

SMPG - Corporate Action

Telephone Conference Minutes

8 September 2015

FINAL Version v1.0 – October 20, 2015

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Attendees

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
|  | AT | Mr. | Stefan | Ribisch | Unicredit | Excused |
|  | AT | Ms. | Karin  | Wachter | Unicredit |  |
|   | BE | Ms. | Veronique | Peeters | BNY Mellon |  |
|  | CH | Mr. | Michael | Blumer | Credit Suisse |  |
|  | DE | Mr | Schaefer | Daniel | HSBC | 🗸 |
|   | DK | Ms  | Ravn  | Charlotte  | VP Securities A/S  |  |
|  | ES | Ms. | Cinta | Cristobal | BBVA | Excused |
|  | ES | Mrs | Diego | Garcia | DB |  |
|   | FI | Ms  | Rask  | Sari | Nordea Bank Plc  | 🗸 |
|  | FR | Mr | Jean-Pierre | Klak | Statestreet | Excused |
|  | GR | Ms. | Angela | Katopodi | Eurobank | Excused |
|   | HK | Ms  | Yu  | Yek Ling  | HSBC  |  |
|   | IT | Ms  | Deantoni  | Paola  | SGSS spa |  |
|   | JP | Mr  | Hideki | Ito | Mizuho Bank | 🗸 |
|  | JP | Mr | Hisashi | Hotta | Mizuho Bank |  |
| Co-Chair | LU | Mr. | Bernard | Lenelle | Clearstream | 🗸 |
|   | MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | Excused |
|  | MDPUG | Ms. | 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 |
|  | PL | Mr. | Michal | Krystkiewicz | CSD Of Poland (KDPW S.A.) | 🗸 |
|  | RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
|  | RU  | Ms | Sofia | Prokofeva | Rosbank | 🗸 |
| Co-Chair | SE | Ms. | Christine | Strandberg | SEB | 🗸 |
|  | SG | Mr. | Jyi-Chen | Chueh | SC | Excused |
|   | UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas |  |
|  | UK & IE | Mr. | Matthew | Middleton | LSE | 🗸 |
|  | US ISITC | Ms. | Sonda | Pimental | BBH |  |
|   | XS | Ms  | Haillez  | Delphine  | Euroclear  | 🗸 |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
|  | ZA | Mr. | Ridhwaan | Williams | Strate |  |
|  | ZA | Mr. | Nita | David | Strate |  |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
|  | SWIFT | Ms. | Mireia | Guisado-Parra | SWIFT |  |

# Approval of July Meeting Minutes

Post meeting, additional feedback was received from UK and FI regarding open items CA306 and CA309 open items.

LU mentions that for CA306 they support REDM. NO mentions that for CA305, they support a single status.

This feedback will be added to the final version of the minutes.

Minutes of July meeting are approved with this additional feedback.

