

SMPG Helsinki meeting April 20 – 22, 2016

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Meeting Venue 19, 20 & 22 April:

Nordea Vallila campus,
Aleksis Kiven katu 7

Meeting Venue 21 April:

Pohjola Bank, Teollisuuskatu 1b

Dress Code: Smart Business casual

I. Meeting Global Agenda

Tuesday 19th of April *Venue: Nordea Vallila campus, Aleksis Kiven katu 7*
Meeting room U1A18

9:00 – 17:30		Investment Funds WG Meeting <u>(only for IFWG members – please refer to the specific IF WG agenda)</u>	
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Wednesday 20th of April *Venue: Nordea Vallila campus, Aleksis Kiven katu 7*

9:00 – 9:30	Arrival & Check-in at Nordea premises and Welcome Coffee
Morning Session	
9:30	Plenary Session

SMPG Helsinki Meeting – 20 to 22 April 2016 – CA WG Detailed Agenda

9:30 – 11:00	Plenary Session Agenda 1. SMPG Welcome Address (Karla Mc Kenna, SMPG Chair, ISITC) – 5’ 2. Welcome Address by Host (Sari Rask, Chair NMPG FI, Nordea) – 5’ 3. Global Meeting Schedule (Jacques Littré, SMPG General Secretary) – 5’ 4. ISO Stds adoption by the Nordics (Anu Puttonen, Business Dev. Mgr, Infrastructure, Euroclear) – 40’ 5. The Impact of T2S on the Securities Landscape (Janne Palvalin, Nordea) – 35’		
11:00 – 11:20	Morning Tea Break		
11:20 – 12:30	6. EMEA Regional Updates – 20’ 7. Americas Regional Updates – 20’ 8. APAC Regional Updates – 20’ 9. AOB – 10’		
12:30 – 13:30	Lunch		
Afternoon Session			
13:30 – 14:00	10. SMPG Steering Committee Members Elections		
14:00	End of Plenary Session		
14:00 – 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 21st of April <i>Venue: Pohjola Bank, Teollisuuskatu 1b</i>			
8:30 – 9:00	Arrival & Check-in at Pohjola Bank 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			
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
Evening			
19:00 – 21:00	<p>SMPG Event (Sponsored by Euroclear Finland) <i><u>Address: Urho Kekkosen katu 5 C (3 minutes walk from the hotel)</u></i> <u>Please indicate your participation in the meeting registration form</u></p>		
21:00	End of Event		

Friday 22nd of April <i>Venue: Nordea Vallila campus, Aleksis Kiven katu 7</i>	
8:30 – 9:00	Arrival & Check-in at Nordea premises
Morning Session	

SMPG Helsinki Meeting – 20 to 22 April 2016 – CA WG Detailed Agenda

9:00 – 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		
13:30	End of meeting		

II. SMPG Corporate Actions WG Detailed Agenda – April 20 - 22, 2016

Item No	Short Description	Description and Pending Actions	Owner	Comment
Wednesday April 20 PM				
1		Appoints one additional minutes taker/helper	Bernard/Christine	
2	Next meetings	Schedule Conference calls for end 2016	Christine	
3	Meeting Minutes	Comments / Approval of March 22 conf. Call Minutes	Jacques	
CA337	TXAP//TXBL deletion in SR2016 CR0983)	Should we reinstate TXBL in SR2017 ? What is the market practice in the meantime.	Christine/ Mike	-
CA298	Capital Gain - cash distribution components	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). Action: <u>ISITC</u> to clarify their MP 2.2.1.4.2.3	Laura / GMP1 SG	<p><u>Telco February 16, 2016</u> UK&IE Feedback: N/A in the UK <u>Telco January 26, 2016</u> <u>Input from SE</u> The Swedish market does not use CAPG. Events are not split into two or more depending on source of income. The source is not specified by the issuer. <u>Input from XS</u> This type of event does not apply to the XS market. <u>ZA Feedback</u> Does this kind of event take place in your market ? A CAPG has not occurred in the ZA market If so, how are they announced and treated ? There has been no capital gain distribution events in the ZA market however the nature of the distribution would be capital in nature. Thus whether the distribution is long or short term it will still be capital in nature so possibly one pay-out. In the event there is a need to differentiate between long and short then we would suggest 2 events (cleaner) otherwise one event with 2 pay outs. And also, are other types of events with multiple sources/components announced and treated as one or multiple events ? Exchange Traded Funds (ETF) and Exchange Traded Notes (ETN) have multiple distributions (e.g. local dividend, foreign dividend, interest, etc) and thus multiple events are processed – each nature of distribution is processed separately, i.e. cash dividend, interest, etc. <u>DE Feedback</u> We don't use CAPD + CAPG. EIG+ says "n/a". If a German company pays cash out of the company reserve, we announce a "SHPR". In case a company pays out a dividend at the same time, we always treat the two as separate</p>

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				<p>events (DVCA + SHPR) In conclusion, it seems that this kind of event is rather US specific. Telco December 8, 2015 No clear answers yet received from ISITC on the pending question 4 (Q4. Why is CAPD mentioned in the ISITC market practice document? Should the event type be CAPG or should the ISITC MP refer to Capital Distribution instead of Capital Gain ?) Decision: keep the global MP (section 9.22) as in the most recent version until ISITC reverts with a change request. It seems also that the way those kinds of events are announced may differ in the markets. Therefore, to what extent should global MP differ from how issuers and markets work? How are these events, with short-term and long-term capital gain, announced globally? In the US, it is announced as one event. Telco November 10, 2015 No answers yet received from ISITC on the pending question 4 (Q4. Why is CAPD mentioned in the ISITC market practice document? Should the event type be CAPG?) Section 9.22 of GMP1 must be reviewed by GMP1 SG since the meaning is not really clear (compared with the ISITC MP on Capital Gain in section 2.2.1.4.2.3 of ISITC MP document).</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). Action: n/a	GMP1 SG	<p>Telco March 22, 2016: Since Christine did not attend the January call at which the DE comments were provided and since other NMPGs had already agreed with the initial proposal, it was not clear whether and how the proposal needed to be updated or not. Decision: Discuss this again at the Helsinki meeting. Telco January 26, 2016: Input from SE: The WG approved the proposed market practice. Input from XS: I am fine with the text but does this situation occur? Wouldn't a global custodian align the options it offers to the common options offered by its agents on the market? ZA Feedback: ZA agrees. DE Feedback: I wanted to mention also that section 8.1.2.7. would need clarification, how the MT565 must look like, if we follow Christine's suggestion. e.g. Event 1 Event 2 COAF=123 COAF=123 CORP=456 CORP=789 MT565 COAF=123 COAF=123 CORP=optional CORP=optional can be NONREF. This means that clients would always be forced to use the CORP in their MT565. We had a representative from an Asset Manager as guest to our meeting who also mentioned that this would mean that he would not want to distinguish between cases where a CORP is needed and cases where it is not. Plus: What if the is a multi-listed security, where a custodian issues several CORPs for one COAF, but one client is only holding one position. The custodian would probably expect to have a CORP because of the multi listings, but the client would not be aware that they should potentially send a CORP. I.E.: This would mean that everybody would always send a CORP - just to be sure that nothing goes wrong, so we could delete section 8.1.2.7. and we would never be able to delete the CORP from the messages. In our opinion, we should think more about the side effects and discuss in more detail, before</p>

