**MEETING MINUTES**

**FORUM:** SG NMPG

**DATE AND TIME:** 10 JUNE 2014, 3.30 PM

**LOCATION:** Standard Chartered at MBFC, Level 32, Gambia Suite Room, and 8 Marina Boulevard Marina Bay Financial

**ATTENDEES:**

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| **NAME** | **ORGANISATION** |
| Gan Lai Chun | Citibank |
| Herman Wan | DBS |
| Judy Yang | DBS |
| Christina Ang | Deutsche Bank |
| Wai Ling Eu | Deutsche Bank |
| Bridget Neo | Deutsche Bank |
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| Daisy Lam | HSBC |
| Ganesh Iyer | HSBC |
| Tony Lewis | HSBC |
| Janice Ow | OCBC Bank |
| Lai Kok Leong | SGX |
| Jessie Toh | SGX |
| Cheuh Jyi Chen | Standard Chartered Bank |
| Garry Chan | Standard Chartered Bank |
| Anthony Sim | Standard Chartered Bank/SG NMPG Chair |
| Frederick Lee | Standard Chartered Bank |
| Alexandre Kech | SWIFT |
| Mable Goh | Citi |
| Shawn Ling | SGX |
| Louise Chua | SGX |

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| **AGENDA** |
| **Agenda:**   1. **Roadmap:** 2. Proxy voting – Electronic submission roadmap 3. AGM – Non clustering of AGM during April period 4. Extend Electronic submission roadmap to other CDP forms. 5. AUD, JPY and CNH currencies settlement (alignment to SGD/USD) 6. Increased frequency of settlement batch run (intra-day i/o EOD batch) 7. **Current**: 8. Pilot for DA e-statements 9. SWIFT CODES to be used in relation to SGX Fee Revision 10. Three Point Declaration 11. Feedback on SGX News SWIFT messaging service 12. Update on SWIFT net and the Schemas on My Standards 13. NDC – appeal to consider a e-submission of NDC approval 14. NMPG: 15. Global SMPG – Request of SG NMPG to host session meeting in 2015 16. Election of SG NMPG Chair (per ToR enclosed) 17. Changes to S&R MP document taking into account the latest changes in our market 18. CA 280 Withholding Tax Changes Recommendations for NMPG review 19. AOB |

