

SMPG - Corporate Actions

Telephone Conference Minutes February 20, 2024

Final Version 1.0 – March 12, 2024

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**Attendees List**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Guenter | Bauer | Unicredit | Excused |
| AU | Ms. | Priscilla | Ferri de Barros | ASX | Excused |
| BE | Mr. | Hakim | Akka | BNY Mellon | Excused |
| CH | Mr. | Mike | Blumer | Credit Suisse | 🗸 |
| DE | Mr | Daniel | Schaefer | HSBC | Excused |
| DE | Mr | Melchior | Hendrik | Clearstream | Excused |
| DK | Mr. | Randi Marie | Hattens | VP Securities A/S | Excused |
| ES | Mrs | Diego | Garcia | DB | 🗸 |
| FI | Mr | Tero | Tollikko | Danske Bank | 🗸 |
| FR | Ms. | Stephane | Peard | SGSS | 🗸 |
| HK | Mr. | James | Mullens | Nomura | 🗸 |
| HU | Mr. | Zoltan | Tkalecz | Citi | Excused |
| HU | Mr. | Gàbor | Szentpéteri | Keler | Excused |
| IT | Ms | Paola | Deantoni | SGSS spa | 🗸 |
| JP | Ms. | Akiko | Kojima | Mizuho Bank | 🗸 |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | Excused |
| JP | Mr. | Fusahiko | Abe | Mizuho Bank | Excused |
| JP | Mr. | Daichi | Kumagai | Mizuho Bank | 🗸 |
| JP | Ms. | Shiori | Ikeda | Mizuho Bank | 🗸 |
| JP | Ms. | Yuka | Asano | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| LU | Ms. | Catherine | Falcone | Clearstream | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |
| NL | Mr | Huseyin | Boler | ABN AMRO Clearing | 🗸 |
| NO | Mr. | Alexander | Wathne | Euronext | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | KDPW | 🗸 |
| PL | MS | Monika | Adamowicz | KDPW | Excused |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 |
| SG | Mr | Girish | Pandit | DB | 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 | 🗸 |
| US ISITC | Mr. | Paul | Fullam | FIS | Excused |
| XS | Mr. | Jean-Paul | Lambotte | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
| Swift | Mr. | Jacques | Littré | Swift | 🗸 |
| Swift | Ms. | Mieko | Morioka | Swift | Excused |
| Swift | Mr. | Charles | Boniver | Swift | 🗸 |

**Summary of CA WG Meeting Agenda February 20, 2024**

1. Approval of January meeting Minutes
2. CA466           MC - Handling MCs in the Cash Penalties and ECMS Context (Action: Steve, Mari)
3. CA500           CA Tax - Add new Event Type for Tax Classification (Action: Steve)
4. CA505           CA Tax - MP for Other Type of Income Qualifier in Movements Sequences (Action: Christine)
5. CA542           CA - Coexistence and CA SCoRE Standards (Action: Task Force, NMPG’s, Jacques)
6. CA550           CA Tax - Usage of Tax Qualifiers & RateType Code & TAXR//0, (Action: NMPG)
7. CA556           CA - Add new instruction processing statuses (Action: Mari)
8. CA566           CA - Short/Long balances in CA MX Messages (Action: Mari, Christine)
9. CA568           CA - Usage of CINL in MT564 Seq. E or E1? (Action: NMPG’s)
10. CA569           CA Tax - Add Tax Information to Securities Proceeds (Action: NMPG’s, Jacques)
11. CA572           MC - Market Claim market Practice review (Action: NMPG’s)
12. CA576           CA - CA Business Elements for camt.053 message (Action: NMPG’s)
13. CA579           GM - Vote through network and usage of the VOPI code (Action: Mari)
14. CA580           GM - Add Resolution Id MP (Action: Mari, Jacques)
15. CA584           CA - Change request for Coexistence (New)
16. CA585           CA - Template for Meeting Fees Payment? (New)
17. CA586           CA - CHAN event for Change of Ticker Symbol? (New)
18. CA587           CA - add ECPD and GUPA dates as optional in the EIG+ for DRIP CHOS (and all elective events ?) (New)
19. CA588 GM - Cancellation of a GM notification for key data change
20. CA589 GM - seev.001 Narrative
21. AOB

# Approval of January meeting Minutes

January minutes are approved.

# CA466 – MC Handling MCs in the Cash Penalties and ECMS Context

A call was arranged between UK and US to look at the usage of the MT567 for market claims and a specific type of claim currently handled manually in the US. There exist some common business cases to reverse engineer some market claims functions in the MT567.