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				<p>changing the MP. CH, FR, ES, UK&IE NMPG's agrees with the above proposal. Decision: No update to GMP1 for the moment. To be rediscussed at the call in March. Telco December 8, 2015 Christine's input received for the updated COAF MP (updated part in blue): "8.1.2.4 Relationship between CORP and COAF The Market Practice is to have a one-to-one relationship between CORP and COAF in the context of a bilateral relationship account servicer/account owner, provided all principles are adhered to. Account servicers should give a unique CORP to each event that has been given a unique COAF by the official body. <i>In the case of intermediaries which have more than one place of safekeeping for affected client holdings (e.g. a global custodian with two or more sub-custodians in a market), more than one event/CORP may be used for one COAF, in order to reflect different options, deadlines or the like provided by/resulting from the different account servicers/places of safekeeping.</i>" Telco November 10, 2015 No input yet at this stage. Singapore - October 7 - 9, 2015 In some instances, Euroclear UK&IE might pay EUR on a holding in a given security that is safe kept in Ireland and GBP on a holding that is safe kept in the UK. This will be the case even though the ISIN and PSET are the same, since it is the same security, held in the same CSD, i.e. Euroclear UK&IE The CA-WG reviewed GMP1 and made changes to two sections covering this: Section 3.8.2, on multiple deposited securities: This section was removed since deemed redundant with section 8.1.2.9 covering the COAF and multi-deposited securities as well. Section 3.8.3 Place of Safekeeping: This section was slightly rephrased. Section 8.1.2.4 of GMP1 on COAF was reviewed and found that it is not defined sufficiently clear in cases where, for example, a Global Custodian is holding a security with several sub-custodians which are offering different options and/or different deadlines. In these cases, the global custodian should be allowed to use different CORPs to correctly reflect this.</p>
CA309	Distributions of 'interest on net equity in BR	<p>How should the Brazilian distributions of 'interest on net equity' (juros sobre o capital proprio) be presented in ISO 15022? SIX outputs these as DVCA, but this has been questioned. A client requested INTR, one of the other vendors uses CAPD.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. <u>Laura</u> to send examples to Sonda. 2. All NMPGs to see if they can ask their Brazilian providers for the local market practice, if any, on 	Laura	<p>Telco September 8, 2015 Decision: Not enough feedback at this stage, put the open Item on hold. Telco July 23, 2015: NMPG feedback on the SMPG recommendation to <u>use the DVCA code if the distribution is, from an investor tax perspective, treated as a "normal" dividend and if the investor receives the distribution free of tax, or with a reduced tax rate, the CAPD code should be used.</u> DVCA: ZA, XS INTR: ES The complete ZA feedback received via email: "Some research was conducted and it was ascertained that the interest distributed as 'interest on net equity' (IoNE) on hybrid instrument is actually profit. The distribution is normally sanctioned at a general meeting and in terms of Brazilian commercial law, shareholders of Brazilian entities are entitled to receive a minimum dividend, i.e. it is mandatory for a company to pay a minimum dividend. The payments made as IoNE can be seen as part of this minimum mandatory dividend however IoNE distributions can only be made if the company has made a profit. Therefore as distributions are being made from profits the distributions is actually a dividend and therefore event code DVCA. It should be noted that "commercially" the distribution is a dividend however from a corporate tax perspective it is tax deductible (expense) and therefore</p>

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		<p>this. 3. <u>Remaining NMPGs</u> are requested to provide feedback on the above proposal by the next conference call.</p>		<p>treated as “interest”, subject to compliance with certain requirements. The interest distributed is not earned on capital.”</p>
<p>CA316</p>	<p>MPs specific for Issuer announcements ?</p>	<p>With the move towards having issuers start the CA communication flow, discuss how to deal with some potential consequences: - 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? Actions: 1. <u>Bernard, Christine and Jacques</u> to summarise the proposals/decisions and feedback and provide this in time for the Helsinki meeting.</p>	<p>Christine</p>	<p>Telco March 22, 2016: No new comments received from NMPGs. Telco January 26, 2016 <u>Input from XS:</u> OK with issues 1 and 3. Regarding the decision on issue 2 to reuse option numbers starting with 9 for account servicers, Jacques can you please remind me why this solution was not implemented in the past? I personally don't think my system can handle it. ZA Feedback Issue 1: ZA agrees Issue 2a: Issuers do not necessarily provide/announce option numbers. The option numbers are provided by the CSD. ZA agrees with the usage of option status (OSTA) Issue 2b: The numbering change could be a huge code change and ZA would thus propose using option features for account servicer options (OPTF//ASVO) Issue 3: The simple changing of CAEV will not necessarily change fields further down in the message. Thus ZA suggests that the event must be withdrawn and replaced with the correct CAEV. ISITC Feedback: Issue 1: Likely impossible to cancel and re-issue a COAF for the CSD. Issue 2: In favor of using “Inactive” or “cancelled” option feature. No 9xx option numbering. Issue 3: Agree with the proposal only if the event cannot be withdrawn by the issuer/Issuer Agent. FR feedback Issue 1: Agree Issue 2: Use rather CANC option feature. No 9xx option numbering. Issue 3: Need more information to take a decision. It is not clear who is providing the CAEV code since it cannot be the issuer. Decision: Item to be finalized in Helsinki. Telco December 8, 2015 NMPGs Feedback: DE: In Germany, the options are not set by the issuer to that detail. The Option codes and option numbers are not provided by the issuer and hence generated by all market participants independently according to their internal systems. Hence, this is not really applicable to the German market and lead to a lot of discussions in the group. UK & IE feedback Issue 1: OK Issue 2a: OK Issue 2b: use the service provider code: OPTF//ASVO Issue 3: we recommend a CANCEL & REPLACE approach FR: Issue 1: OK Issue 2a: Prefer using CANC Issue 3: Not sure about the flow</p>

