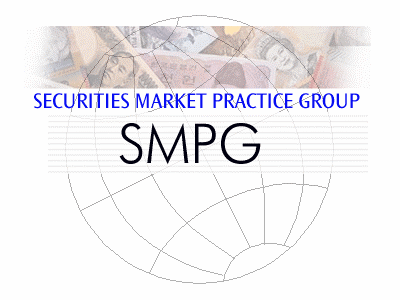
**SMPG Boston meeting**



**Sept. 24 - 26, 2014**



**Meeting Venue**

Brown Brother Harriman

50 Post Office Square

Boston, MA 02110, US

**SPONSORS**

|  |  |
| --- | --- |
| \\BE-FILE01\jlittre$\My Pictures\logo_wg10.gif | 0 |
|  | 1  \\BE-FILE01\jlittre$\MyData\01. STANDARDS\01. STD DEVELOPMENT DOMAINS\1. Securities\01. SMPG Global\06. Global Meetings\2014 Boston\Logo\EventSuite_SSGX_WebBanner.jpg |

Dress Code: Business Casual

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Wednesday 24th of September** | | | | | |  |
| **Afternoon** | | | | | |  |
|  | **12:30 - 13:00** | | | **Members registration** | |
|  | **13:00 – 15:30** | | | **General Session**  1. Introduction & Welcome address (Karla Mc Kenna – SMPG Chair, ISITC)  2. Welcome address by Hosts (Genevy Dimitrion, ISITC – TBC, BBH)  3. Meeting schedule overview (Evelyne Piron – SMPG Program Director)  4. SMPG Web Site Renewal / TIC (Jacques Littré – SMPG General Secretary)  5. Americas Updates (Jason Brasile –SMPG Americas Regional Director) – 15’  6. Asia Pacific Updates (Taketoshi Mori – SMPG Japan Regional Director) – 15’  7. Overview of SMPG By-Laws Updates (Karla Mc Kenna – Armin Borries, EMEA Regional Director) – 30’  8. ISITC Business Topics Presentations (TBC) – 55’ | |
|  | **15:30 – 16:00** | | | **Coffee Break** | |
|  | | **16:00 – 18:00** | Corporate Action WG | | Settlement and Reconciliation WG |



|  |  |  |  |
| --- | --- | --- | --- |
| **Thursday 25th of September** | | | |
| **Morning** | | | |
|  | **09:00 – 10:45** | Corporate Action WG | Settlement and Reconciliation WG |
|  | 10:45 – 11:00 | **Coffee Break** | |
|  | **11:00 – 12:30** | Corporate Action WG | Settlement and Reconciliation WG |
|  | **12:30 – 13:30** | **Lunch** | |
| **Afternoon** | | | |
|  | **13:30 – 15:15** | Corporate Action WG | Settlement and Reconciliation WG |
|  | **15:15 – 15:30** | **Coffee Break** | |
|  | **15:30 – 16:30** | Corporate Action WG | Settlement and Reconciliation WG |
|  | **16:30 – 17:00** | **Free Time** | |
| **Evening** | | | | |
|  | **17:00** | **Meet at the pick-up point for the Evening Event** | | |
|  | **17:00 – 22:00** | **Evening Event and Dinner** | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Friday 26th of September** | | | |
| **Morning** | | | |
|  | 09:00 – 10:00 | Common Session:  ***“How can MyStandards help creation and propagation of market practices: vision, status and Q&A”***  *by Marc Delbaere – SWIFT, Head of MyStandards Product Management* | |
|  | 10:00 – 10:15 | Common Session CA & SnR WG  Common MP on References (non case sensitive) | |
|  | 10:15 – 10:45 | Corporate Action WG | Settlement and Reconciliation WG |
|  | 10:45 – 11:00 | **Coffee Break** | |
|  | 11:00 – 12:30 | Corporate Action WG | Settlement and Reconciliation WG |
|  | 12:30 – 13:30 | **Lunch** | |
|  | 13:30 – 14:30 | Corporate Action WG | Settlement and Reconciliation WG |

