

SMPG - Corporate Actions

Telephone conference Minutes

13 November, 2018

Draft Version v1.0 – December 20, 2018

Table of Contents

[1. Approval of October Sydney Meeting Minutes 4](#_Toc531104370)

[2. CA378 TNDP MP and TNDP Indicator DSS Usage 4](#_Toc531104371)

[3. CA389 Brazilian Distributions 5](#_Toc531104372)

[4. CA391 Identify which line of Multi-listed Securities on a Notification 5](#_Toc531104373)

[5. CA398 GMP1 – Full revamp of section 10 on Market Claim 5](#_Toc531104374)

[6. CA400 Scheme of Arrangement 5](#_Toc531104375)

[7. CA403 Multi-Deposited Securities and COAF / CORP / SAFE in the MT565 5](#_Toc531104376)

[8. CA406 Add MITI to the MT566 ? 6](#_Toc531104377)

[9. CA408 Corporate Action on sukuk bonds/certificates 6](#_Toc531104378)

[10. CA409 GMP1 Section 3.8.2 on Place of Safekeeping to be clarified 6](#_Toc531104379)

[11. CA413 CMH-TF CA Thread 7](#_Toc531104380)

[12. CA414 Usage of the Contractual Payment Indicator in MT564 & 566 7](#_Toc531104381)

[13. CA416 Announcement of DVOP / DRIP on Rights 7](#_Toc531104382)

[14. CA418 SR2019 GMP Parts 1-3 & Templates Updates 8](#_Toc531104383)

[15. CA422 SRD2 TF Progress Update 9](#_Toc531104384)

[16. Laura’s Question on Bonds Funds Dividends 9](#_Toc531104385)

[17. AOB 10](#_Toc531104386)

**Attendees**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AU | Ms. | Narelle | Rutter | ASX | 🗸 |
| BE | Ms. | Véronique | Peeters | BNY Mellon | 🗸 |
| CH | Mr. | Michael | Blumer | Credit Suisse | 🗸 |
| DE | Mr | Schaefer | Daniel | HSBC | 🗸 |
| DE | Mr | Melchior | Hendrik | State Street Bank International |  |
| 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 |  |
| HK | Ms. | Philippa | Morris | JP Morgan |  |
| IT | Ms | Deantoni | Paola | SGSS spa | Excused |
| JP | Mr | Hideki | Ito | Mizuho Bank | 🗸 |
| JP | Mr. | Arata | Kazunori | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| 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 |  |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 |
| SG | Mr. | Jyi-Chen | Chueh | SC | 🗸 |
| UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 |
| UK & IE | Mr. | Matthew | Middleton | LSE | 🗸 |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 |
| US ISITC | Mr. | Paul | Fullam | Fiserv | Excused |
| XS | Mr. | Lambotte | Jean-Paul | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |
| ZA | Mr. | Dale | VanRayne | First National Bank |  |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC |  |
| SWIFT | Ms. | Mabel | LU | SWIFT APAC (representing TW Market) |  |

# Approval of October Sydney Meeting Minutes

Most of the NMPGs request a bit more time to review the Sydney minutes as there was not enough time left between the sending of the minutes and this call.

**Decision:** The review period for the Sydney minutes is extended until next conference call on December 11.

**About CA400 (Scheme of Arrangement)**

The UK& IE NMPG would like to have some clarification about the following sentence in the Sydney minutes for CA400: “*Looking at the Complex event tab, there is a possibility that the UK MP is in violation of the global MP regarding EXOF*”.

Christine explains that as per the EIG+ Complex tab, the EXOF event is only valid when only 1 company (the issuer) is involved in the event. MRGR is when 2 companies are involved and a tender when a third party is involved.

**Action**: The UK&IE NMPG will have a look at the Complex Events Tab and revert.

**About CA405 New flag at movement level indicating that securities will be blocked**

Mari and Daniel report that the UK&IE NMPG as well as the DE NMPG (that were not represented at the Sydney meeting) do not agree with the decision taken in Sydney in their absence to close the open item CA405.

Both Mari and Daniel confirm that there are several use cases for which this flag would be useful.

The DE NMPG is working currently on a Change Request for SR2020. The CR will be submitted to the SMPG CA WG when ready.

**Decision**: Leave item CA405 open.

**Action:** Jacques will update the draft minutes of Sydney accordingly.

# CA378 TNDP MP and TNDP Indicator DSS Usage



Narelle has cleaned up the draft TNDP market Practice (attached here above) and sent it to Steve.

Steve mentions that the DEEM rate will also be used in the US.

Laura (MDPUG) has several questions on the application of the TNDP MP on Derivatives and Options instruments. Laura will send her questions to Steve.

Steve indicates that there will be in any cases no TNDP events sent by DTCC on derivatives and options since there are not in custody.

**Post Meeting Comments from Laura (MDPUG)**

The following comments on the Draft TNDP MP have been received from Laura’s on November 16:



**Action**: Steve to review the comments from Narelle and Laura and provide updated TNDP MP.

# CA389 Brazilian Distributions



No feedback yet from the BR NMPG on the SMPG recommendation that was provided a couple of months ago and on the Australian examples that were provided by Narelle.

