

SMPG - Corporate Actions

Telephone Conference Minutes

23 May, 2017

FINAL Version v1.0 – July 5, 2017

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Attendees

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |  |
| AU | Ms. | Narelle | Rutter | BNP Paribas | 🗸 |  |
| AT | Ms. | Karin | Wachter | Unicredit |  |  |
| BE | Ms. | Véronique | Peeters | BNY Mellon | 🗸 |  |
| CH | Mr. | Michael | Blumer | Credit Suisse | Excused |  |
| DE | Mr | Schaefer | Daniel | HSBC | 🗸 |  |
| DK | Ms | Ravn | Charlotte | VP Securities A/S |  |  |
| DK | Mr. | Hattens | Randi Marie | VP Securities A/S | 🗸 |  |
| ES | Ms. | Cinta | Cristobal | BBVA |  |  |
| ES | Mrs | Diego | Garcia | DB |  |  |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |  |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |  |
| GR | Ms. | Angela | Katopodi | Eurobank |  |  |
| IL | Mr. | Gilad | Grayevsky | Bank Leumi |  |  |
| IT | Ms | Deantoni | Paola | SGSS spa | Excused |  |
| JP | Mr | Hideki | Ito | Mizuho Bank | 🗸 |  |
| JP | Mr | Hisashi | Hotta | Mizuho Bank | 🗸 |  |
| LU | Mr. | Bernard | Lenelle | Clearstream | Excused | Co-Chair |
| MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | 🗸 |  |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |  |
| NL | Mr | van der Velpen | Ben | ING Bank N.V. | 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 |  |  |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 | Co-Chair |
| SG | Mr. | Jyi-Chen | Chueh | SC | Excused |  |
| UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | Excused |  |
| UK & IE | Mr. | Matthew | Middleton | LSE | Excused |  |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 |  |
| US ISITC | Mr. | Paul | Fullam | Sungard | Excused |  |
| XS | Ms | Haillez | Delphine | Euroclear | Excused |  |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |  |
| ZA | Mr. | Nita | David | Strate |  |  |
| ZA | Mr. | Faizal | Chopdat | Standard Bank | 🗸 |  |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 | Facilitator |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC |  |  |
| SWIFT | Ms. | Mabel | LU | SWIFT APAC (representing TW Market) |  |  |

# Dublin Meeting Minutes Approval

No comment received on the Dublin meeting minutes.

Dublin meeting minutes are approved.

# CA279 Claims in the T2S context

Consolidation of all input tables received from the markets on the market claim process:

**UK input**: Matthew has requested the custodians on the UK&IE group, to provide feedback on the table asap.

**DE Input received from Daniel about the DE table information,**

Detection:

MT564: Optional; even if a Clearstream participant elects to receive the MT564, they can separately elect, if they want to receive messages for Claims.   
MT548 for SECU: Mandatory; if a Clearstream participant elects to receive the MT548 messages, they will receive MT548 messages for Claims, too.   
MT548 for CASH: N/A: Cash is reported by MT56n messages   
MT537: ***Mandatory (changed from N/A)***; if a Clearstream participant elects to receive the MT537 messages, Claims will be included in the messages.

Compensation:  
MT566: Mandatory; if a Clearstream participant elects to receive the MT566 messages, they will receive MT566 messages for Claims, too.  
MT544/546 for SECU: Mandatory; if a Clearstream participant elects to receive the MT54n messages, they will receive MT54n messages for Claims, too.   
MT545/547 for CASH: N/A: Cash is reported by MT56n messages   
MT536: Mandatory; if a Clearstream participant elects to receive the MT537 messages, Claims will be included in the messages.  
MT900/910: Not applicable.



**Pending Actions Status**

Action 1:

DK will resubmit an updated table once the updates are agreed internally.

The meaning of “Optional” and “Mandatory” should be clearly defined in the table itself.

Action 2: Not yet done

Action 3: Not yet done

Action 4: To be started once actions 1 & 2 are completed

Action 5: To be started once actions 1, 2 & 3 are completed

**Actions**:

1. **All markets**: to review their input and finalise the grid as per the agreed assumptions above. Amend any misunderstandings/errors, amend the responses as of (full) T2S migration. To be completed before the summer.
2. **Paola, Matthew**: Add major markets missing in the table (IT, UK) asap.
3. **Christine, Véronique and Bernard** to write a letter to the relevant groups (CAJWG, CASG, AFME, AGC, ECSDA) describing our conclusions (including the high level matrix) and proposed approach (business case) to get their endorsement. Draft to be reviewed and co-signed with the Steering Committee and SnR co-chairs before the summer.
4. **Christine, Bernard** to engage with the SnR WG in order to issue with the CA WG common recommendations on the existing CA & settlement messages on both the detection and compensation parts. To be started after the summer.
5. **SMPG CA WG**: to create a BJ for new ISO 20022 messages once we get the endorsement of the relevant groups (medium term).