**End of Meeting At 2:30 PM on Friday**

**Boston September 2014 – SMPG Corporate Actions – Detailed Agenda v1**

| **Item No** | **Short Description** | **Description and Pending Actions** | **Owner** | **Comment** |
| --- | --- | --- | --- | --- |
| **1** | Meeting Minutes | Appoints an additional minutes taker/helper | CA SMPG |  |
| **2** | Next meetings | Schedule 2015 Conference calls | CA SMPG |  |
| **3** |  | Comments / Approval of Sept. 4 conf. call Minutes | CA SMPG |  |
| **Item No** | **Short Description** | **Description and Pending Actions** | **Owner** | **Comment** |
| **Wednesday September 24** | | | | |
| **CA203** | SR2015 release | Status of the CA SR 2105 release | Jacques |  |
|  | Tax Subgroup Status | Status of the SMPG SR 2015 Withholding Tax CR | Bernard / Jacques |  |
| **CA 265** | Stock Lending Deadline | **SR 2014 CR 613** - Create market practice to provide clear boundaries to prevent misuse of this new deadline, for instance this would only be reported by custodians when it offers some level of lending and based on SLA with their clients.  **Action:**  1. Mari to prepare an input paper on this item to be discussed first with GMP1 subgroup and include the comments received from Sonda. 2. GMP1 SG to submit the paper as input for the Boston meeting. | UK NMPG / GMP1 SG | **Telco Sept. 4, 2014**  See the remaining actions defined. **Telco July 24, 2014:** No feedback received from Sonda. To be rescheduled for next meeting. **Telco June 19, 2014:** Jacques is missing the MP about the Stock lending deadline to add in GMP 1.  Mari indicates that we are waiting for Sonda's response regarding the proposal made by Véronique. **London - Apr 22 - 23, 2014:** Mari provides the background of the change request to initially add repetitive deadlines for borrowers whilst only a single deadline was finally approved (BORD) into the MT564 seq. D. Mari explains how it was conceived to be used for stock lending. Especially in the UK there is a need to elect for stocks on loan earlier than other securities.  Going forward there is a need to request change to make the deadline repetitive and have the possibility to identify the counterparty (counterparty Id from Crest).  Market Practice – The fact that the most restrictive deadline should be used is not fully agreed. US states that only your own deadline can be provided. US custodians will not implement this in November and it has not been discussed by UK NMPG yet. Jyi-Chen mentions that for SR2014 in Singapore the market practice will say that the BORD deadline will be used only for the lending program of the custodian and not for other external lending solutions. Decision: the group agrees to: a. Add a market practice recommending the usage of the BORD deadline only with an indication of which entity’s deadline it represents, either in the notification message itself or in an SLA or similar document. b. Create a change request to make the deadline field repetitive with an identification of whose deadline it is and explaining the business case. |
| **CA 268** | Narratives scope/usage and indicate updates | **SR 2014 CR 608** - review and reinforce in GMP part 1 the market practices on narratives in the MT564/568 messages and clarify their scope/usage in particular for TXNR. - Define best practices to indicate event updates  **Actions:**  1. Véronique to organise a call for GMP1 SG to finalise section 3.15 and create new narrative MPs sections for the MT 565 / MT 566 / MT 567 messages and send it as input for Boston meeting. 2. Mari, Kim, Sonda and Bernard to review narrative examples on “How to Instruct” from UK and FR and propose guidelines and revision of the narrative section in GMP Part 1 for Boston meeting. Look also specifically at the REGI MP to check if it is sufficiently clear. | Delphine / GMP1 SG | **Telco Sept. 4, 2014** The GMP1 subgroup will progress on this topic in the next 2 weeks and submit an input for the Boston meeting. Same for the “How to Instruct” narrative examples. **Telco July 24, 2014:** Regarding the CETI MP, Véronique has drafted the agreed changes, and Christine has proposed a few minor amendments (see document atachd in minutes). However Bernard suggests to also look at producing MPs for the narratives that are contained in the other MT565 / MT566 / MT567 since section 3.15 focuses only on the MT 564 / 568. Regarding the “How to instruct” narrative information, no progress at this stage yet. **Telco June 19, 2014:** The CR on the CETI and TXNR narratives has been submitted by Jacques to SWIFT. Regarding the CETI MP, Véronique will send a proposal by tomorrow. Regarding the “How to instruct” narrative information, examples have been received from UK and France. Jacques will consolidate the examples in a single document to ease the analysis. **Telco May 22, 2014:** The following table illustrates the presence of all the narratives in the MT56X.