**Action:**

**1.** Paul will email Laura and ask if she reached out to Ana, as per the pending actions

2. Ana Abidor to revert with BR SMPG feedback.

# CA391 Identify which line of Multi-listed Securities on a Notification

Pending action item from GMP1 SG.

**Action:** GMP1 SG to clarify how to use PLIS in the COAF section in GMP1.

# CA398 GMP1 – Full revamp of section 10 on Market Claim



Mike suggests in the updated MP to have the MKTC amount as optional and to link its usage to the presence of the ADDB//CLAI Indicator.

**Actions:**

1. Mari to update the draft MP accordingly.
2. Jacques to create new open item, proposing to amend GMP1 to state that MKTC is optional in global market practice (as in the standards).
3. NMPG’s are requested to discuss and revert on the above proposal.

# CA400 Scheme of Arrangement



Jean-Paul has updated the document as per the comments received earlier (see document attached here above).

**Action:**

1. **Jean-Paul** to contact Sanjeev to see what was the feedback from ZA.
2. The UK&IE NMPG will have a look at the Complex Events Tab for EXOF and revert.

# CA403 Multi-Deposited Securities and COAF / CORP / SAFE in the MT565

Véronique input document amended at the Sydney meeting:



Véronique does not agree with the removal of the “Place of Safekeeping” in the last paragraph of the section 8.1.2.7 (see attached document) since CORP is sometime not present when COAF is used and therefore in that case, Place of safekeeping is necessary.

However, in T2S, the COAF does not help since it will be identical for both events.

UK: Still need to discuss it.

FR & SE: agree with the proposed MP amendment

DE: agree that CORP and Place of Safekeeping may be useful in that context.

**Action:** Remaining NMPGs are requested to review the input document and revert.

# CA406 Add MITI to the MT566 ?

FR, DE, LU, ES, UK, BE agree with the proposal.

However, since MITI is an MI reference (to be used for T2S) and should not be used by CSDs, on might need to reuse another reference (PCTI ?) or create a new CSD reference for that.

Is there a CSD reference that could be re-used from the SnR messages ?

**Post Meeting Comments from Catarina (LU)**

Would be the use of 20C::RELA for CREST reference number an option?

**Action:**

1. Remaining NMPGs are requested to discuss the addition of MITI to the MT566 and seev.036 and revert by the next conference call.
2. Jacques to investigate with SnR colleagues what reference could be re-used for that.

# CA408 Corporate Action on sukuk bonds/certificates

Basically 2 options stand out for a solution:

1. Change the definition of INTR event and enlarge the scope to “profit sharing”;
2. Create a new specific event for that.

Jyi-Chen has investigated the case in APAC with an advisory group on Islamic finance.

Jyi-Chen will try to get feedback on the above proposal first via the advisory group contacted.

Side questions:

Q. Would a local market practice change amending the INTR definition be enough in the interim period before a CR is approved and implemented?

**Action**: Jyi-Chen will follow up on the discussion / decision of the Advisory Group.

# CA409 GMP1 Section 3.8.2 on Place of Safekeeping to be clarified

The WG discusses the removal of the MP in section 3.8.2 in GMP1 since section 3.8.2 and 8.1.2.9 contradict each other.

SE, BE agree with the removal.

FR, UK, LU will discuss it at next NMPG meeting.

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

# CA413 CMH-TF CA Thread



Jean-Paul introduces the Eurosystem ECMS project and explains the role and objectives of the CMH TF with the above slides.

The CMH-TF CA Thread WG co-Chair (Gary McNamara from ECB) has asked whether the SMPG could provide some official feedback on their deliverables and answer some specific questions listed in the following document:



**Post Meeting Comments from Catarina (LU) on CMH TF Document**

ECMS must enable all global standards listed events, irrespectively if currently in use on debt-instrument or not, as there is no saying that these may be used in the future; if not available, the ECB would ultimately provide the wrong event type and in so doing would no longer follow NMPG / SMPG market standards.

**Decision:** Christine, Mari, Paola, Veronique, Catarina, Jean-Paul and Jacques will set-up a separate conference call next week to review and answer the submitted questions.

**Action**: Jean-Paul to draft some proposals for answers and Jacques to schedule the call.

# CA414 Usage of the Contractual Payment Indicator in MT564 & 566

**No time left to address this item.**

**Action:** Christine will draft a brief version of use of CONT (and when not to use it) along the lines of “*CONT should be used only when there is a contractual payment agreement on the account. If not, it should not be used.”*

# CA416 Announcement of DVOP / DRIP on Rights

Mike’s Input document:



**Questions to Data Providers and NMPGs:** How other data providers handle the information side and how other SMPG markets/banks process such events?