# CA315 Extending CA MPs to ISO 20022

**Pending Actions Status**

Jacques has not yet progressed on the action.

**Action**: Jacques to propose a notation for the path in reference table and once agreed start on the cosmetic changes in the document.

# CA343 Deemed Distribution Payment CR – Tax Subgroup Progress

ISITC has provided the following draft CR before the Dublin meeting:



The question is whether the CR should be submitted by the SMPG or by the US market?

There seem to be a few slight differences remaining between the AU CR of SR2017 and the new proposed ISITC one which includes some US specificities. We should ideally merge both but unfortunately we do not have sufficient time before June deadline.

Therefore Narelle will send a draft CR to Jacques, for his review before submitting and Steve will send an updated ISITC CR by June 1. The CA MWG will manage to come up with a common harmonized solution at the meeting in August.

**Action**: Open item can be closed.

# CA346 Conduit Foreign Income (CFI) CR – Tax subgroup Progress



Jacques fears that using a fake COIN country code as discussed in Dublin leads to a very awkward solution to the issue. On the other hand, re-using the already existing Rate Type Code for GRSS and NETT with a new CFI value would be much more consistent with the existing SOIC/FLFR/UNFR rate type codes usage.

Narelle prefers this Rate type code solution as well as in the original CR.

As no one else expressed a preference, a new CFI Rate type Code is therefore the preferred SMPG solution. The SMPG will support the CR. Narelle will submit the CR again.

**Action**: Open item can be closed.

# CA349 Extend Coverage of CERT in MT564 seq. D

The tax SG has suggested to modify the CERT deadline definition as follows: (see CR attached):



**Pending Actions Status**

Action 1: No business case input received. DE, DK and SE have no business case as this element is not used. ISITC will discuss it at their next meeting.

The UK&IE Group had no comments or examples to add for the CR, and is generally supportive.

**Actions**: Jyi-Chen, Jean-Pierre, Jacques: to follow up on the suggestion from Véronique to use CETI Indicator and see if the CR business case needs to be completed before submission.

# CA358 Cleaning of Un-used Tax Qualifiers

Additional feedback on the usage of the NRES rate qualifier:

AU does not use it in principle. Narelle will double check and revert if there is some usage.

DE and DK do not use it at all.

ISITC (post meeting) confirms it is not used either in the US.



**Action**: Jean-Pierre/Jyi-Chen to check if any last minute feedback arrives otherwise submit the change request.

# CA366 Review Voluntary Rolling Event in GMP1



No progress yet.

**Action**: Christine & Bernard to amend the MP draft proposal accordingly to the comments provided on December 13 conference call.

# CA367 INTP and OFFR usage with multiple payment Currencies

Item skipped as Delphine and Bernard could not attend this call.

**Action**:

1. Delphine to provide examples on multiple payment currency for review.
2. Delphine and Bernard to mock up example to check feasibility.

# CA371 CONB in PCAL & DRAW

Item skipped as Alexander could not attend this call.

**Action**: Alexandre to propose a reviewed text for the existing MP 6.5.

# CA372 Reporting Issue with Reverse Market Claim

Most Swiss banks have legacy systems, only communicating with CSD for reverse market claims, not market claims. Client reporting is different for market claims and reverse market claims.

Item skipped as Mike could not attend this call.

**Action**: Mike to provide input for this item.

# AOB

1. **New UK CR on QCAS:**

UK has made a draft 2018 CR to add Cash amounts within the 564 and 567. This follows on from requests we’ve had in the UK&IE and from Mike’s recent email to have cash amounts available.



Narelle will review the UK CR and revert to Matthew if necessary.

1. **CA369 - ACCU Event and XDTE/EFFD usage**

UK Input: Ex-date is reported in the UK by the fund.

If you buy before the Ex date, the payment is treated is a ‘Group 1’ (FUPU Qualifier) distribution.

If you buy after the Ex date, it's a ‘Group 2’ (PAPU Qualifier) distribution. So the Ex date is used to define the type of distribution. Record date is not reported in the UK&IE.

Daniel will raise CA369 in the German NMPG meeting next week and revert, but since this event type (accumulation for funds) is expected to be discontinued in the German market in 2018, Daniel would prefer not to change German market practice at this time.

1. **CA221 - Tax Certification Process**

*Input received from DK on May 19.*

DK has now adopted 2 event scenarios.

1. **CA365 - Split Election per bucket**

UK input: Can be closed, the UK&&IE member that raised the query will consider further, if they wish to prepare further inputs for the group.

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