

SMPG - Corporate Actions

Telephone conference Minutes

18 June, 2019

Draft Version v0.1 – June 24, 2019

Table of Contents

[1. Approval of May Meeting Minutes 4](#_Toc12291678)

[2. SR2020 Submitted CA Change requests 4](#_Toc12291679)

[3. CA403 - Multi-Deposited Securities and COAF / CORP / SAFE in the MT565 4](#_Toc12291680)

[4. CA405 - New flag for securities being Blocked 4](#_Toc12291681)

[5. CA408 - Corporate Action on Sukuk Bonds/Certificates 5](#_Toc12291682)

[6. CA413 - Status of CMH TF 5](#_Toc12291683)

[7. CA418 - SR2019 GMP Parts 1-3 & Templates Updates (on PRII & TNDP MP) 5](#_Toc12291684)

[8. CA419 - Definition of Instructed and Uninstructed Balances 6](#_Toc12291685)

[9. CA422 – Status of SRD2 TF 6](#_Toc12291686)

[10. CA425 - Usage of Index Factor for INT and Redemptions 6](#_Toc12291687)

[11. CA427 - Create new MP to declare a foreign income in regard of the (tax?)domicile of the event's underlying security 6](#_Toc12291688)

[12. CA437 - Auto-FX - Update of GMP1 Section 8.6 6](#_Toc12291689)

[13. AOB 6](#_Toc12291690)

**Attendees List**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AU | Ms. | Narelle | Rutter | ASX | 🗸 |
| BE | Ms. | Véronique | Peeters | BNY Mellon | Excused |
| CH | Mr. | Michael | Blumer | Credit Suisse | 🗸 |
| DE | Mr | Schaefer | Daniel | HSBC | Excused |
| DE | Mr | Melchior | Hendrik | State Street Bank International | 🗸 |
| DK | Ms | Ravn | Charlotte | VP Securities A/S | Excused |
| DK | Mr. | Hattens | Randi Marie | VP Securities A/S | Excused |
| ES | Ms. | Cinta | Cristobal | BBVA | Excused |
| ES | Mrs | Diego | Garcia | DB | 🗸 |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| GR | Ms. | Angela | Katopodi | Eurobank | Excused |
| HK | Mr. | James | Mullens | Nomura | 🗸 |
| 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.) | Excused |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | Excused |
| 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 | Mr. | Steve | Sloan | DTCC | Excused |
| US ISITC | Mr. | Paul | Fullam | Fiserv | Excused |
| XS | Mr. | Lambotte | Jean-Paul | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC |  |

# Approval of May Meeting Minutes

Some input has been provided from Daniel (DE) on the CA405 (New flag for securities being Blocked) but not real comments on the minutes of last May.

Therefore the minutes of May 21st are approved and the DE input on CA405 is added below in the June minutes.

# SR2020 Submitted CA Change requests

9 change requests for CA have been submitted, 7 for MTs and 2 for MX only messages as follows:

**MT CRs**

CR 001530: Removal of Event PRII

CR 001518: Change definition of code CDFI to allow more generic use

CR 001529: Multiple URLs for Corporate Actions notifications

CR 001531: Change character set to allow e-mail address details

CR 001551: Add Tax Rate in Instruction for Tax Breakdown

CR 001533: Add code for OPTF in DTCH events

CR 001517: Add “Market Infrastructure Transaction Identification” (MITI) Reference in Confirmation

**MX Only CRs**

CR 001552: Add MCER Reason Code to Event Processing Status Pending (ISO20022 – CR0814)

CR 001553: Remove Meeting Option Types from CA Messages (ISO 20022 – CR0815)

The ISO15022 CRs have been posted on the ISO 20022 Web Site at this location: <https://www.iso20022.org/catalogue_of_change_requests.page> on line 820 of the table.

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

No input received yet from Veronique. Véronique to draft a proposal for next call.

**Action**:

1. Véronique will draft a proposal to amend GMP1 section 5 and 8.1 to be discussed at the next conference call.
2. Jacques to integrate the CAOF Registration list into GMP2 and ask for update of the information and usage of the CAOF to NMPGs.

# CA405 - New flag for securities being Blocked

No input received yet from Veronique.

