**MEETING MINUTES**

**FORUM:** SMPG SG

**DATE AND TIME:** 13 DECEMBER 2012, 4PM

**LOCATION:** STANDARD CHARTERED BANK, 7 CHANGI BUSINESS PARK CRESCENT, PAKISTAN ROOM

**ATTENDEES:**

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| **NAME** | **ORGANISATION** |
| Elizabeth Chia | BNP Securities Services |
| Siraz Mouhamadmoussa | BNP Securities Services |
| Teo Chai Sio | CIMB Securities (Singapore) Pte Ltd |
| Conrad De Souza | Citibank |
| Amit Raghunath | Citibank |
| Judy Yang | DBS |
| Eu Wai-Ling | Deutsche Bank |
| Dileep Venkatakrishnan | HSBC |
| Daisy Lam | HSBC |
| Janice Ow | OCBC Bank |
| Anand Adipudi  | SGX |
| Anthony Sim | Standard Chartered Bank |
| Garry Chan | Standard Chartered Bank |
| Lim Ek Young | Standard Chartered Bank |
| Alexandre Kech | SWIFT |
| Cindy Foo | SWIFT |
| Grace Tan | UOB |

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| **AGENDA** |
| 1. Update of progress by co-chairs of 3 sub-committees
2. Update of Global SMPG session held on 5-7 Nov in Osaka
3. Update on APAC RMPG scheduled to take place end of Nov
4. Explore adoption of Terms of Reference and by-laws (similar to global SMPG or other NMPG in other countries)
5. Discussion on country representation and topics of interest for next Global SMPG session held on April 23-25 2013 in Frankfurt, Germany
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| **MINUTES** |
| 1) Update of progress by co-chairs of 3 sub-committees Anthony provided the members of SMPG SG (‘Group’) a brief background on the 3 sub-committees where there are a total of 6 Co-Chairs and added that currently in the Singapore industry, there is no structure to get things done. Anthony has been working closely with the 3 sub-committees on the terms of reference as well as their requirements.(i) Sub-committee: CommunicationSiraz, one of the Co-Chairs for this sub-committee shared the information for this group. The reason for having this group is due to (a) the diversity of players in the industry, (b) the existence of a dynamic financial environment and (c) the availability of different expertise in the market. However, the challenge lies in effectively managing the information flow or exchange within the industry. Hence the need to structure the communication channel.Moving on to the Mission Statement, Siraz recommended greater communication within the group and across markets and relevant industry bodies which can be facilitated via social media channels such as Linkedin or quarterly newsletters and get together sessions. The core objective of this group is to facilitate and improve the information flows. In order to do so, a framework needs to be in place which has to be agreed by the members of the Group. Siraz also shared with the Group the Terms of Reference of the communication sub-committee.As part of the comments from the Group members, Alex Kech made a suggestion to store the documents for SMPG SG (including meeting minutes) in a SG NMPG folder on the SMPG website. Specific access rights to specific folders can be granted to specific members of SMPG SG eg. the Chairperson and Co-Chairpersons. (ii) Sub-committee: AdvocacyConrad and Christina Ang are the Co-Chairs for this sub-committee. First meeting for this group took place a couple of months ago. Conrad shared with the Group some of the discussion points and action items for this sub-committee. One of the focus topics of this group is Proxy Voting. This item will be kept in view until more information is available. The second focus topic is Pricing of CDP transactions. In Singapore there is a need to streamline the multiple pricing structure. Anthony raised a concern on the feasibility of resolving this issue without the commitment from the exchange. He questioned if it is worth the time to work on this issue or should the group focus on other areas that may yield immediate results. Dileep and Elizabeth both felt that this is an important topic which should be kept on the list. Elizabeth posed a question to the exchange on how open is the exchange in having discussions with the members. Anand shared that SGX had a round of discussion in the trading space and will be re-pricing the entire trading platform. In addition, more consultation on pricing will take place. Anand further added that in the next meeting, there may be more participants from the exchange joining in the discussion.The final focus topic is Electronic Form submission. Currently in Singapore, this process is highly form-based and manual. The Advocacy group will take this up if it is not on the transactional group’s agendaAs a take-away from the discussion, Anthony suggested each organization to recommend more ideas for consideration by this group. Suggestions are to be sent to Conrad for collation.(iii) Sub-committee: TransactionalDaisy, one of the Co-Chairs for this sub-committee shared that the group had already held two meetings. Anand and Jessie from SGX had attended the previous meetings. To date, the group has looked through a long list of outstanding items which are more operational in nature and they are currently awaiting response from SGX on some of the issues.Anthony supplemented with a suggestion for this group to categorize the issues on hand and give priority to those which can be acted upon within nine months. In the event that there is a commitment to implement the changes, Anthony recommended tracking and broadcasting the changes to the market participants especially for the purpose of keeping the industry informed about the lead time required for the implementation of the changes.Judy informed the Group that the two main purposes of the Transaction sub-committee are (a) to engage SGX to see how they can enhance the system to meet the requirements of the members and (b) how the market players can do things better in the industry ie implement the best practices.Next, the transactional sub-committee will also be looking at drafting the Terms of Reference for the group, determining their focus as well as identifying what their larger objectives are.2) Update of Global SMPG session held on 5-7 Nov in Osaka Alex Kech provided an update of the Global SMPG meeting with the Group. There are two Global SMPG meetings every year. There were two working groups (WG) at the meeting – Corporate Action (CA) WG and Settlement & Reconciliation (S & R) WG. The main purposes of Global SMPG are to harmonize market practices, identify differences and propose global market practices.There were three subjects discussed at the S & R WG which were introduced by the APAC region: (a) IPO (at the request of the Indian community), (b) Depositary Receipts [DR] (at the request of the Korean community) and (c) Earmarking (at the request of the Vietnam market).IPO and DR are also topics of interest to the Global SMPG. Therefore, they will likely develop into global market practice. As for earmarking, the practice currently does not exist in Europe and US. However, there is interest in some of the APAC markets in the earmarking process. Hence, a regional market practice may potentially be drafted for the earmarking process.Anthony added that Time Deposit was also covered during the Global SMPG meeting. The documents of the above-mentioned four topics can be found on the SMPG website. Alex also suggested that in time to come, Singapore can also start to influence the Global SMPG and to publish the Singapore market practice for global investors. In addition, under the CA WG, there is a global template of the Event Interpretation Grid (EIG) around which each country has built their own matrix to cater for their specific requirements. Singapore should consider building a similar EIG matrix and this can be a task to be undertaken by the Singapore CA WG.There were discussions about incorporating the SG CA WG into the Transactional sub-committee. The official representative of the SG CA WG is Alan Lim from DBS (email address: alanlim@dbs.com) and the backup is Chueh Jyi Chen from SCB (email address: Jyi-Chen.Chueh@sc.com). Alex shared with the Group that Standards is able to assist in the S & R space to capture the differences in custodians practices in the Singapore market, analyze the differences and come up with the conclusion. This proposal shall be explored further with the Transactional sub-committee Co-Chairs.3) Update on APAC RMPG scheduled to take place end of Nov Cindy shared that the last APAC RMPG conference call took place on 29 Nov 2012 and the topics discussed during the call were:* Update on the global SMPG meeting held in Osaka in Nov 2012
* Update on the status of the AP Market Groups inventory:
* ACG Group
* ACI
* Regional NMPGs in Thailand, Malaysia, Indonesia and Vietnam.
* By-laws of the APAC RMPG have been published
* Update on the China Market Practice Group for securities and payment held in China on 26 Oct 2012
* Status update on ABMF - SMPG has obtained the support of ABMF in the creation of NMPGs in the APAC region ABMF is keen to have a NMPG in each APAC market to take care of the maintenance process of the market guides which they have published. With this support, it will be easier to create NMPGs in countries where the work has been difficult in the past.