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				<p><u>FI:</u> Issue 3: Agree to continue with the same COAF.</p> <p><u>CH:</u> No feedback yet. Issue 3: CH suggests to use the terms “a different CAEV” instead of “the correct CAEV”.</p> <p><u>ISITC:</u> Issue 1: Likely impossible to cancel and re-issue a COAF for the CSD.</p> <p><u>Telco November 10, 2015</u> NMPGs Feedback: SE NMPG agrees with decision for Issue 1 and 3. No other feedback at this stage.</p> <p><u>Singapore - October 7 - 9, 2015</u> Christine outlines the different issues: <u>Issue 1:</u> What happens when the issuer (or the CSD as official source of the COAF) changes the event after the CSD has announced it? <u>Decision:</u> The three key elements are applicable also for the COAF, not only the CORP. In this example, and provided the change relates to one or more the three key elements (CAEV, CAMV, ISIN), the CSD should announce a new COAF. The first event is regarded as withdrawn.</p> <p><u>Issue 2:</u> Can the options be changed (replaced and/or removed)? <ul style="list-style-type: none"> • The issuers must not replace any options; they are to adhere to the rules that have been defined by the SMPG regarding the option numbering (section 3.11.11); • All official options have to be passed on stating the correct option number throughout the chain. E.g. there are 001/EXER and 002/LAPS issuer options. 003/SLLE is an account servicer option. Then the issuer announces 003/OVER. What to do? <u>Decision:</u> <ul style="list-style-type: none"> a. CSDs are not to allow issuers/issuer agents to change the order/number/code of options, but instead use the OSTA//INTV (Inactive) or CANC (Cancelled) indicator codes (easier said than done) b. Propose to resurrect the old market practice proposal to assign account servicer options option numbers starting with 9, e.g. 9nn, to prevent conflict between issuer and account servicer option numbers <u>Issue 3:</u> What if the issuer CSD makes an incorrect interpretation of the event at the same time it assigns a COAF? Can intermediaries use the same COAF but with the correct CAEV? <u>Decision:</u> The least bad solution was agreed to use the correct CAEV code but still include the same COAF. This will assist in reconciliation between different information sources.</p>
CA321	Create a more robust MP on narrative update information and update date.	Follow up of SR2016 CR978 Action: Remaining NMPG's to provide their option of choice and comments/feedback on the proposal.	GMP1 SG	<p><u>Telco March 22, 2016:</u> Feedback provided by FI and CH (see minutes To be concluded in Helsinki).</p> <p><u>Telco February 16, 2016</u> Item is postponed to next call due to lack of time. Written comments submitted prior to the meeting: <u>UK&IE Comments:</u> Option 2 is the safest. <u>KR Comments:</u> Option 2 (Keep the history of change info) is preferred. <u>APAC CA WG Comments:</u> The group commented that there isn't a point in defining a MP for this as sub-custodians have a variety of clients and they have different needs – some may want the history of change, some may only want latest change information. Being a narrative field, it will stop STP anyway so we should leave it undefined to allow users to define it themselves.</p> <p><u>Telco January 26, 2016</u></p>

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				<p>Item is postponed to next call due to lack of time. Written input received: <u>Input from XS</u>: I am in favour of option 2, Bernard, do you agree? <u>ZA Feedback</u>: ZA agrees with Germany, do not define a MP for update information. <u>FR feedback</u>: No MP is preferred <u>Telco December 8, 2015</u> <u>DE feedback</u>: Germany opposes the implementation of a general MP. It should be up to the contracting parties to agree on how updates have to be formatted. Since Free Text is always inputted manually by the providers, it can easily be forgotten not to adhere to the MP. This would have negative impact on clients who rely on the MP. We therefore vote for option 3. <u>UK & IE feedback</u> we recommend option 2 as the safest <u>KR feedback</u> Option 2 preferred Item is postponed to next call due to lack of time. <u>Telco November 10, 2015</u> ISITC is in favour of option 3 (NO MP) No other feedback at this stage. <u>Singapore - October 7 - 9, 2015</u> In summary, we have the 3 following options for what can be done: 1. Keep last change info only: Provide a summarized description of the changes (as described above), but only keep the latest update date and summarized description in the free text field of the message. The messages then would always look like the January 2 example outlined above. This would comply with the current ISO 20022 Standards which does not repeat the "UpdateDescription" element in a narrative. 2. Keep the history of change info: Provide a history of all summarized descriptions of all the updates, as outlined in the example above. This would require a change to ISO 20022 Standards to enable the repetition of the "UpdateDescription" element. The argument for supporting options 1 & 2 above is mainly that it helps the operator in a long narrative to quickly identify what has changed in the text. 3. Do not define a MP for update information The argument for some in the group is that this would not bring any STP improvement anyway since the narrative must be read anyway and therefore it is not worth having such a complex MP.</p>
Thursday April 21 AM				
CA328	"Function of the message" for the first MT564 CAPA message	GMP1 section 4.3.5 states that: The first movement preliminary advice (CAPA) MX message or the first CAPA pre-advising a reversal or the first CAPA following a cancellation of a	Delphine	<p><u>Telco March 22, 2016</u>: Skipped due to lack of time and Delphine has already left.</p>

