**CA510 – CA announcements and entitlements**

Based on current ISO standards and global market practice, account servicers should manage CA announcements as follows:

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| --- | --- | --- | --- | --- |
| **Message** | | **Function** | | **Market practice** |
| **ISO20022** | **ISO15022** | **ISO20022** | **ISO15022** |
| CANO | MT564 | NEWM | NEWM | To announce a new event |
| CANO | MT564 | REPL | REPL | To announce updates in the event details (if sent before eligibility date) |
| CANO | MT564 | RMDR | RMDR | To remind account owners of the need to send instructions for choice and voluntary events |
| CANO | MT564 | REPL + eligibility indicator set to YES | REPE | To confirm entitlements on eligibility date and provider any further event details change |
| CAPA | MT564 | NEWM | REPE + ADDB//CAPA  Or  NEWM + PROC//ENTL + ADDB//CAPA | To advise of upcoming postings |
| CAPA | MT564 | REPL | REPE with ADDB//CAPA | To advise of changes to upcoming postings |
| CAPA | MT564 | REPL + AdditionalBusinessProcessIndicator code REVR (Reversal) | REPE +  ADDB//CAPA +  ADDB//REVR | To advise of a reversal |

Solution Proposal in ISO 20022

To help account owners distinguishing between a CA notification sent due to a change in entitlements versus a notification sent due to changes to the event, we can consider the following options:

1. Keep the above messages as they are but further improve global market practice

This option will have no IT implications but it may not solve the problem, as GMP1 is already clear on the usage of the messages (see above)

1. Change the CAPA message to assimilate it to an entitlement message (similar to what we have in general meetings – MENT/seev.003)

This option implies:

1. a CR to change the CANO by removing the “eligibility indicator” – assimilating the usage of the CANO to the MENO;
2. a CR to amend the CAPA and
   1. introduce a new “function” to confirm entitlements – assimilating the usage of the CAPA to the MENT;
   2. introduce a new “function” to pre-advise proceeds to be used with type NEWM/REPL as today.

If we assume the changes described here above in ISO 20022 CANO/CAPA, this means that a CANO could follow a CAPA message whenever there is a change in the terms of the event that need to be communicated.

An example of the new message flows would be as follows:

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| --- | --- |
| *First announcement (INCO / CONF)* | *CANO NEWM* |
| *Announcement with changes of terms and/or COMP/CONF* | *CANO REPL* |
| *Entitlement confirmed* | *CAPA NEWM + Entitlement flag* |
| *First Change in the terms of the events (without entitlement impact)* | *CANO REPL* |
| *Second change in the terms of the event (with entitlement impact e.g. dividend rate change)* | *CANO REPL* |
| *Entitlement updated confirmed* | *CAPA REPL + Entitlement flag* |
| *Preadvice of movements* | *CAPA REPL + Pre-advice flag* |
| *Payment* | *CACO* |
|  |  |

**Global Solution Options**

1. Do nothing at all – remain as is today
2. Solve the issue in ISO 20022 with the proposed solution above & do nothing in ISO 15022.
3. Solve the issue in ISO 20022 with the proposed solution above & fix the issue in ISO 15022 as well by:
4. either change the current MT 564 REPL/REPE MP
5. or adding a flag in the MT 564 (like FR CR in SR2022)