



Your Gateway to Securities Standards !

SMPG Singapore meeting

October 7 - 9, 2015

Hosted by:



Meeting Venue:

SGX (Singapore Exchange)
2 Shenton Way, #02-02 SGX Centre1,
Singapore 068804

Dress Code: Smart Business Casual

Sponsored by:



I. Meeting Global Agenda

Wednesday 7th of October

Morning Session

9:00 – 9:30	Arrival & Check-in at SGX premises and Welcome Coffee
9:30	Start of Plenary Session
9:30 – 11:00	<u>Plenary Session Agenda</u> 1. SMPG Welcome Address (Karla Mc Kenna – SMPG Chair, ISITC) – 5' 2. Welcome Address by Host (Tony Lewis, Title, HSBC) – 5' 3. Meeting Schedule Overview (Evelyne Piron / Jacques Littré – SMPG Program Director / General Secretary) – 5' 4. Issuer to Investor (Peter Shen, AVP Market Data & Access – SGX) – 30' 5. An introduction to the Hong Kong – Shanghai StockConnect (Ms. FUAN Hai Jade, Director, Head of Clearing and Collateral Management, Standard Chartered Bank) - 30'
11:00 – 11:15	Morning Tea Break
11:15 – 12:30	6. Asian Market Infrastructure & Initiatives updates (Alex Kech, Director, Head of SMI APAC, SWIFT) – 25' 7. Asian Fund Passporting (Armin Choksey, Title, PWC) – 25' 8. Distributed Ledger, potential for the Securities Industry (Name, Title, Company) – 25' 9. SMPG Teaser (Jacques Littré, SMPG General Secretary) – 5'
12:30 – 13:30	Lunch

Afternoon Session

13:30 – 15:30	Corporate Action WG	Investment Funds WG	Settlement and Reconciliation WG
15:30 - 15:45	Coffee Break		
15:45 – 17:30	Corporate Action WG	Investment Funds WG	Settlement and Reconciliation WG
	Free evening		



Thursday 8th of October			
8:30 – 9:00	Arrival & Check-in at SGX premises		
Morning Session			
09:00 – 10:45	Corporate Action WG	Investment Funds WG	Settlement and Reconciliation WG
10:45 – 11:00	Coffee Break		
11:00 – 12:30	Corporate Action WG	Investment Funds WG	Settlement and Reconciliation WG
12:30 – 13:30	Lunch		
Afternoon Session			
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Evening

18:15	Meet at SGX Lobby & walk to the event location		
18:30 – 20:30	<p>SMPG Event – Sponsored by HSBC & SWIFT <i>(Must have been confirmed at registration time !)</i> Confirmation email & more detailed information will be sent by the Sponsors closer to the event.</p>		
20:30	End of Event		

Friday 9th of October

8:00 – 8:30	Arrival & Check-in at SGX premises		
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Morning Session

8:30 – 10:00	Corporate Action WG	Investment Funds WG	Settlement and Reconciliation WG
10:00 – 10:15	Coffee Break		
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12:30 – 13:30	Lunch		

Afternoon Session

13:30 – 15:30	<i>Each Working Group to decide if they continue their meeting during part of the afternoon</i>		
15:30	End of meeting		