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		CAPA should be a NEWM type. What is the "Function of the message" for the first MT564 CAPA message sent?		
CA329	How to fill in Narrative Fields between 564 and 568 (GMP1 Section 3.15 MP and 3.7.3 are unclear)	It is not clear whether the MP is to first fill in the MT564 narrative (only one instance of narrative) until it reaches its size limit and then continue in the MT568 or if the whole narrative must be directly filled in the MT 568. Action: To schedule for Helsinki.	Bernard/Mari/Matt hew	Telco February 16, 2016: <u>Decision:</u> Raise the item for Helsinki meeting.
CA330	GMP1 section 5.4.1MP on 17B::WTHD and CHAN different with ISITC ? Allowed combinations of WTHD (Withdrawal Allowed) and CHAN (Change Allowed) Flag not clear.	There also seems to be different interpretations of this 5.4.1 MP by ISITC. ISITC states that the :17B::WTHD flag set as Y indicates that you can reinstruct if you wish, you just don't have to, and the :17B::CHAN flag as Y means you must reinstruct. You couldn't have both WTHD and CHAN as Y on one option as well. Are the following combinations valid or invalid? 1. :17B::WTHD//Y + :17B::CHAN//Y 2. :17B::WTHD//Y + :17B::CHAN//N 3. :17B::WTHD//N + :17B::CHAN//Y 4. :17B::WTHD//N+ :17B::CHAN//N Action: To schedule for Helsinki.	Jacques	Telco February 16, 2016: <u>Decision:</u> No MP on the possibility to combine them. The definitions are not very clear. Action to the Helsinki meeting: Review the MP and definitions.
CA334	Usage of the new 92H format Option for GRSS and NETT	There are two Rate Status Codes that can be used with 92H: In option H, Rate Status must contain one of the following codes (Error code(s): K92):	Laura/Peter	Telco March 22, 2016: When the dividend rate is confirmed, after initially having been output as 'indicative' using Format Option H, should the confirmed rate be output using 92H with the Status Code 'ACTU'? Or should it simply be output using 92F, with no Status Code?

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		<p>ACTU Actual Rate Rate is actual. INDI Indicative Rate Rate is indicative. The question is, when the rate is confirmed, after initially having been output as 'indicative' using Format Option H, should the confirmed rate be output using 92H with the Status Code 'ACTU'? Or should it simply be output using 92F, with no Status Code?</p>		<p>This could potentially cause issues for the vendors with their clients if one vendor goes from 92H with INDI to 92F and another goes from 92H with INDI to 92H with ACTU. <u>Decision:</u> If INDI is used in :92H:, the final dividend can be announced either as 92H ACTU or just with 92F. If a rate status (INDI) is not needed, always use 92F.</p>
12:00	WG Co-Chairs election Introduction		Karla Mc Kenna	
Thursday April 21 PM				
CA336	Liquidation	<p>We don't see how to indicate in a MT564 the fact that the event is a full liquidation or only a partial liquidation. For our clients, the only possibility is to check the quantity of shares debited from the account in order to identify if it is a full liquidation (total position debited) or only a partial one (only a part of the position is indicated in the secmove). This is possible with a MT566 but not necessarily clearly indicated (optional) - or possible to indicate - in a MT564.</p>	Jean-Pierre	-
CA322	Create new MINO Format Option in cash amount.	<p>Follow up of SR2016 CR977 <u>Action:</u> NMPG Feedback on proposal</p>	Mari	<p><u>Telco March 22, 2016:</u> Mari explained the background. Bernard commented that this has also occurred in Australia, but the number of events seems quite limited. A CR is likely needed, but is the business case sufficient for a new format option? <u>Decision:</u> Discuss at the Helsinki meeting if more markets are affected, and if the CR will be written by the UK&IE NMPG or the SMPG. <u>Telco February 16, 2016</u></p>

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				<p>Item is postponed to next call due to lack of time. Telco January 26, 2016 Input From UK: International Public Partnership Offer November 2015 (ISIN GB00B188SR50) and Bluefield Solar Income Fund November 2015 (ISIN GG00BB0RDB98) and Custodian Reit Offer November 2015 (ISIN GB00BJLFT45) - see minutes. Telco December 8, 2015 UK& IE are collecting the samples and should be able to send them over later on this month. Item is postponed to next call due to lack of time. Telco November 10, 2015 The UK will address this issue at their next NMPG meeting. Singapore - October 7 - 9, 2015 The SMPG is requested to look at a potential new Format Option for MINO as UK argued (when discussing the CA299 open item early 2015) that MINO might be provided in cash amount instead. The following example was provided by Bernard when the CR was discussed at the SMPG early 2015 (see minutes document). Since the UK representative is not present, the item is postponed to next conf call.</p>
CA323	Amend name and definition of PCAL.	<p>Follow up of SR2016 CR974 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.</p> <p>Actions:</p> <ol style="list-style-type: none"> All NMPGs to provide feedback if they agree with the description as a basis for the discussions for a change of the PCAL/PRED/DRAW definitions. Bernard and Mike to discuss off-line the issue on DRAW definition and revert at the Helsinki meeting. 	Bernard	<p>Telco March 22, 2016: Bernard questioned the comment from the UK&IE NMPG about bonds only defs. Bonds are not mentioned in the definitions of PCAL and PRED. The existing definition of DRAW does mention bonds. It is propose to eventually make the definitions more generic in order to enable them for funds. However this is rejected as a global MP on the use of CAEV codes for funds may be needed (btw, an input on this is still pending from the IF WG). CH input: Do not agree with new definition of DRAW as a face amount reduction is not always the case. Open item to be finalized at the Helsinki meeting. Telco February 16, 2016 Item is postponed to next call due to lack of time. UK&IE Comments: We disagree with the proposal as it seems we restricting the definition to bonds only instead to keep it open to all instruments. What about funds? If we restrict the definition of PCAL and PRED to bonds, we need to recommend which events are to be used for funds. Telco January 26, 2016 Item is postponed to next call due to lack of time. Input from SE: The WG had no comments to provide and hence agreed with the description. Input from XS: I am ok with the scenarios but we should add the specific qualifiers of each case, e.g. for PCAL pro-rata we decided to report OPTF//PROR ZA Feedback: ZA agrees FR feedback: Agree with new definitions Telco December 8, 2015 DE The documentation is complete from our perspective. UK & IE feedback We are collecting the feedback KR feedback PCAL not relevant in KR Item is postponed to next call due to lack of time.</p>