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| **MINUTES** |
| * **Road map**   i. Proxy voting – Electronic submission roadmap   * SGX Corporate Services team has been exploring e-proxy with Broadridge for over one and half years but there has been low take up on the issuer side. Feedback from the Issuer industry has been that it is very difficult to roll implements it for retail investors and hence it precludes them to switch to e-proxy holistically. * REITs issuers are uninterested due to the added requirements for Tax declaration from their investors who hence choose to avoid e-voting. * At a regulatory level, currently only the chairman is allowed to vote using e-proxy whereas SGX would like to authorise other signatories to encourage wider participation. HK has mechanised this by offering e-polling option through CCAS. SGX is exploring the option to do something similar. * Broadridge has been trying to convince most Issuers to adopt their platform for e-polling. Eve looking at a web-based portal for retail clients which would work. * Similar to Corporate Event notification initiative over SWIFT, SGX can always provide an infrastructure as a value add. There was some discussion between the NMPG members at this stage where some members suggested that SGX could consider offering some incentives to Issuers for migrating over to the portal. SGX acknowledged and mentioned that they will consider it * The NMPG members raised some of the practical difficulties currently faced from an operational point of view where staff has to be sent in cabs to carry proxy forms physically. This exposes us to severe risk in case there is a delay OR emergency. * The NMPG agreed to take this initiative forward with the SGX. To facilitate further discussions and thinking, SGX Corporate Services team will be organising a briefing of their e-proxy plans in near future.   ii.AGM – Not clustering them during the April period:   * The point on the agenda was brought up by the NMPG members as a concern with the concentration of all AGM schedules during the April period. However, SGX had a view that the AGMs are actually dispersed backed by a recent analysis which was conducted. * Although SGX cannot dictate terms, the team agreed to ask Registrars and issuers to try and avoid the April schedule and try to move it earlier around the year where possible. From SGX’s point of view they don’t recall seeing more than 3 to 4 AGMs per day * SGX appealed to the NMPG members that if this has to be stated as an industry problem then they can help state it in front of the regulators. As a the schedule of the AGM is to a large extent driven by regulation to hold one within a stipulated timeframe, there will be a need to make a change this regulatory provision to allow Companies the flexibility to hold it earlier / later during the year.   iii) Electronic submission of CDP forms   * NMPG members raised the issue about the manual suite of form that the industry has to send to the CDP requesting the later to consider automating them. * SGX mentioned that they had conducted a review alongside the scoping of the new PTS project and have designed the PTS flow to do away with the manual form submissions. However the benefit of the PTS will be realized fully only after the Phase 2 go live which is scheduled for 2016 * NMPG members urged whether an interim solution could be considered for the time being, to which the SGX replied explaining that there are some forms which impact the system and workflows where as there are some which would purely be used for internal record keeping purposes * SGX is willing to consider the avoidance / automation of forms falling in the later category and have requested the NMPG to send a priority list of forms which they would propose for the SGX to consider.   iv. AUD, JPY and CNH currencies settlement (alignment to SGD/USD)   * The new DVP framework which SGX is working on already has all traded currencies in scope. All traded securities (including fixed income and Equity) across all denominations will be included in the new DVP framework. * SGX will be sharing more information about the proposed framework by the next NMPG meeting. As a structure they will be looking to avoid the Settlement bank intermediated model and work towards aligning the cut-off times of all currencies   V. Increased frequency of settlement batch run (intra-day i/o EOD batch)   * The ability to run multiple settlement batches has been included in the SGX PTS workflow. |
| 1. **Current:**   **i. Pilot for DA e-statements**   * Four firms have agreed to act as pilot for the estatements * SGX intends to do a poll to gauge the level of interest in rolling out ISO20022 using a big bang approach i.e. all messages at one OR should they be scheduled in batches * The NMPG requested SGX to share a tentative time frame which will help the industry confirm the feasibility and approach  1. **SWIFT CODES to be used in relation to SGX Fee Revision**  * NMPG members requested SWIFT to use the SWIFT NMPG defined codes instead of defining their proprietary codes. SGX will publish the exact list of codes very soon * There are no codes available for Collateral and Margin. For the rest SGX will be adopting the SWIFT defined codes. * A draft will be circulated to the NMPG transaction sub-committee members for feedback before releasing it to the market  1. **Three Point Declaration**.  * A recurring request for a 3 point declaration has been made by German clients who need the declaration to submit to their regulators. * Japan has issued a three point declaration and published it in their website which allows all market participants to issue them to their clients as and when required. * In Singapore, SGX has issued the declaration on the back of requests made by some institutions but there needs to be a market wide process. In Denmark also the CSD issues this declaration to all market participants * HSBC had tried to request the MAS which act as the depository for government securities to issue a similar declaration which was declined. The request hence was to lobby with the MAS as an industry group to issue this declaration to all participants. * Anthony suggested that it would be appropriate to route the request through the Association of Banks (ABS) as they have better engagement with the MAS. The suggestion was to have SGX issue the declaration first and then approach MAS post that * The NMPG should approach OCBC which is the chair of the ABS to approach the MAS once SGX has issued its declaration.  1. **Feedback on SGXNews SWIFT messaging service**  * On 24rd March SGX provided members with a briefing on the corporate events issuing process using the right templates. * Feedback has been positive and the exchange has been very open and consultative with its approach towards introducing the service, the only such market to adopt have an approach which is a great example of how things can be done in a collaborative manner   .   1. **SWIFTnet**  * The SGX will be publishing the SWIFT message specifications for Singapore market on “mystandards” on 20th June. * Members can register and access the XML schemas after they have been published on the portal. Premium users including JPM, BNP, HSBC, Citi, SCB and DB can compare the standards published with similar standards published by Japan, ASX or T2S   **Further details on the SWIFTnet and the new DVP framework and associated plans to avoid NDC will be provided shortly** |
| **3. NMPG**   * 1. **Global SMPG – Request of SG NMPG to host session meeting in 2015** * Chair of global SMPG has asked whether Singapore will be happy to host the Global SMPG for next year. The opportunity fits in well as SWIFT will be holding SIBOS in 2015 which is also scheduled in Singapore. * The Global SMPG is a 2-3 day forum mainly comprising of market participants specialising in Settlements, Asset Servicing and Reconciliations.   **ii. Election of SG NMPG Chair (per ToR enclosed)**   * Anthony’s term is overdue so there is an invitation for the chairmanship to be passed to any other member. * Interested members may send in their nominations to the chair and vice-chairs.  1. **Changes to S&R MP document taking into account the latest changes in our market**  * The S&R MP document will be published by 31st August 2014 after taking into consideration the new changes * Certain changes in Corporate Actions to also be included in the CA MP document which will be published during the same period  1. **CA 280 Withholding Tax Changes Recommendations for NMPG review**  * Global SMPG change request is being considered for mainly focusing on the withholding tax tags – WITL / WITF. There seems to be confusion on what is local and what is foreign. Recommendation is thus to take out the bifurcation and introduce just one WHT tag “TXR” * Second Recommendation is regarding processing of WHT for dual listed companies. It was discussed in the recent SMPG held at South Africa SMPG where the need for withholding tax tag was felt. * The third recommendation is to get rid of WITF as it creates unnecessary confusion and use WITL as complementary. These may be discussed at the global forums. SMPG is expected to endorse them in a week’s time |
| **4. Other business: Meeting with ADB Secretariat Presentation on ISO20022 for ABMF**   * Kok Leong informed that the ADB secretariat will be visiting Singapore on 23rd July and has requested to meet up with the NMPG members to discuss the experience of ISO20022 implementation at the SGX * A separate invite will be sent soon, members to nominate settlement and fixed income experts from their organisations to represent. |

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| **ACTION ITEMS** |
| 1. SGX corporate services to conduct a briefing on the e-proxy and other related initiatives for the transaction subcommittee members. Transaction sub-committee to attend the briefing and provide an update at the next NMPG 2. **Non clustering of AGMs**: CA working group to study the AGM patterns and recommend a fair scheduling for AGMs. Update to be provided to the NMPG every quarter. 3. **Electronic Submission of CDP forms**: Each NMPG member organisation to send their list of forms in order of priority for automation to Ganesh (HSBC) who will collate and submit on behalf of NMPG to the SGX. SGX to check the feasibility of rolling them out in near time and report back to the NMPG 4. **ISO20022 rollout**:SGX to propose a timeframe when they would like to roll out ISO20022 messages. NMPG to review and confirm the feasibility to implement within recommended timeframe 5. **3 Point declaration:** SGXto considerpublishing the declaration on their website after which the NMPG can make a similar proposal to the MAS through the Association of Banks (approach OCBC) 6. **SWIFTnet and NDC**: SGX to provide further details about the SWIFTnet and also provide further information on the new DVP framework at the next NMPG 7. **Global NMPG**: Members to consider the proposal to host the event in Singapore next year. To confirm to SWIFT on the basis of consensus 8. **Meeting with ADB Secretariat**: NMPG members to nominate settlement and fixed income experts from their teams to attend the meeting after receiving the invite from Kok Leong |