Input received from DE (Daniel)

*I have not yet received the first draft from Veronique, so could not add any additional examples.*

*We did, however, discuss the CR in the German WG.*

*Majority of the pushback from the SMPG was around the need to state, whether the underlying or the resulting security will be blocked.*

*There was general consensus that there are a lot of cases where the underlying security is blocked.*

*We understand that SMPG commented that if a resulting security cannot be transferred, as in the example of SECU-rights for German DVOPs, this is rather securities static data and should not need to be mentioned in the message.*

*After discussing with the main drivers behind the CR and with the complete German WG, we are dropping our request to also flag the resulting security as being blocked.*

*So we only ask for a flag to indicate if the underlying security will be blocked upon instructing an option.*

*That will simplify the CR.*

*We should still analyze all the global scenarios before finalizing the CR, since we now have time until next year to raise the CR.*

**Action**:

* Véronique to start the first draft of “non-obvious” securities blocking scenarios, based on BNYM experience and circulate draft this week to Alex, Mike, Daniel and Christine.
* Mike to add a few Swiss scenarios.
* Alexander to write the plain-vanilla scenario (EXRI, TEND) confirmed by MT508.
* Daniel to provide more examples.
* Christine to provide more information on the Swedish case

The resulting document will then be circulated to the NMPGs for review and further discussions.

# CA408 - Corporate Action on Sukuk Bonds/Certificates

No input received yet from Mike.

**Action**: Mike to draft questions regarding profit-sharing/coupon payment on a sukuk bond.

# CA413 - Status of CMH TF

Jean-Paul reports about the progress of CMH-TF for CA. AmiSeco approved most standards except 3 still under discussion like the securities blocking flag although it is not clear whether a flag or an MP/rule would be the best solution.

Most of the SMPG CA WG comments have been accepted. They also plan to extend the standards to also include equities later in a phase 2. The work on defining the phase 2 standards should be completed for end of year for an implementation after 2022.

# CA418 - SR2019 GMP Parts 1-3 & Templates Updates (on PRII & TNDP MP)

Steve still need to provide the EIG country column for TNDP.

Feedback still expected on the actual usage of PRII especially as SWIFT has found over 3M notification messages for this event type in 2018.

Jean-Paul, confirmed there are events in Australia and Mike confirmed events also in New Zealand and Israel. Jean-Pierre confirmed some cases in France but due to disappear.

Monthly payment of pool factor securities could eventually justify the huge amount of cases.

**Actions:**

* Steve: to provide US EIG+ Country Column updates for TNDP event.
* NMPG’s to get feedback on the current usage of PRII in their market.
* Jacques to update GMP1 with TNDP MP.

# CA419 - Definition of Instructed and Uninstructed Balances

Christine still needs to finalise the input.

**Action**: Christine to finalise the section 3.10.3 as agreed above.

# CA422 – Status of SRD2 TF

The draft shareholder identification disclosure messages are now finalised and have been approved by the SRD2 Task Force to be submitted to the Evaluation team in ISO.

Same for the Proxy Voting MCR (change requests).

The ISO evaluation team will start the review of the PV MCR and Shareholder identification messages on June 20 and the following Thursdays during July and August.

Volunteers from the SMPG CA WG are welcome to participate to the ISO Evaluation team.

Please contact Jacques Littré if you want to be part of it.

Alexander volunteered for Finland. Germany needs a representative since it seems that the representative from WM Daten is not able to attend the meetings on Thursdays at 2 PM CET.

Jacques will send the invite to Daniel, Hendrik for DE and also to Diego for Spain.

# CA425 - Usage of Index Factor for INT and Redemptions



Christine still needs to finalise the input.

**Action**: Christine to revise the text accordingly.

# CA427 - Create new MP to declare a foreign income in regard of the (tax?)domicile of the event's underlying security

Mike indicates that this issue could be solved by using the tax solution used by ZA reusing CDFI with a change of definition of rate type code.

The Tax Subgroup will take over the open item.

# CA437 - Auto-FX - Update of GMP1 Section 8.6



No input received from Veronique yet.

**Action**: Véronique to revise the wording.

# AOB

FR has submitted 1 new COAF codes for new CSDs.

**Next Conference Call:**  August 27, 2019 from2:00 to 4:30 PM CET

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