

SMPG - Corporate Action

Telephone Conference Minutes

20 November 2014

FINAL Version v1.0 – Dec 4, 2014

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Attendees

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
|  | AT | Mr. | Stefan | Ribisch | Unicredit |  |
|  | AT | Mrs. | Karin | Wachter | Unicredit |  |
|  | BE | Mrs. | Veronique | Peeters | BNY Mellon | 🗸 |
|  | CH | Mr. | Michael | Blumer | Credit Suisse | 🗸 |
|  | DE | Ms | Pileri | Andreana | Commerzbank AG |  |
|  | DE | Mr. | Schaefer | Daniel | HSBC | Excused |
|  | DK | Ms | Ravn | Charlotte | VP Securities A/S |  |
|  | ES | Mr | Steimann | Thomas | Deutsche Bank SAE |  |
|  | FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |
|  | FR | Mrs. | Kimchi | Phungtran | BNP Paribas | 🗸 |
|  | FR | Mr. | Karim | Djenadi | BNP Paribas |  |
|  | HK | Ms | Yu | Yek Ling | HSBC |  |
|  | IT | Ms | Deantoni | Paola | SGSS spa |  |
|  | JP | Mr | Ito | Hideki | Mizuho Corporate Bank | 🗸 |
| Co-Chair | LU | Mr. | Bernard | Lenelle | Clearstream | 🗸 |
|  | MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | 🗸 |
|  | MDPUG | Mrs. | Laura | Fuller | Telekurs | 🗸 |
|  | NL | Mr | van der Velpen | Ben | ING Bank N.V. | Excused |
|  | NO | Mr. | Hans Martin | Aulie | DNB Bank | Excused |
|  | NO | Mr. | Alexander | Wathne | Nordea | Excused |
|  | RU | Mrs | Elena | Solovyeva | NSD | 🗸 |
|  | RU | Mrs | Sofia | Prokofeva | Rosbank |  |
| Co-Chair | SE | Mrs. | Christine | Strandberg | SEB | 🗸 |
|  | SG | Mr. | Jyi-Chen | Chueh | SC | Excused |
|  | UK & IE | Mrs. | Mariangela | Fumagalli | BNP Paribas | 🗸 |
|  | UK & IE | Mr. | Matthew | Middleton | LSE | 🗸 |
|  | US ISITC | Mrs. | Sonda | Pimental | BBH | Excused |
|  | XS | Ms | Haillez | Delphine | Euroclear | 🗸 |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |
|  | ZA | Mr. | David | Nita | Strate |  |
|  | ZA | Mr. | Kumaran | Pillay | Strate |  |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Approval of October 23 Meeting Minutes

The header in the October 23 minutes must be updated to “October”.

Despite this change, the minutes are approved.

# CA203 – Yearly MP Updates (Christine/Jacques)

Although there is no SR2015 CRs implementation for MT messages, and no impacts on market practices from the MX messages updates, there is still the opportunity to check and update our MP documents at this time of the year.

**Decision**:

The deadline for inputs (as a results of the actions listed below) for all SR2015 updates in GMP documents and templates is **set on January 16, 2015**.

**Actions**:

1. **GMP Part 1 SG** to check if any updates for part 1 and provide input to Jacques.
2. **All NMPGs** to check in GMP Part 2 their current EIG+ country column and global grid and provide their feedback / changes to Jacques by the deadline.
3. **CA WG** to complete the BMET event in EIG+ at next meeting in December.
4. **All NMPGs members** responsible for templates updates (as per the list in the sheet attached below) are requested to provide their sample updates/changes with track changes by January 16 to Jacques.

See also new template needed for EXWA MAND (Bernard)



1. **Delphine** see CA 292 action item for GMP Part 3.
2. **Christine** to provide the SR2015 MP Changes summary.

# CA265   Stock Lending Deadline (UK NMPG / GMP1 SG)

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

# CA268 - Narratives scope/usage (GMP1 SG)

**Action 1 review – Narrative MPs on MT 565/566/567:**

GMP1 SG last meeting had not the sufficient number of participants to progress. Action is still ongoing.

**Action 2 review – CETI / DECL questions (NMPGs feedback)**

Can CETI also cover DECL narratives?

* BE: Yes; agree to an aggregate CETI to include DECL and broadening CETI definition for that purpose.
* XS / UK&IE / FR / FI : Agree
* RU agree and uses DECL for passport (or other legal document ) details of a party in beneficial owner details subsequence . It is used also in SSR messages as well in settlement parties sequence.