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CA324	Usage of NSIS and NEIS for SOFF, DVSE and BONU	Follow up of SR2016 CR975 Action: Remaining <u>NMPGs</u> to provide feedback.	Christine	<p>Telco March 22, 2016: CH input: For SOFF New issuance can be either. Decision: Christine to remove the last column in the table since it does not differentiate the events, and explain this again at the Helsinki meeting.</p> <p>Telco February 16, 2016 Item is postponed to next call due to lack of time. Written comments submitted prior to the meeting: DE Comments: We don't see the benefit of using the indicator in these cases. We also don't see it as very clear, what's a new issue? If the new company's shares have been registered in the companies register 4 weeks ago, are they still new? What if they have been registered half a year ago...? UK&IE Comments: The table is not very clear to us.</p> <p>Telco January 26, 2016 Item is postponed to next call due to lack of time. Written input received: ZA Feedback: ZA also fails to see the benefit based on the above table. Input from XS: Wasn't there a taxation reason to be able to clearly distinguish the 2? Input from SE: Please see Swedish comments in bold in table below (see minutes) DE Feedback: As above, we'll hopefully discuss on Thursday. I agree with Christine's comment in that I also don't see the benefit of the indicator in these cases. FR feedback: NSIS / NEIS is used on spin-off events for FTT process.</p>
CA331	Question on usage of :90J::OFFR ? Business Case		Jacques	-
3:45 PM	SWIFT Best Practice Validation Capability	Presentation	<i>Jonathan Ehrenfeld (SWIFT)</i>	
CA333	Redemption of notes on Mizuho scenario	In such situation, EB reports OFFR using format B to be able to report the currency (and not the PRCT format A). The question is, should the price be expressed in denomination ccy or in payment ccy? (see input in minutes of Feb. 16 call).	Delphine	<p>Telco March 22, 2016: Skipped due to lack of time and Delphine has already left.</p>
CA335	Cash Currency Options	What is the SMPG guideline for announcement of the rate of each cash option in a currency option	Magdalene (for APAC)	<p>Telco March 22, 2016: Skipped due to lack of time.</p>

Item No	Short Description	Description and Pending Actions	Owner	Comment
		<p>event? For example, investors can take cash in USD and GBP, and the initial rate announced is USD0.10. When the GBP rate is known, does the SMPG recommend announcing the GBP rate in Seq. E?</p> <p>According to the SMPG CA Event Templates, it shows that in the event where there are currency options, we recommend using the base currency dividend rate + exchange rate info and not use the alternate CCY rate provided. However, the group feedback was that this is not usually the case in their markets, it makes more sense from the practical, service and system perspective to use the alternate CCY rate that is provided instead of the base rate. From an ops perspective, they calculate using the actual rate provided rather than having to calculate the rate, and then using the calculated rate to calculate the entitlement.</p>	CA WG)	
Friday April 22 AM				
	CA Flows for Intraday liquidity Reporting	Validation of LITF Basel 3 (BCBS 248) CA message Flows	Jacques	
CA325	BMET vs. CONS	<p>How do we correctly announce an event that involves both, a physical meeting of the bondholders and a consent payment?</p> <p>Action: No</p>	Alexandre	<p>Telco December 8, 2015 Item is postponed to next call due to lack of time.</p> <p>Telco November 10, 2015 Christine asked the question to ISS and Broadridge: Following answers have been received: ISS: Reporting is provided to the Custodian or CSD for each event to provide a breakdown of voting for each client and for which deadline (i.e. if there is a higher incentive fee for an early deadline) for exactly this reason. Fees are not paid to us but directly to the Custodian or CSD.</p>

Item No	Short Description	Description and Pending Actions	Owner	Comment
				<p>The issue will be more around how comfortable each Custodian or CSD is with outsourcing the process in the first place. Some will be fine with this whereas others may wish to retain processing within their Corporate Actions teams for risk and liability reasons. So a variance in how BMET events are treated.</p> <p>Broadridge (Received post meeting)</p> <p>Our clients want to process the consents and need the event labeled as a CONS (v. BMET). Is there a way to establish a standard so that the event where some form of consent payment is coded as a CONS? That would allow ISS to identify and process for their clients and have the events routed per our client workflows.</p> <p>Singapore - October 7 - 9, 2015</p> <p>The proposal would be that CONS should be used, if there is a consent fee (to reduce the risk that the client misses the potential fee that they can collect).</p> <p>If BMET is being used, the MT564 messages could, if the client has appointed a proxy service provider, be sent to this proxy provider (e.g. Broadridge, ISS). However, the MT566 for the Consent payment should still be sent to the account holder (who has never received an MT564).</p> <p>But if CONS would be used by the agent bank and ISS/Broadridge are receiving the information from another source, the client would potentially be able to vote through both, the agent bank (processing the CONS event) and through the proxy service provider (processing the meeting event that they have received from another source) (Side note: Broadridge and ISS are informed about the holdings of the client by a daily statement of holdings that is mandatory to be sent to them, when subscribing to their service, so they don't need the MT564 from the agent bank).</p> <p>A question that has been raised during the discussion is, if Broadridge and ISS can instruct directly to the issuer/agent or if they have to send the instruction to the subcustodian. It is important to ensure that no duplicate instructions are sent and that the subcustodian can correctly process the incoming consent payment.</p>
CA326	Usage of PROR (Pro-Ration rate)	<p>What is the normal usage of PROR in the other markets ? Reduction rate or Not ?</p> <p>Action: Remaining NMPGs to provide feedback at next call.</p>	Jean-Pierre	<p>Telco March 22, 2016:</p> <p>CH and LU feedback: Agree with the proposal from UK&IE for a new definition. It is therefore proposed to create a CR for SR2017 to change the definition of PROR to make it clear that it is equal to the percentage of securities accepted (i.e. opposite of reduction rate). Final decision to be made at the Helsinki meeting.</p> <p>Telco February 16, 2016</p> <p>Item is postponed to next call due to lack of time.</p> <p>Written comments submitted prior to the meeting:</p> <p>UK&IE Comments: The safest option seems to be a change of definition of PROR to clearly state it refers to the % of securities accepted.</p> <p>Telco January 26, 2016</p> <p>Item is postponed to next call due to lack of time.</p> <p>Written input received:</p> <p>Input from SE: The WG could not provide feedback since no pro-ration rate per event is provided in the Swedish market.</p> <p>Input from XS: I agree with Daniel, Bernard, do you agree?</p> <p>ZA Feedback: ZA agrees with Germany in that the pro-ration rate will be applied to the actual number of shares, i.e. 45 shares of the 100 shares will be tendered as stated in the example.</p> <p>FR feedback: Agree with change of defs.</p> <p>Telco December 8, 2015</p> <p>Item is postponed to next call due to lack of time.</p>

