

SRD2 Steering Group / SMPG

ISO 20022 Messages and Market Practice Task Force

Conference Call Meeting Minutes - 24 April 2019

Minutes by: Mariangela Fumagalli, Christine Strandberg, Jacques Littré

Publication Date: 29 April 2019

# Meeting Attendees

|  |  |  |  |  |
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| **NMPG /**  **Associations** |  | **First Name** | **Last Name** | **Institution** |
| AT | Mr. | Frank | **Gerhard** | OEKB/ECSDA |
| BE | Ms. | Véronique | **Peeters** | BNY Mellon |
| CH | Mr | Michael | **Blumer** | Credit Suisse |
| DK | Ms | Charlotte | **Ravn** | VP Securities A/S |
| EE, LV, LT | Ms | Triin | **Kram** | Nasdaq |
| ES | Mr. | Diego | **Garcia** | DB |
| FI | Ms. | Sari | **Rask** | Nordea |
| IT | Ms | Paola | **DeAntoni** | SGSS spa |
| NL | Mr. | Dany | **Koenes** | RAbobank |
| PT | Ms. | Maria | **Vilar** | Interbolsa |
| SE | Ms. | Christine | **Strandberg (TF co-Chair)** | SEB |
| SI | Mr | Rok | **Sketa** | KDD |
| SWIFT | Mr. | Jacques | **Littré (TF co-Chair)** | SWIFT |
| UK & IE | Ms. | Mariangela | **Fumagalli (TF-co-Chair)** | BNP Paribas |
| XS/ECSDA | Mr. | Jean-Paul | **Lambotte** | Euroclear |
| AFME | Mr. | Michael | **Collier** | DB |
| AGC | Mr.  Mr. | Derek  John | **Coyle**  **Travers** | BBH  BBH |
| European Issuers | Ms.  Mr. | Florence  Benjamin | **Binten**  **Deberg** |  |

# Review of Draft MCR for ISO Proxy Voting Messages

## CR16 – Rename PreviousReference in Meeting Instruction Cancellation Request (seev.005)

Currently the instruction cancellation message can only cancel the whole instruction message and not a single instruction if several instructions are present in the message.

* **Action**: NMPG and associations members to provide feedback on whether the instruction message should be able to carry several instruction in the same message or if we should restrict it to a single instruction per message.

Depending on the feedback, If multiple instructions are allowed, we will need to:

* adapt the instruction cancellation so as to be able to cancel a single instruction in the instruction message.
* Adapt the status message so as to be able to provide a status for each single instruction in the instruction message.

If a single instruction only per instruction message is allowed, we will need to adapt the instruction message to prevent to repeat the instruction part.

Pros and Cons (provided by Christine)

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| One instruction per message | Several instructions per message |
| Pros: Simple messaging flow – easy to report status for the sender without risk of confusion for the receiver; allows cancellation of one specific instruction without standards changes  Cons: Results in an increase of the number of messages sent | Pros: The ability to aggregate instructions reduces the number of messages sent  Cons: Complex messaging flow – basically, each message (both instruction and status) needs to be “unpacked” before processing, and all instructions in a message need to be cancelled if one is to be cancelled (under the current standards) |

## CR17– Rename all RightsHolder elements as Shareholder in all Messages

The following was agreed by the TF:

Remove the CR as we decided already earlier to keep the RightsHolder term instead of Shareholder in order to also cover the bondholder.

## Other/New Requirements

Add a new CR for the MeetingVoteExecutionConfirmation (seev.007) message in order to set the “StandingInstructionIndicator” element as optional as it does not make sense to have it mandatory.

Add a new CR for the MeetingResultsDissemination (seev.008) so as to align it with other changes made in the other messages like for instance the removal of the Amendments sequence to replace it with a NEWM and REPL function type similar to CA ISO 20022 messages.