II. SMPG Corporate Actions WG Detailed Agenda – October 2015

Item No	Short Description	Description and Pending Actions	Owner	Comment																								
1		Appoints one additional minutes taker/helper	Bernard/Christine																									
2	Next meetings	Schedule Conference calls for 2016	Christine																									
3	Meeting Minutes	Comments / Approval of Sept. 8 conf. Call Minutes	Jacques																									
CA203	SR2016 - Yearly GMP Part 1,2,3 and samples alignment and yearly summary of changes to MPs	<p>Schedule</p> <ul style="list-style-type: none"> September: Based on the MWG minutes, start with the draft “MP’s Summary” document & start MP’s discussions. October – November: Update GMP Parts & Event Templates Mid-December: Preliminary summary of MP changes End December: Draft GMP documents & event templates for review by NMPG’s End February: Publish final version of GMP docs & templates. <p>Actions:</p> <ul style="list-style-type: none"> Plan MP Doc Update and action items <u>Bernard</u> to produce template needed for EXWA MAND. 	Jacques	<p>SMPG Actions requested by the SR 2016 CA MWG:</p> <table border="1"> <thead> <tr> <th>CR#</th> <th>CR Title</th> <th>SMPG action</th> </tr> </thead> <tbody> <tr> <td>CR982</td> <td>Change of Use and Definitions of TAXR / WITL, Delete WITF/TAXE Tax Qualifiers and Add “Country of Income source” to Movements Sequences</td> <td>SMPG to provide MP for COIN</td> </tr> <tr> <td>CR981</td> <td>Delete qualifiers QOVE and QREC</td> <td>SMPG to create a strong MP for QINS usage in DVOP/PRIO</td> </tr> <tr> <td>CR983</td> <td>Add a new code to identify taxability for 302 Eligible Events</td> <td>SMPG to provide MP for TXAP code list.</td> </tr> <tr> <td>CR978</td> <td>Add elements to narrative fields to identify updated date and time and updated descriptions</td> <td>SMPG to create a more robust MP on narrative update</td> </tr> <tr> <td>CR977</td> <td>Align and Amend all definitions of MIEX, MILT, MINO, MAEX across the messages</td> <td>SMPG to look at MINO Format Option</td> </tr> <tr> <td>CR974</td> <td>Amend name and definition of PCAL event</td> <td>SMPG to Take into consideration PRED, DRAW, Pro-rata and re submit the CR proposing the amendment of PCAL definition. Clarify the fact if there is a sec move or not.</td> </tr> <tr> <td>CR975</td> <td>Amend definition of spin-off event (SOFF)</td> <td>SMPG to illustrate the usage of NSIS and NEIS as well as SOFE, DVSE and BONU in a global MP.</td> </tr> </tbody> </table>	CR#	CR Title	SMPG action	CR982	Change of Use and Definitions of TAXR / WITL, Delete WITF/TAXE Tax Qualifiers and Add “Country of Income source” to Movements Sequences	SMPG to provide MP for COIN	CR981	Delete qualifiers QOVE and QREC	SMPG to create a strong MP for QINS usage in DVOP/PRIO	CR983	Add a new code to identify taxability for 302 Eligible Events	SMPG to provide MP for TXAP code list.	CR978	Add elements to narrative fields to identify updated date and time and updated descriptions	SMPG to create a more robust MP on narrative update	CR977	Align and Amend all definitions of MIEX, MILT, MINO, MAEX across the messages	SMPG to look at MINO Format Option	CR974	Amend name and definition of PCAL event	SMPG to Take into consideration PRED, DRAW, Pro-rata and re submit the CR proposing the amendment of PCAL definition. Clarify the fact if there is a sec move or not.	CR975	Amend definition of spin-off event (SOFF)	SMPG to illustrate the usage of NSIS and NEIS as well as SOFE, DVSE and BONU in a global MP.
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CA278	Sample for usage of PRFC / NWFC in INT and redemption	<p>Create template to illustrate correct usage of the NWFC and PRFC factors.</p> <p>Action:</p> <ol style="list-style-type: none"> All NMPGs to review and comments on above document from Bernard. ISITC/Sonda to describe the US market practice based on the above described scenario (PRED/INTR on different and same date and PRII) in Bernard's document. 	Bernard/ Elena	<p>Telco September 8, 2015 Based on the input provided by Elena on the usage of the PRFC/NWFC in RU, Bernard has produced a consolidated document for review (see minutes).</p> <p>Telco July 23, 2015: The MDPUG has communicated via email that they agree with the ISITC MP. Bernard explains that he had already provided an input document for this open item back in December 2014 and that it has never been addressed whilst the document illustrates better the usage of those factors for the case presented in the original question i.e. partial redemption (PRED) and related interest (INTR) events which is not covered in the ISITC MP. see minutes for Bernard's input document on PRFC/NWFC: Bernard and Elena discussed the Russian needs (provided earlier by Elena in a document – see below), as well as the factors as currently used by Clearstream in those cases as well in the case of a PRII event. See minutes for Elena's input document</p>			
CA284	MP for amounts larger than 15d	<p>15d is not large enough for some Asian amounts. It needs to be reported in 1000's and indicated in narrative.</p> <p>Action: All NMPGs to provide feedback on the proposal for the October meeting in SG</p>	Jyi-Chen / GMP1 SG	<p>Telco September 8, 2015 The GMP1 SG proposes the following addition (case 3 below) to the new MP on large amounts for the mandatory PSTA amount field: <i>Case 3) For the mandatory :19B::PSTA amount qualifier in the MT 566, split the amount in as many MT 566 as necessary.</i></p>			
CA289	MAND event with Required Owner Action	<p>Define new Market Practice based on the Outcome of SR2015 CR771.</p> <p>Action:</p> <ol style="list-style-type: none"> All NMPGs to review / comment the proposed MP text. GMP1 SG should review the texts on DFLT and STIN to ensure they are aligned. 	Christine / GMP1 SG	<p>Telco September 8, 2015 Feedback on the proposed draft MP from Christine (in the minutes) to be provided for the SG meeting. Michal mentions that there are similar cases in Poland where tax information is required from the account owner. However, the proposed market practice above does not intend to cover cases where taxes information is involved as it was decided already a long time ago that the tax cases should be covered in a specific MP worked on by the Tax Subgroup. Telco July 23, 2015: Feedback on proposed draft MP from Christine: No additional NMPGs</p>			