Item No	Short Description	Description and Pending Actions	Owner	Comment
				<p><u>DE Input</u> To clarify, if I understood correctly. If an instruction for 100 has been sent, and the pro rata rate is 45%, then the question is if 45 shares have been accepted for the offer or 55 shares (reduction rate). I have, unfortunately, not been able to address this question during the last NMPG meeting. However, to the best of my knowledge, in Germany the pro-rata-rate is the rate to be applied to the number (i.e. not a reduction rate), which would mean that, in the above example, 45 shares would be tendered.</p> <p>Telco November 10, 2015 For the BIDS (Offers) events, it is not fully clear as per the rate definition whether the pro-rata rate is rather a “reduction rate” (i.e. percentage to subtract from a number) or percentage to directly apply on a number. As in France the issuer always announces the “reduction rate”, EOC would like to use PROR as a reduction rate instead of transforming it and potentially have issues with the resulting decimal number.</p>
CA315	Extending CA MPs to ISO 20022	How to extend our MPs to ISO 20022 CA MX messages ? Action: Jacques to create a couple of examples of the above and send it to the CA-WG.	Christine	<p>Telco November 10, 2015 No input yet at this stage.</p> <p>Singapore - October 7 - 9, 2015 Christine provided the background to this request from the SWIFT board (and community). The CA-WG believes the existing document should generally be sufficient, since the market practice principles are “standards neutral”. Also, the US market has been able to implement MX messages using the existing ISITC market practice, and they are continuing to use the existing market practices. However, we interpret the request to make the GMP documents more standards-neutral and to also provide examples of ISO 20022 messages (or parts of messages), as is done for ISO 15022.</p> <p>Decision: As a “proof of concept” or “feasibility study”, a few examples of how a completely standards-neutral GMP document and/or a GMP document with illustrations in both ISO 15022 and ISO 20022 would look like, will be created. Once we have found an optimal solution how to amend the existing market practice, Christine will revert to the SWIFT board.</p>
	Status of SMPG CR for SR2017 (CA300,...)			
	Tax Subgroup status report		Jyi-Chen / Bernard	
	ISSA CA WG News		Jyi-Chen	
	Country Report		ALL NMPGs	
	AOB			

III. Inputs and Consolidated feedback

1. **CA337 TXAP//TXBL deletion in SR2016 (CR0983)**

Jacques

MT 564 Field Specifications

68. Field 22a: Indicator

FORMAT

Option F	:4!c/[8c]/4!c	(Qualifier)(Data Source Scheme)(Indicator)
Option H	:4!c//4!c	(Qualifier)(Indicator)

PRESENCE

Mandatory in optional subsequence E1

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	CRDB	N		H	Credit/Debit Indicator
2	O	TEMP	N		F	Temporary Indicator
3	O	NELP	N		F	Non Eligible Proceeds Indicator
4	O	TXAP	N		<u>F</u> <u>H</u>	Issuer/Offeror Taxability Indicator
5	O	NSIS	N		H	New Securities Issuance Indicator
<u>6</u>	<u>O</u>	<u>ITYP</u>	<u>N</u>	<u>-</u>	<u>F</u>	<u>Type of Income</u>
<u>7</u>	<u>O</u>	<u>ETYP</u>	<u>R</u>	<u>-</u>	<u>F</u>	<u>Type of Exemption</u>

CODES

If Qualifier is TXAP, Data Source Scheme must be used, for example, IRSX in the United States. The lists of Issuer/Offoror Taxability codes to be used in Indicator are provided in the document titled "TXAP Taxability Codes" that is available on the SMPG website at www.smpg.info.

SWIFT confirms that :22F::TXAP//TXBL will be still go through FIN without reject.

2. CA298 Capital Gain - cash distribution components

NMPG	Summary of Feedback/Comments
DE	CAPG N/A
SE	CAPG N/A
UK&IE	CAPG N/A
XS	CAPG N/A
ZA	CAPG N/A

ISITC

The US market supports both event types CAPD and CAPG. The wording in the ISITC market practice document is being updated to the following.....

The US market supports both Return of Capital events (Event Code CAPD) and Capital Gains Distribution events (Event Code CAPG). 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.

In either case, CAPD or CAPG, there can be multiple cash distributions or components paying out (i.e., short term. long term). The SMPG market practice states the following which is different from the US market.

Global MP replacing 9.20

There are scenarios where multiple payments are distributed within a single event. In this case, the multiple payments are announced as one event (for example, a capital gain distribution with both short term and long term capital gains). When a dividend is announced with a capital gain distribution, the dividend is considered a separate event.

Proposal for another MP:

In CAPD do not use LT CG and STCG rate type codes.

9.20 Cash distributions with two or more components

. The different “components” of a mandatory cash distribution, such as long-term and short-term capital gain, should be announced into separate events.

Seq.	Tag	Qualifier	Decision Date	Implement. Date	Update Date	Open Item Ref.
			2011	Nov-2012		SR2012 MWG

RU Input

RU NMPG - Currently we use CAPG for investment funds

3. CA308 Question on Multi listed securities

RU Input

RU NMPG - in russian market CSD started to assign COAF, but it is not widely used.

Clients may indicate CORP in their instructions and CORP reference is mandatory according CSD rules.

For XS securities large depositories may have accounts opened at Euroclear and Clearstream and their clients may have their securities at both places of safekeeping simultaneously.

So two CORP references may be used for the same COAF.

Different practice currently exist in the market global custodian assign one CORP even if they receive two different CORP from ICSD.

Some russian depositories assign different CORP by place of safekeeping (ICSD) as they have a segregated accounting and one client may have two separate accounts (for securities held at different ICSD). In such case one COAF may correspond to two CORP for the same corporate action.

4. CA309 Distributions of ‘interest on net equity in BR

5. CA316 MPs specific for Issuer announcements ?

Christine input:

Issue 1:

What happens when the issuer (or the CSD as official source of the COAF) changes the event after the CSD has announced it?

Decision in Singapore:

The three key elements are applicable also for the COAF, not only the CORP. In this example, and provided the change relates to one or more the three key elements (CAEV, CAMV, ISIN), the CSD should announce a new COAF. The first event is regarded as withdrawn.

NMPG input received:

XS: OK

DE: OK

ZA: OK

US: Likely impossible to cancel and re-issue a COAF for the CSD.

FR: OK

UK&IE: OK

FI: ~~No feedback yet~~OK

CH: OK ~~No feedback yet~~

LU: OK

SE: OK

JP: OK

RU: OK

Summary by Christine:

Though several NMPGs have not yet provided input, the majority of respondents support the decision made in Singapore.