## Questions from Daniel (DE)

**Q1. Meeting Instruction: confirmation of recording and counting of votes**

The “confirmation of recording and counting of votes” is to be provided by the issuer upon request. While the request can also be sent separately from the instruction and even after the meeting, an STP process with major institutional clients, who will require such a confirmation for all meetings, should foresee that such a confirmation can already be requested at the time of submitting the client instruction by adding a simple flag. Therefore, we request a flag in the instruction to request a confirmation of recording and counting of votes.

Answer/Comments:

The message contains already such a flag with the “VoteExecutionConfirmation” indicator (flag). The question remains eventually whether we should reuse that flag or alternatively create a new separate message ?

The question will be addressed at the next physical meeting of the General Meeting Task Force on May 7.

**Action:** Mari to summarize the issue for Benjamin Deberg via email.

**Q2. Announcement of a Meeting: meetings that take several days**

It was brought to my attention that in some European countries, general meetings can take longer than one day. However, the “date of the general meeting” is only a date, according to table 3 C 1. We request that it should also be possible to state a period.

Answer/Comments:

Normally it is the start date of the meeting that matters and not the duration/period. However, we might have cases where there are several calls at different dates for a GM. It is not clear to which case Daniel is referring to.

It has to be noted that the MeetingDetails sequence is repeatable up to 5 times and that covers the Spanish and the Danish cases.

* **Action**: to be clarified with Daniel at the next call.

## Question from Jean-Paul

Any impact on the message if the instruction are sent via service providers like ISS/Broadridge ?

* **Action**: Mari will investigate and set up a call with Euroclear on that.

## Other Questions / Updates for the Shareholder Identification Messages

1. Should we add a flag in the IdentificationDisclosureRequest to request that the response is going back through the custody chain ?
2. Add a “Response Deadline” date in the IdentificationDisclosureRequest message

# Review of PV Message Definitions

Christine, Mari and Jacques have reviewed during the week of April 22 the PV message definitions from ISO 20022 (Scope and usage).

The proposed updates for the message defintions are provided in the attached document:



Also, we have also identified the following additional change requests:

* In the Meeting Notification message (seev.001), we would need to add the “Reminder” function to the NotificationType code.
* In the meetingInstructionStatus message (seev.006), we would need to remove in the definition the fact that the message can be used as a reminder since this is no longer possible in the CA messages. The Not”Received” status should then be removed from the message.