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				provided feedback. Christine reminded everyone of the item and asked NMPGs to include it in the agenda for their next meeting. For action 2, the item is on the GMP1 SG's meeting agenda.
CA297	MT564 & Multiple MT568 linking	<p>2 Questions on MT564/MT568 linking</p> <p>1) Should MT568 REPL link back also to previous MT568 ?</p> <p>2) How can multiple MT568s be linked to a MT564?</p> <p>Action: All NMPG's to review and provide feedback for the SG meeting.</p>	Mari / GMP1 SG	<p>Telco September 8, 2015 Jacques has drafted some text around the illustrations - see minutes (to be included in GMP Part 1).</p> <p>Telco May 21, 2015: Jacques presents the updated scenario 2 including a third paginated MT564 linked via a PREV to the previous MT564 in the chain as illustrated here in version 3 of the CA297 input document: Decision: All agree with the proposal.</p> <p>La Hulpe - April 15 - 17, 2015: The Case 1 scenario in the illustration is fully correct. For the case 2 scenario, the question was how would we link a third MT564 part/page to the others: via a PREV link to the first MT564 or to the second one in the chain? Decision: Add a third MT564 in case 2 scenario with a PREV link to the second MT564 (Chain of MT564's always linking back to the previous MT564)</p>
CA298	Capital Gain - cash distribution components	<p>ISITC MP 2.2.1.4.2.3 and SMPG MP 9.22 are not consistent regarding cash distribution of several Capital gain components (short term, long term).</p> <p>Action:</p> <p>1. <u>ISITC</u> to provide answer to question 4 of the attached document (Jacques to send reminder to Sonda/Paul).</p> <p>2. <u>GMP1 SG</u> to update section 9.22 of the GMP Par 1 document.</p>	Laura / GMP1 SG	<p>Telco September 8, 2015 The fourth question on "Capital Gains cash distribution components" (see document in minutes) is still pending the answer from ISITC.</p> <p>Telco June 23, 2015: The item has not yet been discussed by the GMP1 SG, but is on its July 24 conference call agenda.</p> <p>Telco May 21, 2015: Laura mentions that the current updated MP text in section 9.22 is still not clear and does not correspond to the ISITC US MP.</p> <p>La Hulpe - April 15 - 17, 2015: Questions 1 to 3 on the US MP on the Return of Capital have been Answered by Sonda, and MDPUG is happy with the responses. Question 4 remains outstanding, Sonda will check and revert. The section 9.22 of the GMP1 is actually only valid for mandatory events. Véronique proposes to amend the section 9.22 text as follows: The SMPG recommends a multiple event scenario for cash distributions composed of more than one type. The different "components" of the a mandatory cash distribution, such as long-term and short-term capital gain, should be announced split into separate events.</p>