Issue 2 a:

Can the options be changed (replaced and/or removed)? The issuers must not replace any options; they are to adhere to the rules that have been defined by the SMPG regarding the option numbering (section 3.11.11).

Decision in Singapore:

CSDs are not to allow issuers/issuer agents to change the order/number/code of options, but instead use the OSTA//INTV (Inactive) or CANC (Cancelled) indicator codes (easier said than done).

NMPG input received:

XS: ~~No feedback~~OK

ZA: Issuers do not necessarily provide/announce option numbers. The option numbers are provided by the CSD. ZA agrees with the usage of option status (OSTA)

US: In favor of using “Inactive” or “cancelled” option feature.

FR: Use rather CANC option feature. - OK

UK&IE: OK

FI: OK ~~No feedback yet~~

LU: OK

CH: ~~No feedback yet~~OK

SE: OK

JP: ~~Issuers do not provide option numbers, hence no comment.~~OK

DK: Not changing the options - OK

DE: OK with principle

NO: OK

RU: OK

Summary by Christine:

Though several NMPGs have not yet provided input, the respondents lean towards supporting the decision made in Singapore.

Issue 2 b:

Can the options be changed (replaced and/or removed)? All official options have to be passed on stating the correct option number throughout the chain. E.g. there are 001/EXER and 002/LAPS issuer options. 003/SLLE is an account servicer option. Then the issuer announces 003/OVER. What to do?

Decision in Singapore:

Propose to resurrect the old market practice proposal to assign account servicer options option numbers starting with 9, e.g. 9nn, to prevent conflict between issuer and account servicer option numbers.

NMPG input received:

XS: Regarding the decision on issue 2 to reuse option numbers starting with 9 for account servicers, Jacques can you please remind me why this solution was not implemented in the past? I personally don't think my system can handle it.

ZA: The numbering change could be a huge code change and ZA would thus propose using option features for account servicer options (OPTF//ASVO)

US: No 9xx option numbering.

FR: No 9xx option numbering.

UK&IE: Use the service provider code: OPTF//ASVO

FI: No feedback yet

CH: No feedback yet

SE: OK

JP: Issuers do not provide option numbers, hence no comment.

RU: No feedback yet

LU: OK

Summary by Christine:

Though several NMPGs have not yet provided input, few respondents support the decision made in Singapore and it will likely be rejected. Please note however that no one has proposed an alternative solution (e.g. ASVO does not mean you can have two options with the same number), but perhaps there is no acceptable solution?

Issue 3:

What if the issuer CSD makes an incorrect interpretation of the event at the same time it assigns a COAF? Can intermediaries use the same COAF but with the correct CAEV?

Decision in Singapore:

The least bad solution was agreed to use the correct CAEV code but still include the same COAF. This will assist in reconciliation between different information sources.

NMPG input received:

XS: OK

ZA: The simple changing of CAEV will not necessarily change fields further down in the message. Thus ZA suggests that the event must be withdrawn and replaced with the correct CAEV.

US: Agree with the proposal only if the event cannot be withdrawn by the issuer/Issuer Agent.

FR: Need more information to take a decision. It is not clear who is providing the CAEV code since it cannot be the issuer.

UK&IE: we recommend a CANCEL & REPLACE approach

FI: Agree to continue with the same COAF.

CH: ~~No feedback yet, but CH suggests to use the terms “a different CAEV” instead of “the correct CAEV”.~~ OK

SE: OK

JP: we recommend a CANCEL & REPLACE approach

RU: OK

IT: OK

DE: OK

Summary by Christine:

Though several NMPGs have not yet provided input, the majority of respondents support the decision made in Singapore. The question/issue – and hence the decision – is valid only if the issuer CSD (or the issuer/issuer agent) does not cancel and replace the event.

Consolidated Feedback

NMPG	Summary of Feedback/Comments
APAC	
BE	
CH	No feedback yet. Issue 3: CH suggests to use the terms “a different CAEV” instead of “the correct CAEV”.
DE	In Germany, the options are not set by the issuer to that detail. The Option codes and option numbers are not provided by the issuer and hence generated by all market participants independently according to their internal systems. Hence, this is not really applicable to the German market and lead to a lot of discussions in the group.
ES	
FI	Issue 3: Agree to continue with the same COAF.
FR	Issue 1: Agree Issue 2: Use rather CANC option feature. No 9xx option numbering.

	Issue 3: Need more information to take a decision. It is not clear who is providing the CAEV code since it cannot be the issuer.
ISITC	Issue 1: Likely impossible to cancel and re-issue a COAF for the CSD. Issue 2: In favor of using "Inactive" or "cancelled" option feature. No 9xx option numbering. Issue 3: Agree with the proposal only if the event cannot be withdrawn by the issuer/Issuer Agent.
KR	
LU	
MDPUG	
NO	
RU	Issue 1: Agree Issue 2a: OK Issue 3: Agree with proposal
SE	SE NMPG agrees with decision for Issue 1 and 3. No other feedback at this stage.
UK&IE	Issue 1: OK Issue 2a: OK Issue 2b: use the service provider code: OPTF//ASVO Issue 3: we recommend a CANCEL & REPLACE approach
XS	OK with issues 1 and 3. Regarding the decision on issue 2 to reuse option numbers starting with 9 for account servicers, Jacques can you please remind me why this solution was not implemented in the past? I personally don't think my system can handle it.
ZA	Issue 1: ZA agrees Issue 2a: Issuers do not necessarily provide/announce option numbers. The option numbers are provided by the CSD. ZA agrees with the usage of option status (OSTA) Issue 2b: The numbering change could be a huge code change and ZA would thus propose using option features for account servicer options (OPTF//ASVO) Issue 3: The simple changing of CAEV will not necessarily change fields further down in the message. Thus ZA suggests that the event must be withdrawn and replaced with the correct CAEV.