**New Action 2:** Based on the above, and the previous feedback from JP, RU and SE, GMP1 SG to draft a CR for SR2016 removing DECL and amending CETI slightly in order to also cover DECL scope

**Action 3: review - Narrative for “How to Instruct”**

Bernard and Delphine recall that in Boston it was agreed that it would be too tedious to analyze all the “How To Instruct” examples and that we could simply assume that it is necessary to put that information somewhere in an narrative. The question is now; shall we create a new narrative qualifier or reuse CETI?

Using CETI though would entail that the “How to Instruct” information could not be ignored (if it can be)?

**New action 3:** Delphine to draft a proposal, together with Bernard, for a new narrative qualifier for ‘how to instruct’.

# CA277 - COAF Assignment Body Registration & Governance Questions (Christine)

DE could not attend this conference call but Daniel informed us that the DE NMPGs would have a meeting beginning of December with WM Daten and that more information will be provided at the December call.

Item postponed to the December call.

**Actions:**

1. Daniel / Andreana to provide comments of the latest COAF proposal at the next meeting.

2. NMPGs approval of updated COAF section in GMP1 requested once action item 1 is completed.

# CA278 - Sample for usage of PRFC / NWFC in INT and redemption (Elena)

The explanation by Sonda at the Boston meeting about the usage of factors was quite convincing to demonstrate that the current usage of those factors can be very misleading; hence the current ISITC MP which is trying to have a working solution despite the removal of CUFC some years ago.

Since Bernard had already left the Boston meeting by the time Sonda explained the ISITC MP and since Sonda cannot attend today call, the item is postponed to the February call.

**New action:** Bernard and Sonda are requested to draft a basic illustration and describe verbally in more details of how factors should be used and send it to Jacques for the February conference call.

# CA279 - Market practice for Claims and Transformations in the T2S context (GMP1 SG)

Since the Boston meeting, a “joint task force” between T2S CASG and GMP1 SG has been started; no progress can be reported at this time but work is ongoing.

**Actions:**

1. Mari together with Paola, Veronique and Christine to check first the original CR from the UK for SR2006 and start the process to create a business justification for a new MT and MX message, combining the CA details in an MT567 with the settlement and reference details of an MT548. And check the T2S implications of the above.
2. Mari, Veronique, Sonda (and other NMPGs) to search for traffic figures on Market Claims from their respective CSD/Institutions.

# CA282 - Write-downs / write-ups on Bonds (Delphine)

Delphine/Bernard report that there was an ICSMA meeting discussing this item recently and the preferred solution of ICSMA is to use pool factor adjustment instead.

Although it is not clear whether this solution will work in all cases?

What to do for existing CoCo bonds without a factor? Unless there has not been any so far yet ?

**New action:** Bernard and Delphine to check if it only applies to international securities.

# CA284 - MP for Amounts Larger than 15d (GMP1 SG)

Current Proposal:

• Case 1: Amounts/rates/prices where the 15d character limitation means that not all decimals can be provided in a formatted field:

-> In this case, include as many decimals as the field length allows PLUS include the complete amount/rate/price in 70E ADTX in sequence E.

• Case 2: Amounts/rates/prices where the 15d character limitation means that not all integers can be provided in a formatted field:

-> In this case, do not include the formatted field; ONLY include the complete amount/rate/price in 70E ADTX in sequence E.

Feedback from NMPGs about the current proposal i.e.:

* XS: OK
* LU: OK

**Action**: Remaining NMPGs are requested to review the proposal and revert by the next conference call.

# CA285 - FDIV/PDIV usage (Jacques)

Feedback from NMPGs on the questions:

* XS: OK with proposal b).
* FR: Agree with b). but a number of institutions in FR use FDIV/PDIF as a stand-alone qualifier
* RU: No usage of FDIV or PDIV; fine with proposal b).

Regarding Action 2, SWIFT has already performed a traffic analysis of the first three months of 2014. The analysis shows some usage of both PDIV and FDIV, but over twice as much for FDIV.

This traffic analysis was a one shot only this year. SWIFT is currently having a project to collect those type of traffic data on a regular basis but this is not in the short term.

**Actions**:

1. Remaining NMPGs to provide feedback on the three following questions:

a. Do you use PDIV, and if so, do they follow up with FDIV for the final rate?

b. Would it be acceptable to add a new “Rate Status” to some format option to send GRSS (or NETT, if applicable) as indicative, without using a “Rate Type Code” (this would necessitate a standards change) ?

c. Do you use FDIV as a stand-alone code (i.e. without using PDIV)?

