

SMPG - Corporate Actions

Telephone conference Minutes

22 March 2022

FINAL Version 1.0 – April 14, 2022

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Attendees List

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Gunter | Bauer | Unicredit | Excused |
| AT | Ms. | Angelika | Loch | Unicredit | Excused |
| AU | Ms. | Priscilla | Ferri de Barros | ASX | Excused |
| BE | Ms. | Véronique | Peeters | BNY Mellon | Excused |
| CH | Mr. | Mike | Blumer | Credit Suisse | 🗸 |
| DE | Mr. | Daniel | Schaefer | HSBC | 🗸 |
| DE | Mr. | Hendrik | Melchior | Clearstream | 🗸 |
| DK | Ms | Charlotte | Ravn | VP Securities A/S | Excused |
| DK | Ms. | Randi Marie | Hattens | VP Securities A/S | 🗸 |
| DK | Mr. | Pernille | Rasmussen | VP Securities A/S | Excused |
| ES | Mr. | Diego | Garcia | DB | Excused |
| FI | Ms | Sari | Rask | Nordea Bank Plc | Excused |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| FR | Ms. | Stephanie | Clarkfischer | BNP Paribas | Excused |
| FR | Mr. | Diego | de Lichtervelde | BNYM | Excused |
| GR | Ms. | Angela | Katopodi | Eurobank | Excused |
| HK | Mr. | James | Mullens | Nomura | 🗸 |
| HU | Mr. | Gàbor | Szentpéteri | Keler | 🗸 |
| HU | Mr. | Zoltan | Tkalecz | Citi | Excused |
| IT | Ms. | Deantoni | Paola | SGSS spa | Excused |
| JP | Mr. | Kazunori | Arata | Mizuho Bank | 🗸 |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | 🗸 |
| JP |  | Toshiki | Kuno | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | Excused |
| MDPUG | Mr. | Aidan | Devaney | ICE | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |
| NL | Mr | Ben | van der Velpen | 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 | Excused |
| SL | Mr. | Rok | Sketa | KDD | 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 | FIS | 🗸 |
| XS | Mr. | Jean-Paul | Lambotte | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
| SWIFT | Mr. | Didier | Hermans | SWIFT | 🗸 |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Approval of February minutes

No comments received on the February draft minutes.

The February minutes are approved.

# SMPG Spring CA WG Meeting 2022

Due to the fact that very few people only would be able to travel to Stockholm (SE), the CA WG has agreed that the spring meeting will be held virtually during the week of April 25 with the usual daily schedule i.e. from 12:00 to 4:00 PM CEST from Monday to Thursday (and possibly extended to Friday if need be).

The SMPG steering committee has also decided to cancel the Spring Global SMPG Plenary session this year.

# CA469 CA - Managing CA instructions in scope of CSDR when partial settlement is implemented

Input from Mari:



Samples:



Input from DE has been added in the input Word document.

The MP text need to be slightly reviewed to take into account that not all markets have pending receipts.

**Action**: **Mari** to update the market practice and examples prior to the next call.

# CA493 CA - Repetitive Place of Safekeeping (SAFE) in MT564, MT 535

Scenario input from Mike:



LU agrees with the proposal.

The item is skipped for now and will be rediscussed in April.

**Action**: **Mari** to propose a CR for this topic for SR2023.

# CA494 GM - Request of a seev.007 outside the original seev.004

SRDII Subgroup meeting April 5:

Decision: agreed to not create new messages but create a market practice recommending to request the execution confirmation in the instruction for STP.

After the instruction has been sent, use alternative mode (email, phone call,..) or cancel and re-instruct if possible. never resend the instruction without cancelling first.

**Action**: **The SRDII subgroup** to draft a MP.

# CA501 CA - Amend scope of Tax on Non-Distributed Proceeds Indicator (SR2022 CR 001794)

Steve not present, postponed to next call.

**Action**: **Steve** to propose amendments to GMP1 section 9.29 text and revert.

# CA502 CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (SR2022 CR 001789)

Steve not present, postponed to next call.

**Action**: Steve to propose input to GMP1 to document usage of the new First and Last Bid Increment prices and Bid Range Type.