**No time left to address this item.**

**Post meeting comments received from JPK/ FR NMPG**

I just would to like to highlight that within the French Market, we identified that 50% of the ISIN codes of the attached table are related to optional rights i.e. the interim code for Optional dividends DVOP in France. It is used by the CSD and the CSD participants …

**Action:** Further NMPGs are requested to provide feedback on the proposal and revert.

# CA418 SR2019 GMP Parts 1-3 & Templates Updates

**No time left to address this item.**

Deliverable dates for the GMP Parts 1 -3 and Templates have been scheduled as follows:

**Actions:**

**By December 3:**

1. Christine to send the Summary of SR 2019 MP changes
2. NMPG’s to send EIG+ Global Grid proposed changes (if any)

**By December 7:**

1. NMPG’s to send Country column updates (including “no changes”) to Jacques

**By December 31:**

1. Event template Responsible persons (see list below) to review and send Templates updates (including “no changes”) to Jacques with Track Changes
2. Christine to discuss with Mari if she can take over some event templates
3. New volunteers to maintain some of the Event Templates are welcome!

|  |  |
| --- | --- |
| **Event Code** | **Person Responsible** |
| EXOF CHOS | **?** |
| REDM with OPTF CAOS on ELN | **?** |
| CREV MAND | **?** |
| PRIO VOLU | **Alexander** |
| BPUT VOLU | **Alexander** |
| EXWA CHOS | **Alexander** |
| EXWA VOLU | **Alexander** |
| MCAL MAND | **Alexander** |
| DRIP CHOS with Interim | **Ben** |
| REDM CHOS | **Ben** |
| CONS VOLU | **Christine** |
| BRUP MAND | **Christine** |
| CHAN Name without ISIN change | **Christine** |
| CONV VOLU | **Christine** |
| CONV VOLU (PRPP) | **Christine** |
| DECR MAND | **Christine** |
| DECR MAND No Cash | **Christine** |
| EXOF CHOS (after RHDI) | **Christine** |
| EXRI CHOS | **Christine** |
| LIQU CHOS | **Christine** |
| LIQU MAND | **Christine** |
| MRGR MAND | **Christine** |
| PCAL MAND | **Christine** |
| RHDI MAND for EXOF | **Christine** |
| RHDI MAND for EXRI | **Christine** |
| WRTH MAND | **Christine** |
| DVCA CHOS (Currency options) | **Daniel** |
| DVCA MAND | **Daniel** |
| RHTS CHOS | **Daniel** |
| PRED MAND | **Jean-Paul** |
| CERT CHOS | **Jean-Paul** |
| DFLT MAND | **Jean-Paul** |
| DSCL VOLU | **Jean-Paul** |
| EXTM MAND | **Jean-Paul** |
| EXTM VOLU | **Jean-Paul** |
| INCR MAND | **Jean-Paul** |
| INTR CHOS (currency options) | **Jean-Paul** |
| INTR MAND | **Jean-Paul** |
| REDM MAND | **Jean-Paul** |
| BONU CHOS | **Jean-Pierre** |
| BONU MAND | **Jean-Pierre** |
| DVOP CHOS with Interim | **Jean-Pierre** |
| SOFF MAND | **Jean-Pierre** |
| DTCH VOLU UK | **Mari** |
| DVOP CHOS no Interim | **Mari** |
| DRIP CHOS no interim | **Matthew** |
| PARI MAND | **Matthew** |
| SPLF MAND | **Matthew** |
| BIDS VOLU | **Matthew** |
| CLAS VOLU | **Paul** |
| DRAW MAND | **Paul** |
| DRCA MAND | **Paul** |
| DTCH VOLU US | **Paul** |
| CAPG MAND | **Peter** |
| DVSE MAND | **Peter** |
| MRGR CHOS | **Peter** |
| CAPD MAND | **Sanjeev** |
| EXOF MAND | **Sanjeev** |
| EXOF VOLU | **Sanjeev** |
| ODLT VOLU | **Sanjeev** |
| SHPR MAND | **Sanjeev** |
| PINK MAND | **Sari** |
| SPLR MAND | **Sari** |
| PPMT CHOS | **Veronique** |
| TEND MAND | **Veronique** |
| TEND VOLU | **Veronique** |

# CA422 SRD2 TF Progress Update

No time left to address this item.

# Laura’s Question on Bonds Funds Dividends

Laura/MDPUG question:

*“Generally, a Shareholder may receive two types of income in respect of his Shares. Gilt or bond funds (broadly those with over 60% invested for the whole of the accounting period in bonds, cash or derivatives linked to similar assets and UK funds which qualify) usually make “Interest Distributions” to Shareholders.*

*Most other types of Funds make “Dividend Distributions” to Shareholders. Details of the types and frequencies of distribution for each of the Funds can be found in the General Information section.*

*But I still don’t think INTR can be used for this as a fund is not an ‘interest bearing asset’.*

*Perhaps the INTR rate type code (“INTR Interest Rate relating to the underlying security for which interest is paid.”)*

*could be used inside a DVCA with 92J GRSS?*

Daniel and Jean-Pierre confirm that the INTR Rate Type code is used to support Funds instrument and to specify the part of the interest or dividend for a mix of equity and bonds for funds.

# AOB

None

**Next Conference Call:** 11 December , 2018 from2:00 to 4:00 PM CET

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