# CA286 - Events Withdrawal and MT 567 (Mari)

Action 1 NMPG feedback on proposal statement (MT564 WITH is required, MT567 in addition is optional and up to SLA).

* LU: Approved
* XS: Approved
* FR: Approved
* RU: Approved
* UK&IE: Approved
* FI: Approved
* SE: Approved already

**Actions:** RemainingNMPGs to approve the proposal to state that MT564 WITH is required, MT567 in addition is optional and up to SLA.

# CA288 - Information (INFO) Event Types (Andreana, Daniel)

The German NMPG has not reverted on the issue following up from the SR2015 CR000769, and did not attend the conference call. The item is postponed to the next conference call.

**Action**: DE NMPG to provide more information on the reasons to use an INFO event rather than the appropriate corresponding event code for Investment Funds.

# CA289 - MAND event with Required Owner Action (Christine)

Christine emailed the following draft text on November 16:

*There are certain types of mandatory events where some form of action is required by the account owner in order to receive the entitlement/proceeds. Examples include spin-off where the outturn securities cannot be held in the same CSD/account as the underlying securities, and distribution of interim securities/subscription rights where the account owner must certify it is not restricted from participation before the entitlement/proceeds can be distributed.*

*For these events, the CAMV code CHOS should be used instead of MAND, with option SECU/CASE/CASH according to the terms of the event and option LAPS, forfeiting the entitled proceeds, as the default. In addition, two other fields may be used:*

*Since the event is not a standard mandatory with options event, the ADDB code Required Action (:22F::ADDB//REAC) should always be included in sequence D to better explain the reason for the non-standard mandatory/voluntary indicator.*

*For some recipients of the event notification, the information needed by the issuer/agent may already be known to the account servicer (e.g. due to a fully segregated account). In these cases, the Applied Option Flag (:17B::APLI//Y) should be included in the applicable option sequence to inform that the default option will not be applied unless an instruction to that effect is received. Please note that the flag should only be used with value Y and only for mandatory events requiring account owner action (i.e. when :22F::ADDB//REAC is used in sequence D). It should also only be used for the non-default option (i.e. it should not be included for an option where the DFLT flag value is Y).*

This proposal was discussed and a few changes were made.

Since this cannot be included in GMP1 for SR2015, there is no particular hurry.

**Action:**

1. Christine to amend the text accordingly,

2. GMP1 SG should review the texts on DFLT and STIN to ensure they are aligned.

# CA290 - New Date in MT567 for "Ongoing" / "Au fil de l'eau" events (Delphine)

Delphine has not yet proposed a solution. The item was postponed to the next conference call.

**Action**: Delphine to propose new solution.

# CA292 - MT567 Add MCER Reason code for EPRC//PEND (Delphine)

Sometimes it is necessary to announce that a client will receive a payment late, since no certification has been received. PEND//MCER is available in the standards, why is it not in GMP3?

**Decision:** Add it to GMP3 for SR2015.

**Action**: Jacques to add.

# CA293 - Add Interest Period Inclusive or exclusive indicator ? (Delphine)

Comment about feedback from Euroclear on the Inclusive/Exclusive Indicator:

This issue does not seem really a CA specific issue, so why bother ? Is it really needed ?

**Decision**: Discuss it at the April meeting.

**Action:** NMPGs are requested to discuss the below and report at the April Meeting at the latest:

* *Is it a problem?*
* *Are INPE used in your STP processing?*
* *Do you believe harmonisation is possible?*
* *Do you believe the new indicator could be used?*

# AOB

## Format Options of TAXE

Jacques raised the Korean issue of TAXE for which only the format option J exist whilst the definition of the element TAXE only refers to a “percentage”. KR would like to use TAXE as a percentage instead of a currency / Amount.

Questions are: Should TAXE be changed? Should additional format options be made possible? Is the definition in line with usage?

**Action**:

1. NMPGs requested to provide feedback on the above questions.

2. Jacques to create new Open Item

## Moving the CA WG Calls to Tuesday (iso Thursday) as of February 2015 ?

Bernard proposes to move the Thursday call to Tuesday as of February.

This would potentially solved conflicts with other meetings that some members may have also on the Thursdays.

**Action**: Jacques to organize a poll and collect feedback.

**Next Call / meeting**

December 18, 2014 from 2 to 4 pm CET.

**January Meeting moved to January 29** (iso Jan. 22)

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