# CA503 CA - Add new URL and Narrative for Specific Additional Information for Next Party in Chain (SR2022 CR 001785)

Input from Mike for new MP on new elements created in CR1785 for SR2022:



NMPGs approval: FR, UK, DE, LU, CH, XS

MP not applicable in SE, PL., DK

The MP is approved unless anyone disagree before next call.

**Action**: Remaining NMPGs to review input from Mike and revert before next call if they disagree.

# CA504 CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (SR2022 CR 001793)

Steve not present, postponed to next call.

**Action**: Steve to propose input to GMP1 to document usage of new ::22F::OFFE//NDIS indicator code.

# CA506 CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork

Steve not present, postponed to next call.

**Action**: Steve/ISITC to revert whether a reason codes review is needed in the CAST as well for a possible CR next year.

# CA507 CA - Add New Protect Balance to Instruction Status

Item skipped due to lack of time.

**Action**: **Mari & Christine** to propose new MP input in section 3.10. (Balances).

# CA508   CA - DateTime Format Options Consistency and Names Harmonisation (SR2022 CR 001780)

Input for future CR SR2023:



The list of dates should be reviewed line by line at the next call.

Two CRs should be created, one for date/time qualifiers used in CA and Cat 5 messages (if any need to be updated) and another one for those used in CA messages that need to be updated.

LU agrees with the proposal.

**Action**:

1. All NMPG’s to review and provide feedback on remaining question marks (cells in orange color) for next call.
2. Jacques to check which dates amongst these are also uses in the other Cat 5 messages.

# CA509 GM - CMH-TF SCoRE ASEG New Requirements and BJ

Input: Updated scenario/flows proposal from XS (received January 18):



Post meeting input from XS: Meeting Event Flows Proposal



UK feedback: We don’t believe the market practice should opine on how the proxy agent communicate with its clients (the custodian) and impose to the proxy provider to send CA messages (whether seev.031 or seev.042/35) when they may not have the capabilities, as they are only working on meeting messages, or impose the custodian to receive a meeting message (solution 2), when they may have not developed them, as they outsource the process to the proxy provider. The existing market practice, slightly amended in the wording shared in January, is enough to meet the requirements of the ECB on how the payment of meeting fees should be communicated along the chain of custody.

**Action:**

1. All NMPGs to review updated XS proposal and revert at next call.
2. Jacques: Prepare CR for creating new “meeting incentive premium” event

# CA510   CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5)

New input proposal:



Feedback from NMPG:

Option 1: CH, LU (LU comment: due to ECMS it would not be recommendable to apply multi-changes to message structure at this point in time)

Option 2: DK

Other NMPGs need more time for review.

**Action:** All NMPGs to review input proposal and revert at next call.

# CA511 CA - Consistency between 22F::SELL & 69A::TRDP

Input from Christine:



NMPGs Approval: DK, PL, DE, FR

LU/XS feedback:

Proposed change for 3.11.8 Period of Action

The period of action period is provided by the issuer (or its agent) and always ends on market deadline. The response deadline is used by account servicers to safeguard the efficient processing of the instructions, ahead of some form of market deadline/end date, e.g. SLLE in a rights exercise event. The period of action however may be considered as the period corresponding to the market deadline/end date though instructions may only be accepted until the response deadline.Item skipped due to lack of time.

**Action**: All NMPGs to review proposal and revert for next call.

# CA512 CA - Review “DRIP CHOS with Interim” template

New Inputs from Mari:



Feedback from NMPG:

No such domestic event: DK, SE

DK this does not solve the DK issue with CINL.

LU: no added value for our market – EIG+ DRIP extract below confirms the use of NEWO, not PRPP, and the CHAR is always standard so no added value to introduce it,

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| SECU CASH | EARL [O] VALU [O] MKDT [O] RDDT [O] PAYD [M] | PWAL [O] | GRSS [M] NETT [O] NEWO [M] |  | DRIP with intermediate securities, 2-event scenario (following an RHDI event) |

Jean-Paul will review the input for ESES.

**Action**: All NMPGs to review proposal and revert for next call.

# CA513 CA – Reversal / Repayment Process in ISO 20022

Input from Jean-Paul:



NMPGs Approval: FI, DE

Most NMPGs agree that if the terms of the event change to the point they impact the eligibility (e.g. change of event type, ex date, record date), the payments should be reversed, the event should be cancelled, a new event should be created and new payments processed under the new event.

