphine | Hailliez | Euroclear |
| Facilitator |  | Jacques | Littré | SWIFT |

Apologies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | DE | Andreana | Pileri | Commerzbank |
|  | DE | Daniel | Schaefer | HSBC |
|  | IT | Paola | De Antoni | Societe Generale |
| Co-chair | LU | Bernard | Lenelle | Clearstream Banking |
|  | MDPUG | Peter | Hinds | Interactive Data |

,

Meeting Agenda

Approval of Sept 13 minutes

CA 203          Remaining actions & new questions (Sonda, Andreana/Daniel, Veronique, Delphine)

CA167           Consent Events /+ Schemes - Clarify business flows (Bernard)

CA 202          Funds related Issue (Andreana/Daniel, Mari, Veronique)

CA 210          Over election/subscription market practice review (Veronique)

CA 226          Disclosure (DSCL) event - Clarify usage / market practice

CA 238          Reporting of Bond Holder Meeting in ISO 15022/20022 – (NMPGs)

CA 239          SR2013 Maintenance WG follow-up items (Veronique)

CA 240          New CAMV code or Option code for disclosure / certification (Bernard)

Tax Subgroup (Kimchi)

PV Subgroup (Christine)

Osaka CA SMPG meeting (co-chairs)

# Approval of Sept 13 minutes

Approved.

# CA 203 – Remaining actions & new questions

Delphine - Questions on the EIG+

1. CONS: not all consent events have consent fees, hence PAYD should be optional.

Decision: PAYD is conditional; it should only be MAND when there is a consent fee.

2. EXOF VOLU and EXOF CHOS: following comment should be added "NEWO or / and OFFR (either one or the other or both must be present)" like in EXOF MAND

Decision: Extend comment to EXOFF CHOS and VOLU as well.

3. BIDS VOLU: why is RDTE mandatory while it is not in a TEND VOLU ?

Decision: Keep RDTE as M; countries with BIDS without RDTE should fill in their country column accordingly. If there are more markets without RDTE than markets with RDTE, the GG should be amended.

4. CONS: for XS not all consents have a record date, therefore the record date should be optional in the XS column

Decision: Correct XS column as proposed.

**Actions**:

**Jacques** to update the EIG+ table with the above decisions.

CA 203 - Remaining action items from the Athens meeting:

* **Sonda** on CLSA VOLU: to provide PWAL value for the CLSA template as well as the “terms” paragraph for the event.
* LIQU MAND in EIG+ DE column: XDTE[O] missing comments on usage of XDTE.: **Daniel / Andreana** to provide comments in EIG on XDTE usage.
* **Sonda and Veronique:** RDTE tracking tab: to provide their respective US and BE input.

# CA 167 – Consent Events /+ Schemes - Clarify business flows

Delphine and Sonda have not received an updated document from Bernard. Postponed.

**Action**: Bernard to send updated Consent document to Sonda and Delphine for review and integrate also SR2013 related changes.

# CA 202 – Funds related Issue

The UK NMPG is discussing the pain points. Some feedback has been received, but Mari expects more in the next few days. Five points have been identified so far; three out of which have been addressed in SR2013 (accumulation, equalization and period units).

A new issue regarding liquid asset funds is how to reflect daily accrual when distributing on a monthly basis. Also another issue, funds income distribution are announced in the market as DVCA though there is an automatic reinvestment.

When the UK has identified the pain points (likely at their meeting this week), Mari will document them.

*Veronique:* No input due to lack of time.

Jacques had an action to arrange a conf call between the four; is this still necessary? No, it is preferable to wait until all the pain points have been compiled first.

Regarding the IF-WG’s discussion of funds-related corporate actions. It is not clear whether the discussion is from a funds or fund unit holders perspective ? To be clarified with the IF WG.

Actions:

* **Véronique** to check with Charles Boniver and **Mari** to check with David Broadway regarding the IF WG discussions on funds related CA.
* **Andreana** (covering DE), **Mari** (covering UK&IE) and **Véronique** (covering the rest of countries) to create the respective list of pain points for investment funds related events i.e. income distributions, capital reorganisations (fund mergers, de-mergers, closures etc.) and shareholder voting, reinvestment of Fund (REIN) Cash Distribution.

# CA210 - Over-election / subscription market practice review

The GMP1 subgroup has not yet covered this. It should be covered at the next call to be held after Osaka.

# CA 226 – Disclosure (DSCL) event  - Clarify Usage / MP

Jacques’s last month actions have all been completed.

Bernard’s proposal from the September call was approved i.e. put CA 226 on hold for the moment and open a new item regarding a possible new CAMV code (refer to CA 240 below).

Russia mentions the issue they have today for event with disclosures as the disclosure request is only meant for the nominees and not for holders. In that case, the recommendation is to have different notifications sent on one side to the Nominees and on the other side to the holders.