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				<p><u>Telco Jan. 29, 2015</u> <i>Return of Capital – Return of Capital events in the US market are recognized as Capital Gains Distributions (ISO Event Code CAPD). There are scenarios where multiple payments are distributed within a single event. In this case, the multiple payments are announced as one event (i.e., short term capital gain, long term capital gain, etc.). When a dividend is announced with a capital gains distribution, the dividend is considered a separate event.</i></p> <p>Q1. Should long and short term capital gains be output in one MT564 or two? <i>When long term and short term pay in the same distribution, it is to be announced in one event. It is one event, with multiple payouts. There must be separate cash movement sequences for each payout.</i></p> <p>Q2. If there is a dividend announced at the same time, how should this be shown? <i>In the US Market, if there is a dividend announced at the same time, it should be a separate event</i></p> <p>Q3. If long term and short term capital gains are in one event, should they be output in one CASHMOVE or two? <i>They must be separate cash movements.</i></p> <p>Q4. Why is CAPD mentioned in the market practice document? Should the event type be CAPG? <i>I need to double check this one. I will come back to you with a reply.</i></p>
CA300	Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP	Action: Bernard to provide examples/use cases with Libor rate for the SG meeting.	Michael & GMP1 SG	<p><u>Telco September 8, 2015</u> The CR submitted for SR2016 has been rejected by the CA MWG as the proposed redefinition of INTR was not clear enough. Now we need to figure out how to use INTR and INTP for floating rates and what is the process for calculating both rates and see whether we need or not a change of definition. Norway (via email input) indicates that DAAC, MICO and INTR are used to calculate INTP. This will need to be discussed further at SG meeting.</p> <p><u>Telco May 21, 2015:</u> a. NMPG feedback on last month proposed decision regarding the usage conditions of INTR (i.e. NOT to be used for floating rate notes) The MDPUG, DE and NO do not agree with the decision taken at the April meeting since the interest rate for a given interest period for Floating Rate Notes is calculated based on a “faked” annual interest rate provided in</p>

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				:92a::INTR in the notification and which is modified for every given period. The question is therefore: do we need to add in the notification/confirmation messages a new floating annual interest rate besides INTR (i.e. separate ones) or do we need the same INTR for both and expand the definition ? Decision: Use the same INTR for both fixed income and floating rate instruments and update the INTR definition accordingly.
CA303	Usage of PWAL for DVOP & DRIP	Jacques has noticed that the PWAL period was handled differently in the EIG+ for DVOP and DRIP CHOS without intermediate security events whilst there is no real reason to have a difference (present in DRIP and absent in DVOP). Actions: GMP1 SG to add a text in GMP1 to define PWAL as the period set by the issuer or equivalent, and always ending on market deadline.	Jacques / GMP1 SG	La Hulpe - April 15 - 17, 2015: The PWAL period was handled differently in the EIG+ for DVOP and DRIP CHOS without intermediate security events whilst there is no real reason to have a difference (present in DRIP and absent in DVOP). Decision: In the EIG+, remove PWAL from DRIP CHOS without intermediate securities (the outcome being that PWAL is present in DRIP CHOS and DVOP CHOS with intermediate securities and absent in DRIP CHOS and DVOP CHOS without intermediate securities).
CA305	MT567 for Late and Accepted Instructions	In case someone sends a late instruction, what should be the response? First a PEND//ADEA, then (if accepted) an IPRC//PACK. One custodian combines the two in one MT567 Action: See whether we should submit a CR to remove the repetitiveness of the Subsequence A2 Status in the MT567 ?	Mari/Matt hew & GMP1 SG	Telco September 8, 2015 The approved MP has been inserted into GMP Part 1 as follows: “in the MT567 section, only one status sequence may be included in an MT567, though more than one reason may be included if needed and applicable”: Telco July 23, 2015: NMPG feedback on the proposed MP: “in the MT567 section, only one status sequence may be included in an MT567, though more than one reason may be included if needed and applicable”: • Agree: UK, BE, CH, ES, SE, FR, JP, XS, LU, FI, US, ZA, RU • Do not agree: - • Abstain: MDPUG (not concerned) • No Feedback yet: NO, DE Decision: The market practice is approved.
CA306	Which Event for Redemptions on ELN without any payments	Question: An instrument such as an equity linked note is redeemed/expires without any payment (in accordance with the terms of issuance, since the	Christine	Telco September 8, 2015 NO, PL, DE and MDPUG provides feedback on whether they prefer to use REDM or WRTH with Option LAPS: Consolidated results: • REDM: ES, FR, XS, US, UK, FI, LU, DE, MDPUG