A CR proposal for SR2025 will be put forward together with ISITC for the physical meeting in April.

**Action**: Mari to put forward the need to create 20022 messages for automated buyer protection to CEJWG and build an ISO 20022 Business Justification for creating specific messages.

# CA500 - CA Tax - Add new Event Type for Tax Classification

Steve/ISITC are busy preparing a CR for SR2025 for the US reclassification event. Steve will try to provide some input to the next Tax Subgroup meeting on March 12.

The DE NMPG continues to support a cancellation and new event in case of a reclassification.

**Action**: Steve/ISITC to put forward a CR proposal for SR2025 for a new CAEV to handle US reclassifications.

# CA505 CA Tax – MP for “Other Type of Income” Qualifier in Movements Sequences

Steve to send over an example to Mari so that the MP wording can be updated.

**Action**: Mari to amend the MP wording to make it more generic and have it reviewed at the April meeting.

# CA542 CA – Coexistence and CA SCoRE Standards

* Follow up on Action 2: Review of GMP1 sections 2, 3 & 4.



The task force (Christine, Mari, Catarina, Catherine, Randi and Jacques) are busy reviewing the GMP1 sections 3 & 4 thoroughly.

DE NMPG comments:

* Section 3.2.6: Answer to the question: The German NMPG does not follow the MP, we send two messages, i.e. first a NEWM/COMP announcement and then a REPE/ENTL entitlement message.
* Section 3.3.2: Are we planning to remove section 3.2.6.? Should we entirely remove 3.3.2., but would that make it more difficult for people to find a description on ENTL. Perhaps consider changing the description of 3.2.6.? We don’t have a strong opinion, but should not remove sections that maybe help people to understand the Market Practice.
* Section 4.4: Yes, we agree to move this to an annex.
* Section 4.4.3: Yes, we agree, as well with the proposal.
* Follow up on Action 3 – ECMS/SCoRE Std - Migration of CA to ISO 20022 – Data Types Restrictions Usage Guidelines on Variant 1

Updated SMPG Coexistence Guidelines:



Mari has provided the following draft SMPG statement for review:



LU and PL have approved the statement.

Once fully approved, the SMPG statement will be updated with the table for SMPG steering committee to approve and it can be published on SMPG Web Site and shared with ECSDA.

**Actions items**:

* Action 2: Christine to send her updates on GMP1 section 3 & 4 to the TF asap and consolidate updates.
* Action 3: NMPG’s to review Coexistence Guidelines and SMPG Statement and revert with comments.
* Action 4: Jacques to build a seev.031 sample applying the agreed restrictions.

# CA550 CA Tax - Usage of Tax Qualifiers & RateType Code & TAXR//0,

Mari’s Updated input:



No NMPGs comments received.

**Action**: NMPG’s to review the proposed MP and revert with comments.

# CA556 CA – Add New Instruction Processing Statuses

Pending actions, carried forward.

**Action**: Mari to come back with a business case and a detailed list of proposed changes for April meeting.

# CA566 CA – Short/Long Balances in CA MX Messages

Input from Randi (Update GMP1 section 8.13):



Mari and Christine will finalise the proposed MP for 8.13 and will move the result in section 3.10 (removing 8.13).

**Action**: Mari and Christine to finalise draft MP.

# CA568 CA – Usage of CINL in MT564 seq. E or E1

Input From Randi:



The WG proposal for a new MP on the usage and placement of :22F::DISF (Disposition of Fraction) in the MT564 is as follows (and accordingly in the MT566):

1. :22F::DISF should be placed in sequence E,
2. :90a::CINL price should be placed in sequence E1:
   * in the debit movement if price is applied on underlying securities
   * in credit movement if the price is applied on the new securities
3. :19B::CINL amount should be placed in sequence E2.

DISF should however remain in E1 as it could still be used in specific scenario.

DE NMPG Feedback:

*From a harmonization and best practice standpoint, the calculation should be based on the fractions in the new security that has been sold.*

*The solution is not optimal, as it would be for recipients to understand what a price with the same code and adjourning information actually means, just due to the fact that it can be found in a different part of the message.*

*All market participants would need to amend their calculation logic in order to be able to cope with the change. Therefore, if this is absolutely necessary for the market, there are legal reasons behind it, and a change of the procedure is not possible, a Change Request should be raised to implement a solution.*

* SE, LU, XS, FI, UK NMPGs have approved the MP.
* The MP will be approved at the April meeting if no other comments provided.

**Actions: Remaining NMPGs to review and revert on the above proposal by April meeting.**

# CA569 CA Tax - Add Tax Information to Securities Proceeds

Updated MP input from Mari:



DE NMPG approves the MP.