Singapore is currently represented by SGX and MAS, and they are the parties to ensure that the bond market guide for Singapore is being kept up to date. Alex suggested that a group may be formed to discuss on the market guides where SWIFT Standards will act as secretariat. The group will collect any change request and discuss if the change requests will be accepted or not. The next ABMF meeting will be held in Singapore in Feb 2013 at Marina Bay Sands. Alex will check if there is any limit on the number of observers attending the ABMF meeting. * Update on the the Offshore CNY Working Group meeting held on 15 Oct 2012
* Update on the next global SMPG meeting which will be held on 23-25 April 2013 in Frankfurt

4) Explore adoption of Terms of Reference and by-laws (similar to global SMPG or other NMPG in other countries)In order to have a more structured form for the SMPG SG, Anthony mentioned that there is a need to establish the Terms of Reference for the Group. The Group can use the Terms of Reference and by-laws of the Global SMPG as a reference. Anthony will disseminate a copy of the Global SMPG by-laws to the Group for their consideration and collect feedback from the members.5) Discussion on country representation and topics of interest for next Global SMPG session held on April 23-25 2013 in Frankfurt, Germany Anthony shared with the Group that the Global SMPG meetings occur on a semi-annual basis. These are physical meetings and the next Global SMPG meeting will take place in April 2013. Anthony would like to find out who are the parties in the Group who are interested to attend the next meeting. There is no funding by the SMPG SG to attend the Global SMPG meetings. Alex shared with the Group how other groups are doing with regards to obtaining the funds to attend the global meetings. Some groups are sending representatives that are funded by their own organisation. In some countries, there is a SMPG fund which is funded by every organisation and representatives will be appointed to attend the global meetings. Another arrangement is to obtain sponsorship from CSDs or vendors. Action tasks1) Each organization to recommend more ideas for consideration by this Advocacy Group. Suggestions are to be sent to Conrad for collation.2) Anthony to disseminate a copy of the Global SMPG by-laws to the Group for their consideration and collect feedback from the members.3) Discussion of attendance at the next Global SMPG meeting in April 2013 |