# Reminder - QUESTIONS FOR NMPGs – deadline 30 April 2019 or Next Call

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| **seev.001** | |
| 1 | Attendance deadline – do you use this deadline and do you agree with the current definition? |
| 2 | Proxy deadline – do you use this deadline and do you agree with the current definition? |
| 3 | Vote deadline – do you use this deadline and do you agree with the current definition? |
| 4 | Revocability deadline – do you use this deadline and do you agree with the current definition? |
| 5 | Early with premium deadline – do you use this deadline and do you agree with the current definition? |
| 6 | Vote with premium deadline – do you use this deadline and do you agree with the current definition? |
| 7 | Registration securities deadline – do you use this deadline and do you agree with the current definition? |
| 8 | Registration participation deadline – do you use this deadline and do you agree with the current definition? |
| 9 | In the NotificationStatus element, do we need also a Complete/Incomplete code in addition to Confirmed/Unconfirmed? |
| 10 | AttendanceConfirmationInformation – currently this is a narrative. Do you think we would need formatted codes? If so, which ones? |
| 11 | Date Status – do you agree in removing codes CANC and NOQO as they are redundant? Equivalent codes exist in the cancellation message (seev. 002) |
| 12 | In 15022, we have one CAEV per meeting type:   * BMET – bondholder meeting * CMET – court meeting * MEET – annual general meeting * OMET – ordinary general meeting * XMET – extraordinary or special general meeting   In 20022, we have the type of meeting (Tp):   * XMET – extraordinary * GMET – general * MIXD – mixed * SPCL – special * BMET – bondholder meeting   which should be completed along with the Classification (Classfctn):   * AMET – annual * OMET – ordinary * CLAS – class * ISSU – Issuer Initiated * VRHI – voting rights holder initiated * CORT – court   Please find enclosed a document (page 6) describing the mapping between the CAEV in 15022 to the type/classification in 20022:    Can you please review the above (20022) list and confirm which one is needed in your market and if there is any that is missing? |
| 13 | In 20022, there are 4 VotInstructionCode that can be used to list the voting options, as follows:   * “VoteInstruction1Code” – CFOR, CAGS, ABST, WTHH, NOAC * “VoteInstruction2Code” – CFOR, CAGS, ABST, WTHH, WMGT, AMGT, NOAC, DISC * “VoteInstruction3Code” – ABST, CAGS, AMGT, DISC, CFOR, NOAC, WTHH, WMGT, ONEY, THRY, TWOY * “VoteInstruction4Code” – ABST, CAGS, AMGT, CHRM, CFOR, NOAC, WTHH, WMGT, ONEY, THRY, TWOY   Jacques investigated the reason of these differences:  *VoteInstruction1Code: used in seev.001 (notification) for Resolution/ManagementRecommendation and ResolutionNotyfyingPartyRecommendation – Could be ok eventually that the Management related votes are not listed here.*  *VoteInstruction2Code: used in seev.001 for VoteInstructionType*  *VoteInstruction3Code: Used in seev.004 for Proxy/GlobalVoteInstruction – Does the “Say on Pay” types of votes (One Year, Two years, Three years) applies only on the instruction message?- It seems ackward that those types are not in the notification. Should replace VoteInstruction2Code probably.*  *VoteInstruction4Code: Used in seev.004 in VoteDetails/VoteForMeetingResolution – Does CHRM (Vote with Chairman) type of vote applies only to votes for resolutions proposed at meeting? If yes, this difference legitimate. If no, it should replace VoteInstruction2Code and VoteInstruction3Code.*  Can you please review the results of Jacques’ analysis?  Would you agree that ONEY, THRY, TWOY (and CHRM) should also be added to VoteInstruction2Code? If so, then VoteInstruction2Code and VoteInstruction3Code and *VoteInstruction4Code* will be identical. We would then recommend removing one of them. Would you agree? |
| **seev.004, seev.005, seev.006 and seev.007** | |
| 14 | The instruction message (seev.004) allows for multiple instructions to be included in the same message. A reference is assigned at message level and a reference is also assigned at the level of each instruction.  The meeting status message (seev.006) allows to either sending a confirmation at global (message) or single instruction level.  The cancellation message (seev.005) only allows to cancel a previously sent instruction message, not an individual instruction.  The vote execution confirmation (seev.007) can only be sent per instruction as per the instruction ID provided in seev.004.  For consistency, we should:   1. either amend seev.005 to allow cancellation at instruction level and not only at message level; OR 2. amend the structure of seev.004 and seev.007 to align to the CA messages and only allow one instruction per message. |
| **seev.006** | |
| 15 | We need to add a PEND status and reason codes to this message. Can we have a list of reason codes we want to use for PEND? |
| 16 | The existing status/reason codes set up in meeting messages is different to what we have in CA. Should we align it? |
| **Confirmation of the recording and counting of votes** | |
| 17 | According to art.9.5 of the implementing regulation, the confirmation of recording and counting of votes shall be provided by the issuer in a timely manner and no later than 15 days after the request or general meeting, whichever occurs later, unless the information is already available.  How is the request supposed to be forwarded to the issuer/issuer agent:   * should we add something to the instruction message (seev.004), OR * should we consider having to create a new message to request the record and counting of votes? |

**SHAREHOLDER IDENTIFICATION – REQUESTS FROM NMPGs – deadline 30 April 2019**

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| 1 | NMPGs requiring additional information to be added to the legal or natural person elements in the response messages to provide such elements by 30/04. |

# Next Conference Calls

* Thursday May 2 from 10:00 to 11:00 AM CET
* Thursday May 9 from 3:00 to 5:00 PM CET

Jacques will send the invites.