# CA203 – SR2016 CA Maintenance Meeting outcome

The below table summarizes the CA MWG meeting outcome listing the approved and rejected CRs and main comments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CR#** | **Status** | **CR Title** | **MT/MX** | **Comments** |
| **CA CRs** |  |  |  |
| 976 | **Approved** | **Add a rate status code to GRSS / NETT and Delete FDIV / PDIV** | MT/MX | **Remove FDIV and PDIV: approvedSolution number 1: approved except PROV rate status code.** |
| 982 | **Approved** | **Change of Use and Definitions of TAXR / WITL, Delete WITF/TAXE Tax Qualifiers and Add “Country of Income source” to Movements Sequences** | MT/MX | **Approved with a few changes .SMPG to provide MP for COIN** |
| 981 | **Approved** | **Delete qualifiers QOVE and QREC** | MT/MX | **SMPG to create a strong MP for QINS usage in DVOP/PRIO** |
| 983 | **Approved** | **Add a new code to identify taxability for 302 Eligible Events**  | MT/MX | **TXAP to be used with option F.SMPG to provide MP for TXAP code list.** |
| 985 | **Rejected** | **Add new qualifiers to advise of calculation terms for fixed rate spreads** | MT/MX | **Solution already available in the standard using available qualifiers.** |
| 984 | **Approved** | **Align qualifiers ETYP and ITYP across messages** | MT/MX |   |
| 979 | **Approved** | **Changes to narrative qualifiers to prevent misuse and to improve STP**  | MT/MX | **Approved with some changes in solution.** |
| 978 | **Rejected** | **Add elements to narrative fields to identify updated date and time and updated descriptions** | MT | **Too costly for the benefits it brings.SMPG to create a more robust MP on narrative update** |
| 980 | **WIHDRAWN** | **Create 2 new market claims messages** | MT/MX | **To improve the business case and follow the SWIFT MT development process. Group created to review the business case.** |
| **COMMON CRs** |  |  |  |
| 977 | **Approved** | **Align and Amend all definitions of MIEX, MILT, MINO, MAEX across the messages**  | MT/MX | **Approved 1 and 2. Rejected 3. SMPG to work on 3 and re-submit next year.SMPG to look at MINO Format Option** |
| 972 | **Approved** | **Amend definition of BONU event** | MT/MX |  |
| 974 | **Rejected** | **Amend name and definition of PCAL event**  | MT/MX | **SMPG to Take into consideration PRED, DRAW, Pro-rata and re submit the CR proposing the amendment of PCAL definition. Clarify the fact if there is a sec move or not.** |
| 975 | **Approved** | **Amend definition of spin-off event (SOFF)** | MT/MX | **SMPG to illustrate the usage of NSIS and NEIS as well as SOFE, DVSE and BONU in a global MP.** |
| 1017 | **Approved** | **CA Events Codes Definitions MT/MX alignement** | MX |  |
| 973 | **Rejected** | **Clarify definition of :92a::INTR Rate**  | MT/MX | **Business case not Clear.SMPG to further refine it.** |
| 986 | **Rejected** | **Add FISN to the Description of Security subfield in field 35B**  | MT/MX | **The alternative SWIFT solution proposal preferred.** |
| 987 | **Approved** | **Allow negative yields in field 90A** | MT | **No NVR but usage rule for CA.** |
| 988 | **Approved (Rejected for CA)** | **Allow for an LEI in category 5 messages** | MT/MX | **( No business case for the CA community)Approved for all other MWG.** |
| 1021 | **A** | **Coexistence** | MX | **ISO to Produce a supporting document explaining the coexistence** |
| 1016 | **A** | **Duplicates** | MX |  |

# CA278 Sample for usage of PRFC / NWFC in INT and REDM Events

Based on the input provided by Elena on the usage of the PRFC/NWFC in RU, Bernard has produced the following consolidated document:

****

**Actions**:

1. All NMPGs to review and comments on above document from Bernard.

2. ISITC/Sonda to describe the US market practice based on the above described scenario (PRED/INTR on different and same date and PRII) in Bernard’s document.

# CA284   MP for amounts larger than 15d

The GMP1 SG proposes the following addition (case 3 below) to the new MP on large amounts for the mandatory PSTA amount field:

*Case 1) For 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 and include the complete amount/rate/price in 70E ADTX in sequence E.*

*Case 2) For 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.*

*Case 3) For the mandatory :19B::PSTA amount qualifier in the MT 566, split the amount in as many MT 566 as necessary.*

**Action**: All NMPGs to provide feedback on the proposal for the October meeting in SG.

# CA285   FDIV / PDIV usage

The GMP1 SG had a special call lately with Jean-Pierre Klak (FR) to try to find an alternative solution to the FR scenario still using the FDIV/PDIV rates and for which there is a CR in SR2016 to delete them.

It was concluded that the FR NMPG should work on a new market practice instead rather than continue to (mis)use the FDIV/PDIV rates.

Since the change request CR0976 has been approved at the MWG meeting, this open Item can now be closed.

**Action**: Close Item and FR NMPG to work on a new MP for SR2016

# CA289 MAND event with Required Owner Action

Feedback on the proposed draft MP from Christine here below to be provided for the SG meeting:



Michal mentions that there are similar cases in Poland where tax information is required from the account owner.