NMPGs to provide feedback by April, otherwise it will be considered as approved.

**Action: NMPGs** to review the updated version of the document and revert before or by April meeting

# CA572 MC - Market Claim Market Practice Review (Action: NMPGs)

Input: Draft MC MP:



DE NMPG feedback:

P7 – c: The split Market Claims (Split part 1 and Split part 2) must be sent at the same time as the Market Claim Cancellation Request, for the CSD and counterparty to know why the cancellation has been sent. The Cancellation Request Status Advice and the two Market Claim Status Advices would then be sent back the same point in time, too. But they cannot be linked in a way that the two new seev.050s would only be processed after the seev.051 has been accepted with a seev.053. The seev.050s can apparently not be linked with any other message (TBC?).

Instruct the split in one message (e.g. with the cancellation) to avoid that any differences occur between the original Market Claim and the (potentially several) Split Market Claims.

P8 onwards was given as “homework” for the German NMPG members to be prepared for the next meeting.

**Action: All NMPGs** to review the draft MP document and revert with comments.

# CA576 CA - Business Elements for camt.053 message

Updated Input from Charles (camt.053 elements):



DE NMPG feedback:

* COAF and CORP must be included.
* RELA is not necessary in the camt.053, as the SEME is sufficient to find the confirmation that belongs to the instruction.
* We don’t see any need to include the Balance in the statement.
* We don’t believe that anything is required to distinguish between different CASHMOVEs in one confirmation, e.g. Cash in Lieu and Tax Amount, as this could be identified based on the posting amount itself.
* BTW: Has the question been raised to the Reconciliation experts in the S&R group, as we believe that they should opine, too?

**Action**: NMPG’s to comment on the input and revert.

# CA579 GM - Vote through network and usage of the VOPI code

The MP on the Vote Though Network code VOPI (Vote As Per Intermediary Information) and VOCI (Vote Though Chain) should be clarified as follows:

* VOCI should be passed on as received to the next intermediary.
* Vote directly to the issuer: should be passed on as received. Everyone has to instruct to the issuer.
* VOPI: It cannot be forwarded through the chain as is as the information is dedicated to the next level in the chain. The message is stopped as the recipient has to decide whether to turn it into a VOCI.
* Also delete the ICSD sentence (page 24).

Pending actions, carried forward.

**Action**: Mari to add wording for the usage of VOPI in the GM MP.

# CA580 GM – Add Resolution Id MP

Pending actions, carried forward.

**Action**: Mari/Jacques to update the GM MP.

# CA584 CA – Change Request for Coexistence

To ensure full data type alignment between ISO 15022 and 20022 for rates and prices, should we submit a change request in ISO 15022 to reduce size of 92A,B,R and 90a to 11 digits max ?

**Action**: Catarina to work on a draft CR for SR2025.

# CA585 – CA Template for Meeting Fees Payment ?

Shall we create a CONS MAND template for payment of meeting fees ?

**Action**: Catarina, Jean-Paul and Mari to start working on a template for CONS MAND to be used to announce the payment of meeting incentive fees.

# CA586 – CHAN Event for Change of Ticker Symbol

How to announce a change to a ticker symbol in advance. Would we use event type CHAN and show the current ticker in 35B in Sequence B, then the new ticker in 35B in Subsequence E1 (SECMOVE)?

One option would be to use the INFO event to communicate the change as per the GMP1 MP section 9.18. The Information event is SLA driven. Another option would be to submit a CR for a new 22F::CHAN code.

**Action**: Item can be closed.

# CA587 CA - Add ECPD and GUPA dates as optional in the EIG+ for DRIP CHOS

Item carried forward.

# CA588 GM - Cancellation of a GM Notification for Key Data Change

Can the general meeting date be considered as a key data element ? Should the change of it trigger a cancellation of the original event and a replacement with a new event.

The change of meeting date or record date of a meeting should not trigger a cancellation of a meeting event. The existing event should be updated.

In CA the key data are the ISIN, CAMV and the CA event code.

**Action**: NMPGs feedback requested.

# CA589 GM – seev.001 Narrative ?

The <AddtlInf> narrative is only present for Disclaimer. If so, do we need a CR to add a “proper” additional information element in the message?

The element “Processing Text For Next Intermediary” can already be used to provide some narrative. Otherwise, there are no needs identified or appetite so far for narratives in the meeting announcement.

**Action**: Item can be closed.

# AOB

None.

**Next CA WG meeting: Tuesday 19 March 2024 from 2 to 4 PM CET**

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