

SMPG - Corporate Actions

Telephone Conference Minutes

27 June, 2017

FINAL Version v1.0 – September 26, 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 | 🗸 |  |
| 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 | 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 |  |  |
| IL | Mr. | Gilad | Grayevsky | Bank Leumi |  |  |
| IT | Ms | Deantoni | Paola | SGSS spa |  |  |
| JP | Mr | Hideki | Ito | Mizuho Bank | 🗸 |  |
| JP | Mr | Hisashi | Hotta | Mizuho Bank | 🗸 |  |
| LU | Mr. | Bernard | Lenelle | Clearstream | 🗸 | 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 | 🗸 |  |
| 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 |  |  |
| UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 |  |
| 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 | 🗸 |  |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |  |
| ZA | Mr. | Nita | David | Strate | Excused |  |
| 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) |  |  |

# May 23 Meeting Minutes Approval

No comment received on the May meeting minutes.

May meeting minutes are approved.

# CA221 Tax Certification Process

Status on Pending actions:

Action 1: UK (Matthew) and US (Paul/Steve) to check if feedback has already been collected and sent it to Jacques.

* Still pending

Action 2: Jacques & Jyi-Chen to check the TW MP status about their new rights distribution event.

* TW has decided to use RHTS even though there are no rights actually distributed (TW practice when rights are not tradeable) and even though Jacques has informed them that this is against the SMPG global market practice. This leads to quite a number of local workarounds that will certainly not benefit the global custodian community.

Action 3: PL (Michal) to communicate whether Rights distribution is in 1 or 2 steps in Poland.

* Rights distribution is now processed in 2 steps in Poland.

# CA279 Claims in the T2S context

Inputs received from DE and UK have been added to the last version of the table here below as well as some correction in the DK line:



No input yet received from IT. Bernard will contact Paola.

However the table must still be adapted so that when one service has been subscribed, it is possible to indicate in the table whether it is possible to “opt-in” or “opt-out” for the service.

Bernard and Jacques will modify slightly the table accordingly and conduct individual calls to complete the table during the summer.

Bernard mentions that the NL entry line still needs to be double with Ben as there seems to be some inconsistency with the ESES market line.

Regarding the “claim detection” part, Mari reports that the UK would like to see also a short term harmonized cost effective solution in ISO 15022 as well for the downstream flow knowing that nobody will migrate to ISO2002 any time soon on that side, eventually even misusing the 567 message for instance instead of not doing anything. That would still be better than exchanging Excel sheets today.

Mari notes also that there is no mention in the long term strategy / decisions taken in Dublin about specific required claims functions like claims cancellation, splitting, prioritization whilst this was discussed 3 years ago when the SMPG worked on a new 15022 message business case.

The UK would like that those requirements are taken into account when working on the ISO20022 solution.

Mari will resend to Christine and Bernard the documents that were produced at the time for the business case.

Christine and Bernard have a call planned next Thursday to draft the letter to the market groups.

Bernard had already an initial discussion with Axelle Wurmser (SnR WG co-Chair) regarding the collaboration with the SnR group to produce recommendations (action 4).

**Actions**:

1. **Bernard/Jacques**: to adapt the table for mentioning the possibility to “opt-in” or “opt-out” for the service and Bernard to double check NL entry with Ben.
2. **Bernard:** to contact Paola regarding the IT input to the table.
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

1. Jacques has proposed to introduce the following table notations so as to simplify the combined ISO 15022 and ISO 20022 reference tables in GMP1.

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The WG agrees to go forward with that proposal.

Jacques will start implementing the new table when applicable in GMP1 and will also try to work together with Steve on transforming each chapters of GMP1 into ISO 20022 based on the work that was done by the various subgroups beginning of the year.

1. End of May, [14 new ISO 20022 SMPG Usage Guidelines have been uploaded on MyStandards.](https://www2.swift.com/mystandards/#/mp/mx/_jmvqUBX0Eeee-uNveocWeQ!usage_guidelines)

The following CA events are covered:

BIDS VOLU, BONU CHOS, BONU MAND, BPUT VOLU, CHAN MAND, CONS VOLU, CONV VOLU, DECR MAND, DRIP CHOS (2) , DVCA CHOS, DVCA MAND, INTR CHOS, INTR MAND.

**Actions**:

1. Jacques to continue ISO 20022 UG development on MS
2. Jacques and Steve to start working on one GMP1 chapters and transform into ISO 20022 and submit to the WG for review when ready.

# CA354 Market usage of "QINS//QALL" on field 36a of MT565

No progress, GMP1 SG action still pending.

**Actions**: GMP1 SG to propose wording for the new MP.

# CA366 Review Voluntary Rolling Event in GMP1



No progress yet. Christine and Bernard have a call on Thursday to address this.

**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

Status of pending actions:

Action 1: Delphine has checked with her operations, and they could not find an example within the last year. Action 1 can be closed.

Action 2: Delphine has created a draft and sent to her operations; after this she will send it to Bernard and then to the WG.

**Action**: Delphine and Bernard to mock up example to check feasibility.

# CA369 ACCU Event and XDTE/EFFD

Daniel’s input:  
The German NMPG disagrees with the Dublin request to change their Market Practice for accumulation events to use RDTE instead of EFFD for the following reasons:

Since there is no concept of entitlement, no distribution and no pay date, the definition of the record date is not applicable to accumulations. Therefore, RDTE should not be used and we do not want to discuss the change with the fund community and don't plan to change our German National Market Practice to reflect the record date.   
  
Last but not least, accumulations will not be applicable anymore with the introduction of the investment tax reform that will be effective for income received by funds from 2018 onwards.   
Only funds which have a different fiscal year than the calendar year will continue to have accumulations throughout 2018.   
As of 2019, there should not be any accumulation events anymore.   
A change to the National Market Practice and changes to the banks systems cannot be put in place before SWIFT Standards Release 2018.   
So even if the record date would be appropriate (which it isn't), it would not make any sense for custodians and their clients to amend the existing and longstanding process with SR 2018.   
We will therefore continue to use the EFFD as long as we do have accumulations in the German market.

At the last meeting, UK has already mentioned that XDTE is used correctly as there is an ex-date announced for this event type.

**Action**: Item can be closed.

# CA371 CONB in PCAL & DRAW

Alexander presented his proposed text. It was slightly revised during the call as follows:

*“Eligible balance is optional in the confirmation message. The confirmed balance refers to the balance which the payment has been made for. It is equal to the eligible balance. If the eligible balance is 1000, then the confirmed balance is 1000.*

*For elective events, a confirmation message is sent per instructed option and confirmed balance is equal to the elected quantity per option.”*

**Action**: Christine to use the revised text and include it in the GMP1 section 6.5.

# CA372 Reporting Issue with Reverse Market Claim

Mike presented the issue. He will send a document presenting the business need in more detail.

This will be discussed at the next call or in Luxembourg.

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

# CA374 Canadian Representation at CA WG

Véronique not present at the call. Postponed.

# AOB

1. On June 20, Jacques has published the new version SR2017 V1.1 of the MPs documents (GMP1, GMP2 and the templates) on the SMPG web site.
2. Narelle (AU NMPG) informed the CA-WG of the ISO 20022 work being performed by the Australian stock exchange (ASX) End to End (from the Issuer and up the full chain of intermediaries).

Business specifications release planned for March 2018, hopefully for the entire suite of S&R and CA messages. Settlement should also support DLT technology.

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