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		<p>conditions for such a payment were not met). Which CAEV code should be used for this event, WRTH or REDM (both with option code LAPS)?</p> <p>Action:</p> <ol style="list-style-type: none"> 1. Remaining NMPGs to provide feedback at next call 2. Christine to provide ELN examples to Laura 		<ul style="list-style-type: none"> • WRTH: JP, PL • No preference: ZA, RU (will follow whatever decision) • No Feedback yet: BE, CH • Cannot agree (yet?): SE <p>Norway feedback: one provider uses EXWA with Cash or LAPS</p> <p>Decision: As they is a majority in favour of REDM, we propose to USE REDM with option LAPS (to be confirmed at SG meeting).</p>
CA307	NMPGs Status Report on Local MP Publications	<p>Action: All NMPG's to provide for the SG meeting a short report about the local NMPG MPs progress. We will keep it informal for the first time and will try to structure the reporting for the following meetings. For those not joining in SG, written input before the SG meeting can also be sent to Jacques.</p>	Jacques	<p>Telco September 8, 2015</p> <p>As per the request of the SMPG steering Committee, and as already done on a regular basis in the IF WG, NMPGs are kindly requested to provide for the Singapore meeting (and for the future physical meetings) a short report about the status of their local market practices. You will find some examples of country reports in the IFWG minutes from pages 6 to 15 attached to the meeting minutes.</p> <p>La Hulpe - April 15 - 17, 2015:</p> <p>Jacques explains that the SMPG Steering Committee has proposed to generalize a more formal way for NMPGs to report on the status of their MPs documents and of their implementation of MPs in the MyStandards platform as it is already done today by the IF WG at each physical meeting. The idea is to have a better knowledge of the status of the local MPs published under the auspices of the SMPG (on both www.smpg.info and on www.swift.com/mystandards) and at the same time it gives the opportunity to the other NMPGs to look at those new MPs and verify potentially SMPG compliance. This might help in highlighting, perhaps even removing, local MP which deviates from global MP</p>
CA308	Question on Multi listed securities	Should we review the general (and quite old) market practice for multi-listed securities?(CA304) (from Karla - April meeting).	GMP1 SG	
CA311	Question on CAPA Cancellation	In case of CAPA cancellation because the eligible position has gone to zero, should the MT564 contain:	Delphine & GMP1 SG	<p>Telco July 23, 2015:</p> <p>Delphine question on the cancelation of a CAPA message: In case of CAPA cancellation because the eligible position has gone to zero, should the MT564 contains:</p>

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		<ul style="list-style-type: none"> • message function CANC • ELIG//0 • ENTL//0 OR should it be the copy of the previous MT564 REPE (with ELIG and ENTL <> 0) and message function CANC? Action: GMP1 SG is requested to try to create a draft market practice, for review by the SMPG.		<ul style="list-style-type: none"> • message function CANC • ELIG//0 • ENTL//0 OR should it be the copy of the previous MT564 REPE (with ELIG and ENTL <> 0) and message function CANC? ZA feedback received via email: <i>Market participants would normally advise of changes to eligibility and in this instance there's an eligibility to zero (0). The ZA NMPG is of an opinion that a further 23G::REPE message with sequence d 22F::ADDB//CAPA must be sent. This messages will basically indicate to the recipient that they should not expect a MT566.</i> The item was discussed in the group, but turned out to be rather complicated. The functionality in ISO 15022 is quite different from that of ISO 20022, and even though it is technically possible to cancel a CAPA message in ISO 15022, this may well cause confusion and lead to incorrect cancellation of the entire event.
CA313	Instruction no longer accepted on some VOLU events.	For voluntary corporate actions (mainly repurchase offers/exchange offers) issuers decide that they will not accept some or any instructions for certain ISIN codes. We have 2 possibilities on what to do with the instructions: - we can reject the instruction and clients will receive MT567 message with status IPRC//REJT, or - we can apply proration with accepted amount 0 and clients will MT566 confirm that their holding was unblocked and they get paid 0.	Bernard	
CA314	Make Format Option L available for PRPP (as it is for	Follow up from SR2014 CR where Format Option L was added to OFFR	Bernard	

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	OFFR)			
	Tax Subgroup - Status / Progress Report	-	Jyi-Chen / Bernard	-
CA315	Extending CA MPs to ISO 20022	How to extend our MPs to ISO 20022 CA MX messages ?	Christine	
CA316	MPs specific for Issuer announcements ?	<p>With the move towards having issuers start the CA communication flow, discuss how to deal with some potential consequences:</p> <ul style="list-style-type: none"> - What happens when the issuer changes the event/options after the CSD has announced it - Can the options be changed (replaced and/or removed) in a notification at any stage? And if not, what to do if an issuer first announced an EXRI event with 001/EXER, 002/OVER and 003/LAPS, and then removes the overelection option and changes the LAPS option to 002? Can we get the issuer (or the CSD) to keep the option, but state that it is cancelled ? - What if the issuer CSD makes an incorrect interpretation of the event at the same time it assigns a COAF? 	Christine	
AOB				