However, the proposed market practice above does not intend to cover cases where taxes information is involved as it was decided already a long time ago that the tax cases should be covered in a specific MP worked on by the Tax Subgroup.

Michal also mentions another example of Reverse split (SPLR) processing for which this could possibly apply too.

**Actions**:

1. Jacques to add to GMP Part 1.

2. Michal (PL) to provide examples and descriptions of the specific SPLR process in Poland.

3. All NMPGs to provide feedback on draft MP proposal of Christine.

# CA294   TAXE Format Option as a Percentage

The TAXE rate qualifier has been approved for deletion in the CR 0982 for SR2016 by the CA MWG. Therefore this open item can now be closed.

# CA297   MT564 & Multiple MT568 linking

Jacques has drafted some text around the illustrations as follows (to be included in GMP Part 1):



**Action**: All NMPG’s to review and provide feedback for the SG meeting.

# CA298   Capital Gain - cash distribution components

The fourth question on “Capital Gains cash distribution components” (see document attached) is still pending the answer from ISITC.



**Actions**:

1. ISITC to provide answer to question 4 of the attached document.

2. GMP1 SG to update section 9.22 of the GMP Par 1 document.

# CA300   Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP

The CR submitted for SR2016 has been rejected by the CA MWG as the proposed redefinition of INTR was not clear enough.

Now we need to figure out how to use INTR and INTP for floating rates and what is the process for calculating both rates and see whether we need or not a change of definition.

Norway (via email input) indicates that DAAC, MICO and INTR are used to calculate INTP.

This will need to be discussed further at SG meeting.

**Action**: Bernard to provide examples/use cases with Libor rate for the SG meeting.

# CA305 MT567 for Late and Accepted Instructions

The approved MP has been inserted into GMP Part 1 as follows:

*“in the MT567 section, only one status sequence may be included in an MT567, though more than one reason may be included if needed and applicable”:*

**Actions:** See whether we should submit a CR to remove the repetitiveness of the Subsequence A2 Status in the MT567 ?

# CA306 Which Event for Redemptions on ELN without any payments

NO, PL, DE and MDPUG provides feedback on whether they prefer to use REDM or WRTH with Option LAPS:

Consolidated results:

* REDM: ES, FR, XS, US, UK, FI, LU, DE, MDPUG
* WRTH: JP, PL
* No preference: ZA, RU (will follow whatever decision)
* No Feedback yet: BE, CH
* Cannot agree (yet?): SE

Norway feedback: one provider uses EXWA with Cash or LAPS

Decision: As they is a majority in favour of REDM, we propose to USE REDM with option LAPS (to be confirmed at SG meeting).

**Actions**: Confirm decision at SG meeting.

# CA307 NMPGs Status Report on Local MP Publications (Country Report)

As per the request of the SMPG steering Committee, and as already done on a regular basis in the IF WG, NMPGs are kindly requested to provide for the Singapore meeting (and for the future physical meetings) a short report about the status of their local market practices.

You will find some examples of country reports in the attached IFWG minutes from pages 6 to 15.



**Action**: All NMPG’s to provide for the SG meeting a short report about the local NMPG MPs progress. We will keep it informal for the first time and will try to structure the reporting for the following meetings.

For those not joining in SG, written input before the SG meeting can also be sent to Jacques.

# CA309 Distributions of interest on net equity in BR (Q from MDPUG)



NMPG feedback on the SMPG recommendation to use the DVCA code if the distribution is, from an investor tax perspective, treated as a “normal” dividend and If the investor receives the distribution free of tax, or with a reduced tax rate, the CAPD code should be used.

DVCA: ZA, XS

INTR: ES

No preference: UK, SE, MDPUG

**Decision**: Not enough feedback at this stage, put the open Item on hold.

# Singapore Meeting preparation – Questions/Inputs

If the NMPG’s have questions/items to raise in SG, please send your input to Jacques before the meeting.

# AOB

Nothing to report.

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