Kim raised the issue of the T2S shareholder disclosure discussions: has there been any progress?

Actions: **Jacques** to check the status of ISO 20022 shareholder disclosure message request, if any.

# CA 238 – Reporting of Bond Holder Meeting in ISO 15022/20022

Jacques has forwarded the question to the Proxy Voting sub-group, and it is in the agenda of the next call on Oct. 24.

**Action:** NMPG’s: provide feedback on usage of Bond Holder Meeting.

# CA 239 - SR2013 Maintenance WG follow up items

(Refer to the SMPG SR2013 Action” sheet into the “Open Items” Excel file.

Veronique reports about the GMP Part 1 subgroup work on this topic: The GMP1 subgroup has had two conference calls and have made good progress on the general items. On market (NMPG’s) -specific items, the subgroup has a plan and work is in progress. Actions items are planned for November.

Kim reports about the progress of a MP by the FR group on the French Transaction Tax (FTT): FR has been working on the CA side of the FTT and hope to have an “internal” draft document ready by mid-November and a draft for discussion and possible publication by the SMPG by end of December.

Pending actions items 1-4 have been completed.

# CA 240 - New CAMV code or Option code for disclosure / certification

New item (see CA 226 above).

The items concerns mandatory events where the issuer (or an agent) will not pay the proceeds until and unless certification/disclosure is made. An example would be a securities distribution where the holders need to certify that they are not residents of certain countries.

**Actions**:

The NMPGs to revert on the below questions at/by Osaka:

1. Do you have this kind of scenario in your market?

2. Do you have a preference regarding a new CAMV code or new CAOP codes?

3. Do you have any other suggestions on how to solve the problem, such as an ADDB code?

# Tax subgroup update

Kim reports on the tax subgroup: two ongoing items are discussed:

1. Certification and tax reclaim on the income tax side,

2. Use of tax qualifiers for income payment.

Unfortunately, few NMPGs have reverted on the qualifier issue so far and therefore the analysis cannot be completed.

Christine proposed to extend the request to the entire SMPG and ask for input by mid-November.

Mari proposed the tax subgroup to have more regular calls, say on a monthly basis.

Sonda suggested that FTTs in additional markets be added to the tax subgroup agenda, with participation from those markets where an implementation of it is under discussion.

Actions:

* Tax subgroup Co-chairs, Kim & Jean-Pierre, to schedule more regular conference call meetings.
* Kim to send to Jacques and Christine the Tax subgroup input document on Qualifiers for forwarding to the entire CA-WG.

# PV subgroup update

The PV subgroup has had a few calls, though the last call was cancelled due to not enough participants. The work is progressing well, with review of the meeting notification and notification cancellation already completed. The next step is to start reviewing the instruction message. Next conference call scheduled on October 24.

# Osaka CA SMPG meeting

Jacques reported on the status of the meeting. So far, 17 participants have registered for the CA meeting, including Hong Kong, Korea and Singapore.

There will be a common session with S&R regarding IPOs and depository receipt issues experienced in Asia.

Christine reminded everyone to ensure all NMPGs discuss all Osaka topics, in order to have all needed input at the meeting.

Actions:

1. Jacques will send the final OSAKA agenda by end of this week or very early next week.

2. NMPGs that will not be represented at Osaka are requested to send their input in advance of the meeting to the co-chairs.

# AOB

A. Follow up actions on rejected ISITC CR on Instruction

The UK NMPG has a request related to the rejected ISITC SR2013 CR for the CA instruction message. At the MWG meeting, SWIFT suggested to have also an academic approach at the subject by asking researchers via the newly created “SWIFT Institute” program to investigate possible solutions. What is the status of the follow up by SWIFT ?

Jacques has contacted the person responsible for the “SWIFT Institute” who has agreed to include the topic in the set of “call for tenders” that will be published in November. There is a second SWIFT initiative called Transconstellation academy (created several years ago by BNY, Euroclear and SWIFT) and which may also be a possible candidate for an investigation as an “end of study” project by students of the academy. Both would be held during 2013 if the topic is selected by researchers / students.

Sonda reported that ISITC will have a discussion re instructions at their next meeting, which is held on the first weekend of December in Florida. Would the SMPG be interested in having a representative present? Jacques will attend; Veronique will not.

**Action**: Sonda to send ISITC December meeting information to the co-chairs and Mari.

B. Coupon-like payments

Christine gave a heads-up of an issue regarding coupon-like payments that are not regular interest payments. She will create a brief document on the issue and send it to the SMPG within a few weeks. If time allows and the item is prioritised, it could be discussed at the December 13 call.

**Action**:

Jacques to create new open item.

Christine to provide input document on the issue.

# Next Meeting / Conference Call

Osaka meeting: 5 to 7 November 2012

Next conf call: December 13, 2012 From 2 to 4 CET.

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