(see CA268 in London Minutes) The red squares indicate where the narrative type is missing. Decision: All agree to submit a CR based in the above tables. **London - Apr 22 - 23, 2014:** FR has provided some narrative examples: All agree to add TXNR in the MT 568 in order to avoid putting things in ADTX instead whilst the info belongs to TXNR. Mari/Matthew have received some narrative samples containing information on how to instruct, but have not yet been able to remove the custodian information before circulating the examples. |
| **Thursday September 25** | | | | |
| **CA 279** | Market practice for Claims and Transformations in the T2S context | As we are close to the implementation of T2S and following some CRs that were part of SR2014, there seem to be confusion on how claims should be reported to clients (MT54X vs MT56X).  **Action:** GMP1 Subgroup to continue their investigations and prepare an input document for the Boston meeting. | Mari / GMP1 SG | **Telco Sept. 4, 2014** The issue at this stage is that there is no way to indicate that a market claim has been created and no way to report the status of a claim. The following options have been suggested by the GMP1 subgroup and should be further analysed and discussed before we submit a CR for SR2016: 1. A brand new message (MT / MX) to avoid to cannibalize again the MT564/CANO  2. Reusing the MT564 with a new :23G:: function CLAI and a new Status qualifier CLAI to indicate if the claim is new or cancelled with additional ad-hoc linkages references. 3. Reusing the MT564 with REPE and with an ADDB//CLAI indicator and with a new CLAI Indicator The MT566 would also need to be aligned with the new linkages references introduced in the 564. **Telco July 24, 2014:** No progress so far. To be rescheduled to next meeting. **Telco June 19, 2014:** Mari reports the result of the UK NMPG call on this topic: "*We have agreed on the need to have a message to be able to inform clients of the fact claims have been generated in the CSD. We have agreed that a new message is required in 20022. However, for 15022 we think the best solution would be to create a claim indicator in the same way we have done for CAPA. Moreover, we will need to take into consideration the following needs: a) status indicator - to confirm the generation and cancellation or split of the claim b) market reference - the need to have a COMM (?) qualifier in the 20C: reference field to report the CSD reference for the claim c) settlement reference - the need to have a SETT (?) qualifier in the 20C: reference field to report the settlement reference of the underlying transaction that generated the claim."* The GMP1 SG has started the discussion on this but a number of questions remain.  Michael reported that the CH NMPG/market will be compliant and will support both reporting through MT 548 and MT 566 and the clients will chose what they do. **Telco May 22, 2014:** Mari asked how generation of a market claim could be reported.  **London - Apr 22 - 23, 2014:** Mari provided the background: T2S asked for a claim transaction code (SETR//CLAI) in the ISO 20022 settlement messages covering the T2S to CSDs/CCPs part of the flow (not the CSD to custodian side). This was approved and also added to the corresponding ISO 15022 messages and unfortunately also to the MT536 and MT537 (see SR2014 CR 000620). Some clients as well as institution in Switzerland have misunderstood this and have started to ask for market claims notification/confirmation via MT544-8 instead of using the MT 566 as specified in the CA market practice since 2005. Note that a TRAN//CLAI indicator already existed in the 54X messages and that the SETR//CLAI was probably not really needed. Decision: All agree that the CA WG needs to clarify the situation and restate the existing MP so as to stop this from spreading! |