If we only have a change of pay date/dividend rate, the reversal and new payments should be processed under the existing event.

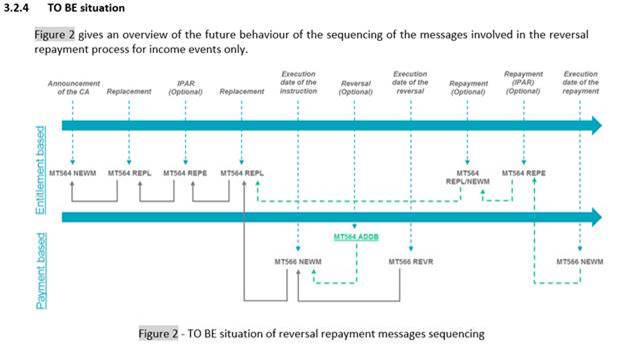
NMPGs to confirm if they agree with this approach.

A new item should be opened to address the processing of tax adjustment and other “reversals” associated to the account servicer (reversal of contractual payment).

LU Feedback

New item: create a new rection code “Incorrect Ex-date” as per

1. seev.035 ADDB//REVR must be sent to indicate entitlement reversal add also the reason codes for reversal



1. seev.036 has been sent to confirm the original payment
2. seev.35 with reversal reason / ADDB//REVR to indicate entitlement reversal
3. seev.037 to  confirm the reversal of the original payment once booked
4. seev.031 REPL to notify the update of the event (e.g. with the new rate)
5. seev.035 CAPA REPL to report the new entitlement (e.g. based on the new rate)
6. seev.036 to confirm the new payment (based on the new rate) once booked

NOTES

* + - 1. It is understood that the reversal and repayment takes place on the same event (single) and will not generate a 2nd event (with potentially different CORP) leading to reconciliation issues
      2. Expectation: market claim process follows the same logic (tbc by the MC WG)

**Action**:

1. Remaining NMPGs to review proposal and revert for next call on whether the reversal should be processed in the same event or via a new event when record date, rates, etc are amended.
2. Jacques to create new open item for processing reversal in relation with tax adjustment.

# CA514   GM - seev.004 Linkages

Input from Jacques:

Design proposal for linking the seev.004 to a single instruction in a previous Instruction message or in a previous InstructionCancellationRequest (seev.005) message:



NMPGs feedback:

Approved: SE, UK, DK

LU: Partially approved in part: accept the link between instruction to be cancelled and cancellation but no reference to previous instruction.

**Action**:. NMPGs to review proposal and revert for next call.

# CA515 CA - Withdrawal / Change / Revocability MP

As part of the ASEG (ECB Asset Servicing Expert Group), there was a need to better document in GMP1 the usage of the withdrawal/change indicator and revocability period.

Feedback from NMPGs:

* no use of the “revocability periods” or “asset servicing revocability period”: UK, SE, HK
* Instructions are revocable, “revocability periods” or “asset servicing revocability period” are not used: CH, DK (revocability on the same day of instructions).
* Only indicator/flag is used: DE, FR
* Revocability period will be used: PL

LU Feedback: Current configuration:

GM: currently revocability defined by issuer for meeting events (~ xxdays),

Offers: revocability on offers=PWAL.

Ideally this revocability should be removed but the trigger is the issuer.

The difference b/n withdrawal and change should be revised and clarified – in definition and application

SMPG should ensure that the upcoming recommendation allows both indicators (as currently in production) and the qualifiers current reflect that the revocability applies (flag: YES) but it remains unclear if to one or the other: withdrawal and?  or? And/or? modification ?- having the qualifier present only with “YES” creates confusion.

Application: If the Revocability Period is not present in a CA notification message, then it is not possible to revoke, withdraw or change a CA instruction, sent for the respective corporate event. If only the Revocability Period (but not the Change Allowed Indicator) is present, then it identifies the period during which an instruction can be revoked, withdrawn, or changed. If Change Allowed Indicator is present, then the Revocability Period must also be present and it shows the period during which an instruction can be changed.

