

SRD2 Steering Group / SMPG

ISO 20022 Messages and Market Practice Task Force

Conference Call Meeting Minutes - 2 May 2019

Minutes by: Mariangela Fumagalli, Christine Strandberg, Jacques Littré

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# Meeting Attendees

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| **NMPG /**  **Associations** |  | **First Name** | **Last Name** | **Institution** |
| CH | Mr | Michael | **Blumer** | Credit Suisse |
| DK | Ms | Charlotte | **Ravn** | VP Securities A/S |
| DE | Mr. | Daniel | **Schaefer** | HSBC |
| FI | Ms. | Sari | **Rask** | Nordea |
| FR | Mr. | Ilyas | **Alikoglu** | BNYM |
| IT | Ms | Paola | **DeAntoni** | SGSS spa |
| LU | Ms. | Catarina | **Marques** | Clearstream |
| NL | Mr. | Dany | **Koenes** | RAbobank |
| PT | Mr. | Ruben | **Azevedo** | Interbolsa |
| SE | Ms. | Christine | **Strandberg (TF co-Chair)** | SEB |
| SWIFT | Mr. | Jacques | **Littré (TF co-Chair)** | SWIFT |
| UK & IE | Ms. | Mariangela | **Fumagalli (TF-co-Chair)** | BNP Paribas |
| AFME | Mr. | Michael | **Collier** | DB |
| AGC | Mr. | Derek | **Coyle** | BBH |
| ECSDA | Mr. | Giuseppe | **Lotito** | Monte Titoli |

# Feedback on Remaining Questions to NMPGs

Some initial or partial feedback/answers on the remaining questions have been received from DE, ES, DK, CH, IT, FI, FR, NL and have been included in the following document:



LU, UK&IE will send feedback/answers very soon.

See list of remaining questions at the end of these minutes.

Agreed Actions:

* Jacques will consolidate the feedback received before next call
* Remaining NMPGs and other Associations to provide feedback as soon as possible.

## Additional Requirements from FR on Shareholder Identification

Ilyas has provided the following list of additional information on the shareholder likely to be required by the future FR transposition law.

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|  | Data | Definition | Value |
| 1 | Nationality | Nationality of the investor | ISO 3166 country code |
| 2 | Quality code | Defines the profile of the investor | 01 legal entity 02 Listed intermediary 03 Mr 04 Mrs 05 Miss 06 Indivision 08 Joint bank account 09 Mutual Funds 10 Trade account 11 Pension plan and pension fund 12 Investment club 13 Other physical persons 14 Other artificial person 15 Securities to receive 16 Securities to deliver |
| 3 | Year of birth | Year of birth of the investor (natural person only) | Year of birth |
| 4 | Activity of investor | Defines the economical activity of the  investor (legal person only) | Code in line with European or domestic classification of economical activities (NACE, APE,…) |
| 5 | Indicator Pro - Non pro investor | Indicates whether the investor is considered as a professional investor, an eligible counterpart or a non professional investor in the meaning of Mifid | • PRO = professional investor • ELC =  eligible counterpart • NPR = Non professional investor |
| 6 | Funds distributor | The legal entity which has commercialised the investment fund to the investor | Name of the funds distributor and its unique identifier (BIC, LEI,…) |

However the following pieces of information are questionable:

* Funds Distributor
* Some of the quality codes like titles “Mr.” being mixed up with “Securities To Receive” code or “Other artificial Person” and “Mutual Funds”.

The list of quality codes seems awkward as it mixes up code values which do not have lots of things in common.

Agreed Actions:

* Ilyas to come back with a clarification / justification for the presence on some of the code values and on the consistency of some values with others.

## Additional Requirements from DK

DK requests to have tax information added in the shareholder Identification responses like Tax Identification. However usually several tax ID could be provided depending on whether it is the Tax ID from where the investor resides or a tax ID from where he invests and the need for it is not obvious.

Agreed Actions:

* Charlotte to come back with a clarification / justification for the presence of tax identification in the response message.
* Other NMPG to provide new requirements for additional shareholders information as soon as possible if any.

## Additional Status Message on the Shareholder Identification Response

A need for a new status message had been identified in previous meetings to provide status to the Shareholder Identification response and on the cancellation of the response.

The status should be quite simple like “Accept” or “Reject”. At this stage there are no business cases to have reason codes added.

Jacques will check whether we could eventually re-use some existing simple ISO 20022 status messages like the admi.007 ?

## PV - Request for a Confirmation of the recording and counting of votes (Remaining Q17)

The meeting instruction message (seev.004) includes already such a flag with the “VoteInstructionConfirmation” indicator element.

It is not yet fully clear whether we need in addition a new message specifically for such an off-line request?

# Reminder - QUESTIONS FOR NMPGs

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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 9 from 3:00 to 5:00 PM CET