| **CA 282** | Write-downs / write-ups on Bonds | How to process cases where the outstanding nominal amount is reduced without any compensation (occurs also on "CoCo" bonds, i.e. Contingent Convertible Corporate Bonds.  **Action:**  1. All NMPGs to look if they have something similar. 2. Delphine, Christine and Alexander to look at it and see whether a MP is needed and how to express it. | Delphine | **Telco Sept. 4, 2014** Since neither Christine nor Delphine are present at the call, the item can be skipped and scheduled for Boston. **Telco July 24, 2014:** No additional feedback at this call. To be rescheduled for next meeting. **Telco June 19, 2014:** Alexander mentioned the VPS process of removing bonds issued by bankrupt issuers, but registering some form of claim. Feedback from NMPGs practice on this case is still requested. **Telco May 22, 2014:** Input file from Delphine & Christine (see minutes). |
| **CA 284** | MP for amounts larger than 15d | 15d is not large enough for some Asian amounts. It needs to be reported in 1000’s and indicated in narrative.  **Action**: GMP1 SG to draft a proposal for truncating too large amounts and/or too many decimals. | Jyi-Chen / GMP1 SG | **Telco Sept. 4, 2014** Jyi-Chen is the owner of this open Item as the question came originally from the SG NMPG. **London - Apr 22 - 23, 2014:** 15d is not large enough for some Asian amounts. It needs to be reported in 1000’s. It is best to send also in narrative. It is not possible in ISO/SWIFT messages (note that in the ISO 20022 base standards the amount field is 18d).  Decision: Create a market practice to deal with the technical limitations. |
| **CA 285** | FDIV / PDIV usage | When should FDIV / PDIV be used and what is the difference with GRSS//INDI or ACTU. How should INDI be used in general versus PROC//PREC or COMP **Actions:**  1. Jacques to describe better the alternatives with the GRSS/NETT “rate status” codes in an input paper for Boston. 2. Kimchi to provide for Boston information input on how those qualifiers are used in France. | Jacques | **Telco Sept. 4, 2014:** The support question received at SWIFT was: When should FDIV / PDIV (Final / Preliminary Dividend Rate) be used and what is the difference with GRSS//INDI or ACTU. How should INDI be used in general versus PROC//PREC or COMP? US feedback: those dividend rates are not used UK: Mari reports that those qualifier are used by the MDPUG FR: FDIV and PDIV are used in France |
| **CA 286** | Events Withdrawal and MT 567 | Should MT567 be issued in addition to the MT564 WITH for withdrawal of events for which we have already received some instructions?  **Action**: NMPGs to investigate in their market and provide feedback for Boston or next call. | Mari | **Telco Sept. 4, 2014:** Need feedback on what is actually done in the different markets. |
| **MyStandards** | MyStandards Subgroup | **To participate to the MyStandards subgroup: please contact jacques.littre@swift.com Action:**  Jacques to provide those proposed guiding principles document for review as input to the Boston meeting. | Jacques | **Telco Sept. 4, 2014** As a follow up to the Johannesburg meeting discussions in November 2013 on defining MyStandards usage best practices for creating corporate actions usage guidelines (UG), Bernard and Jacques have worked together during this summer to propose a consistent set of detailed design principles for the CA UGs that could be easily followed for creating the UGs for all the events.  Bernard and Jacques have also applied those principles on the DVCA MAND and they propose to review those guiding principles and the DVCA example at the Boston meeting. For those who would like to have a preview of the DVCA example before Boston, the new DVCA example in MyStandards can be looked at Here: https://www2.swift.com/mystandards/standardsPractices/mpContentRestrictions.xhtml?marketpractice=mp%2Fmt%2F\_gVyW4BvvEeSa8pvxYg6VJQ%2F\_talp8BvvEeSa8pvxYg6VJQ **Johannesburg - Nov. 12 - 14, 2013:** Overview of User guide (Common Session CA and SnR).  a. Corporate Actions participants vocalized concern on restricting optional fields as “not to be used” instead of just “not recommended”.  b. Business case around creation of recommended vs. not recommended usage of optional fields instead of just restricting both not allowed and not recommended options as the same to be created.  c. Discussion on level of granularity of the usage guidelines within a collection – group agreed a procedure needs to be documented for editors to submit a written/visual of layout of a collection and individual usage guidelines prior to beginning.  