**Action**: Remaining NMPGs are requested to provide input whether there is a revocability period used in the market (for instructions submitted to the issuer/offeror) and, if so, whether event announcements by the issuer/offeror include a revocability period.

# CA517   GM - CR on Instructed Quantity in Instructions (Catarina/Hendrik)

Input from LU:



Item skipped and carried forward for next call.

SRDII Subgroup meeting April 5 outcome:

Decision: Agreed to submit a CR to change/clarify the definition of “InstructedBalance” in the seev.004. LU: we support the CR to be created.**Action**:

1. **Hendrick** to create draft CR.

# CA519   CA - Handling of Instructions after DTCH event (Mari)

Question from the UK NMPG: what should the Account Servicer do with the DTCH event instructions with prices that fell outside the accepted price range? Should there be explicitly rejected via a status message or can they be considered as void and ignored?

LU: Instruction should be rejected (not considered nor ignored).

Item skipped due to lack of time.

**Action**: Mari to look at GMP1 section 5.6.2 and put forward a similar wording for DTCH.

# CA520   CA – CAPS Message flow - missing MP (Mari)

The ISO 20022 CAPS (seev.032) message flow is not described in the SMPG CA MP section 4 whilst it is needed for SCoRE. It would be better to clarify the flow in the MP.

The message is used by DTCC and KDPW in PL.

New input from Michal:



LU: Ok for scenario 1, not ok for scenario 2: there cannot be any partial payment.

Item skipped due to lack of time.

**Action**:

1. Steve/Paul to provide their input based on the usage in the USA. Once a first draft is ready, it will be submitted to NMPGs for feedback.
2. NMPGs to review input and provide feedback.

# CA521 GM - BIC used for the Vote through Network?

Randi raised a question on the usage of “vote through network” in seev.001 and the BIC code that should be used i.e. BIC of the Issuer (Agent) or BIC the Asset Servicer?

SRDII Subgroup April 5 outcome:

Decision: a BIC is indeed not needed. Agreed to create a CR to change the BIC data type by an indicator instead.

LU supports the CR from Randi.Item skipped due to lack of time.

**Action**: Randi to create draft CR.

# CA522 SR2022 EIG+/Events Templates & MP Updates

Item skipped due to lack of time.

**Actions**:

1. **NMPGs** to provide feedback on whether MT events templates are still useful and if it would be better to have them in ISO 20022 format as well.
2. Christine to draft the SR2022 MPs Update Summary.
3. Jacques to publish the updated MP parts on smpg.info and produce one ISO 20022 event template as an example.

# CA523 GM – seev.004 pagination workaround

Context: When using the repetition of the <RghtsHldr> element (in the AccountDetails sequence) up to 250 items in the seev.004, Broadridge has some cases where it goes over the 100KB of the network limit. What would be a workaround until we produce a CR for SR2023 to add a pagination element?

Item skipped due to lack of time.

SRDII Subgroup Meeting April 5 Outcome:

Decision: Create a MP for the seev.001 pagination, see if it can be based on seev.031 pagination MP.

Agreed to create CR for adding pagination in seev.004. Workaround MP not feasible.

**Action**: Jacques to propose pagination MP for seev.001 and draft CR for seev.004.

# CA524 GM - seev.007 Market Practice on VoteInstructions

Item skipped due to lack of time.

# CA525 CA - Pagination MP for seev.031, 035, 036 (New)

New Input from Jacques:



Item skipped due to lack of time.

**Action:** All NMPGs to review input proposal and provide feedback at next call.

# CA526 CA - Review GMP1 section 3.14 and 6.11 (movement sequences)

Item skipped due to lack of time.

# CA527 - Rejection of non-accepted CA events (Disclosure, CA and GM) via semt.001?

Item skipped due to lack of time.

SRDII Subgroup meeting April 5 Outcome:

Decision: Agreed to submit a change request to add new reason codes and a narrative to the semt.001.

LU supports CR from DE.

**Action**: Hendrick to create a draft CR.

# AOB

None.

**Next CA WG call/Webex:** April 25, 26, 27, 28 2022 from 12:00 to 4:00 PM CEST. We keep April 29 from 12:00 to 2:00 PM CEST as a backup date in case we need additional time.

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