d. Common Elements Usage guidelines in MS – Review postponed until more experience/expertise of WG members. **Telco Oct. 24 2013:** The last call was held on October 22, with 6 attendees. a. Discussed all the MPs and if they could be added to MyStandards. It was agreed to first, work on the templates and GMP2 EIG GG. GMP1 is a later stage; it seems much more difficult to put onto MyStandards.  b. Have also reviewed the new draft SMPG document on best practice on use of MyStandards (rules and recommendations). c. It was decided to start reviewing the DVCA MAND UG on MyStandards at the next call, and compare the SMPG template with what is on MyStandards and validate the assumptions made. Once we agree on the best practices for the DVCA we will apply them to the other event UGs. Next call will be held on November 26, and it will be a WebEx call. If you would like to attend, please contact Bernard or Jacques. |
| **CA 264** | Lottery Events MP | **SR 2014 CR 596 - US Lottery MP update  Action:** Sonda to revert at next call. | US NMPG | **Telco July 24, 2014:** Sonda could not attend the call but Jacques mentioned that apparently the lottery event US MP is progressing well has he has already seen slides presentation on it. Item to be scheduled for next call in September. **Telco June 19, 2014:** Sonda did not attend the call. Item to be scheduled for next call. **Telco Apr. 4, 2014: I**SITC formed a Redemption Sub Group that has been meeting since January to discuss the lottery market practice and the SR2014 changes. The outcome will be communicated after the June ISITC meeting. **Telco Feb. 27, 2014:** Skipped |
| **Friday September 26** | | | | |
| Common S&R and CA session  MyStandards Presentation - “How can MyStandards help creation and propagation of market practices: vision, status and Q&A” | | | | |
| **CA 283** | MP on References/Identifications | References/identifications are not to be treated as case sensitive.  **Action:** Co-chairs to discuss with the other WGs. See if the topic can be discussed in Boston. | Bernard | **Telco June 19, 2014:** There is no CA MP for use of capital vs lower-case letters in references / identifications. The IF WG has already proposed a MP stating that references / identifications should not be processed as case-sensitive by the receivers of the messages.  Decision: This should be a cross WG MP. |
| **CA 287** | Record Date Tracking Table update for T+2 |  | Christine |  |
| **CA 281** | Interest Period Inclusive/exclusive end dates ? | Should an interest period be reported from inclusive to exclusive or inclusive to inclusive?  Majority of the markets EB is working with report interest period from inclusive to exclusive except Germany, Austria, Canada, US and Turkey who reflect periods as from inclusive to inclusive following their market practices.   **Actions:**  1. Remaining NMPGs (BE / DE / FR / IT / SG / ZA…) to send to Jacques their input on the new “InterestPeriod” table within the EIG+ before (or at) the meeting in Boston. | Delphine | **Telco Sept. 4, 2014** Sari explains that in Finland there is not yet an harmonisation on the interest periods and therefore it really depends on the terms of the event. A number of NMPGs still need to provide their input fort the table for the Boston meeting.  **Telco July 24, 2014:** No new NMPG’s feedback received and Sari is not at the call. It will be looked at for the Boston meeting in September.  **Telco June 19, 2014:** Jacques has updated the new GMP Part 2 tab on “Interest Period” with some NMPG feedback. Michael added that the CH NMPG prefers the use of the DAAC qualifiers since INPE can be confusing. **Telco May 22, 2014:** All NMPGs to send to Jacques their input on the new “InterestPeriod” table within the EIG+. **London - Apr 22 - 23, 2014:** Decision: All agree that periods except interest period, area always inclusive to inclusive.  For the interest period (INPE in seq. D/C of 564/566 ), it seems that it may vary per market, therefore it is proposed to create a new table in the EIG+ and list per country whether the End Date is inclusive or exclusive. For instance in Japan, the end date of the interest period INPE is always inclusive. |
| **CA 277** | COAF Assignment Body Registration & Governance Questions | 1. For which securities/ISINs does the central body, WM, need to issue a COAF? Are all DE ISINs meant? But what about DE ISINs of bonds of a foreign issuer? 2. How do we or the central body need to react, if we discover that the prefix DE was used by another entity (either another central body or another party)? We have already detected that there are COAF references with a DE prefix existing. 3. Is the central body obliged to publish the COAF reference, e.g. on a web page? 4. According to the COAF market practice, everybody who is involved in event communication and dispatches events is obliged to forward the COAF reference received. Such as WM provides events from abroad with the COAF if they receive this information. Could it happen that another central body tries to collect charges for the transmission of its COAF?   **Action:** 1. Daniel / Andreana to provide comments of the latest COAF proposal at the next meeting. 2. NMPGs approval of updated COAF section in GMP1 requested for the next conference call. 3. NMPG's Review COAF Organisations list respective entry for UP-TO-DATE INFO | Andreana | **Telco Sept. 4, 2014** No further comments has been received from DE and DE is not present at the call today. Item skipped. **Telco July 24, 2014:** The German NMPG would still like to revert on a few decisions/responses from London at the next call. No other SMPG feedback received so far. **Telco June 19, 2014:** Christine presented the proposed changes to the COAF section of GMP1 (see in minutes). Jacques proposed to add in the “Use Of COAF” section the fact that “The COAF reference must be unique per combination of event code (CAEV), Mandatory/Voluntary (CAMV) indicator and security (e.g. ISIN).”. **London - Apr 22 - 23, 2014:** The following questions have been raised by Germany recently: **Q1. For which securities/ISINs does the central body, WM, need to issue a COAF? Are all DE ISINs meant? But what about DE ISINs of bonds of a foreign issuer?** • CA WG Answer: WM is to issue a COAF for securities issued in the German CSD/market. **Q2. How do we or the central body need to react, if we discover that the prefix DE was used by another entity (either another central body or another party)?** We have already detected that there are COAF references with a DE prefix existing. • CA WG Answer: There is nothing really that the official body can do to avoid this misuse. Once WM starts to issue COAFs, any fake COAFs should disappear fairly quickly. **Q3. Is the central body obliged to publish the COAF reference, e.g. on a web page?** • CA WG Answer: It needs to be made public in some form, and not restricted to e.g. stock exchange or CSD members, but they can charge for it on a cost recovery basis. The information provided need to include at least the key details (ISIN, Issuer, COAF, event type) allowing market users to identify which event the COAF refers to (this is what LSE is already doing). **Q4. According to the COAF market practice, everybody who is involved in event communication and dispatches events is obliged to forward the COAF reference received. Such as WM provides events from abroad with the COAF if they receive this information. Could it happen that another central body tries to collect charges for the transmission of its COAF?** • CA WG Answer. This case can be compared to issuance of ISIN, and selling securities data feed: The cost recovery of COAF issuance was on the basis of the issuer only. SMPG has no influence in this area but hopefully this will not be an issue. |
| **CA 278** | Sample for usage of PRFC / NWFC in INT and redemption | Create template to illustrate correct usage of the NWFC and PRFC factors.  **Action:** Elena to draft a proposal for global MP, to send it to Bernard who will verify it and then send to Jacques for distribution to the CA-WG. | Elena | **Telco July 24, 2014:** In Bernard’s opinion, the US MP on PRFC / NWFC is not correct. The current SMPG text simply refers to ISITC US, but this should be changed.  Decision: Remove the reference to ISITC and work on a new global MP. **Telco June 19, 2014:** Sonda has sent the US MP for PRFC/NFWC (see attachment iin minutes). Second attachment is Elena sample (see minutes). Bernard and Elena discussed the usage of factors. Bernard has a recollection that the SMPG long ago decided the usage, and that what was agreed contradicts this US MP.  Bernard thinks that we should not create a template but rather a MP on the usage of those factors. **London - Apr 22 - 23, 2014:** Item postponed to a next conference call. |