6. CA321 Create a more robust MP on narrative update information and update date.

Consolidated Feedback

NMPG	Summary of Feedback/Comments
APAC	No MP needed
BE	
CH	Agree option 2
DE	No MP needed
ES	
FI	No MP needed
FR	No MP needed
ISITC	No MP needed
KR	Agree option 2

LU	Agree option 2
MDPUG	
NO	
RU	Do not define a MP for update information. As it does not help STP and it is always to be read in all cases
SE	
UK&IE	Agree with option 2
XS	Agree with option 2
ZA	No MP needed

7. **CA328 “Function of the message” for the first MT564 CAPA message**

Input from Jacques:



CA328_MT_MX_CAP
 A_FLOW_Illustration_

In 4.3.5

For ISO 15022, all movement preliminary advice messages (MT564 + :22F::ADDB//CAPA) will have the Function of the Message (:23G::) with value REPE except when :25D::PROC//ENTL is present, value will be NEWM (for late announcements cases only – see section 3.2.6)

8. **CA329 How to fill in Narrative Fields between 564 and 568 - (GMP1 Section 3.15 MP and 3.7.3 are unclear)**

See GMP1 next doc for changes

9. **CA330 GMP1 section 5.4.1MP on 17B::WTHD and CHAN different with ISITC ? Allowed combinations of WTHD (Withdrawal Allowed) and CHAN (Change Allowed) Flag not clear.**

ISITC

Regarding this item for the Helsinki meeting, Paul and I have reviewed it and he will speak to the ISITC position.

The ISITC Corp Actions Market Practice Document only references the use of the Change Flag. Here is a copy from the document

- CHAN/Y is used to identify when instructions are irrevocable, withdrawal of participation in the offer is not allowed, but the account owner can change the option they have elected.

ISITC is stating the usage of when a change of instruction is allowed; CHAN/Y. It refers to the scenario when instructions are irrevocable, which would infer that withdrawal of instruction is not allowed; WTHD/N. There are offers where your participation can not be withdrawn, but you can change the option you are electing. This would support the usage of

:17B::WTHD//N + :17B::CHAN//Y

The ISITC document does not go in to detail on the different combinations of WTHD ad CHAN.

The SMPG GMP Part 1 market practice document has the following statement.

- If qualifier is WTHD – client can only cancel his previously sent instruction (23G: CANC) and cannot restruct.
- If qualifier is CHAN – the client can cancel and send a new instruction.

I can see how there is confusion with the SMPG statement on WTHD and the ISITC statement. Similar to the ISITC document, SMPG does not go into detail on the different combinations of using WTHD and CHAN.

I would recommend that the conversation in Helsinki go through the different scenarios and then would perhaps lead to updates in both the ISITC and SMPG documents to provide more clarity.

Input from Jacques

There may be a difference in the semantic of CHAN//Y between the SMPG and ISITC since the SMPG always assume that you cancel your current instruction before changing it whilst ISITC says that “withdrawal of participation in the offer is not allowed” which seems to be translated in the US by some (as in the case raised by Robin in CA330) as “you cannot cancel your current instruction”, but that is maybe not what the ISITC MP want to infer ?

Looking at the different combinations:

1. :17B::WTHD//Y + :17B::CHAN//Y -> Should never be allowed as per the SMPG MP
2. :17B::WTHD//Y + :17B::CHAN//N -> Same as having WITH//Y alone
3. :17B::WTHD//N + :17B::CHAN//Y -> Same as having CHAN//Y alone
4. :17B::WTHD//N+ :17B::CHAN//N -> means you cannot cancel nor change (should be the default meaning when both not present)

To clarify the above, we could eventually decide in Helsinki to either:

- a. clarify the SMPG MP
- b. a + amend the Standards definitions of CHAN and WTHD flags to clarify

c. a + change the standards by introducing an exclusive “or” between WTHD and CHAN

10. CA334 Usage of the new 92H format Option for GRSS and NETT

Shall we do an MP with the decision taken at the March Telco?

11. CA336 Liquidation

12. CA322 Create new MINO Format Option in cash amount



CA322_METMINCO1
2042016.pdf

13. CA323 Amend name and definition of PCAL

PCAL	Partial Redemption With Reduction of Nominal Value <u>without pool factor reduction</u>	Securities are redeemed in part before their scheduled final maturity date. It is done without any pool factor reduction. The redemption outturn is reflected with a face amount reduction, with reduction of the nominal value of the securities. The outstanding amount of securities will be reduced proportionally.
PRED	Partial Redemption Without Reduction of Nominal Value <u>with pool factor reduction</u>	Securities are redeemed in part before their scheduled final maturity date. The redemption outturn is reflected with a pool factor reduction. No movement of securities occurs, without reduction of the nominal value of the securities. This is commonly done by pool factor reduction.
DRAW	Drawing	Redemption <u>Securities are redeemed in part before the scheduled final maturity date of a security. Drawing is distinct from partial call since drawn bonds are chosen by lottery and with no reduction in nominal value. It is done without any pool factor reduction. The redemption outturn is reflected with a face amount reduction. Drawing is distinct from other partial redemptions since drawn bonds are chosen by lottery. Therefore, not every holder is affected in the same way.</u>

NMPG	Summary of Feedback/Comments
APAC	Agree
BE	
CH	Do not agree with DRAW def.

DE	Existing documentation is complete from our perspective.
ES	
FR	Agree
ISITC	
KR	NA
LU	
MDPUG	
NO	
RU	RU NMPG we do not have DRAW in the russian market. As securities according current legislation in russian market are shown only in units (even for bonds) for partial redemptions we always use PRED with pool factors. - We agree with new definition for PRED.
SE	Agree
UK&IE	Do not agree as it seems we restricting the definition to bonds only.
XS	Agree but we should add the specific qualifiers of each case, e.g. for PCAL pro-rata we decided to report OPTF//PROR
ZA	Agree

14. CA324 Usage of NSIS and NEIS for SOFF, DVSE and BONU

Proposed MP:

Re CA324, a new/simplified version of the table to differentiate between BONU, DVSE and SOFF:

	Issuer of distributed securities same as issuer of underlying securities?	Dividend event?	Capitalisation event?
BONU	Y	N	Y
DVSE	Y	Y	N
SOFF	N	N	N

NMPG	Summary of Feedback/Comments
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BE	
CH	For SOFF New issuance can be either.
DE	Do not see benefit.
ES	
FI	
FR	NSIS/NEIS is used on spin-off events for FTT process.
ISITC	
KR	
LU	
MDPUG	
NO	
RU	
SE	Agree but last column criteria not applicable to SE
UK&IE	Table not clear.
XS	Wasn't there a taxation reason to be able to clearly distinguish the 2?
ZA	Do not see benefit of the table

15. CA331 Question on usage of :90J::OFFR ? Business Case

16. CA333 Redemption of notes on Mizuho scenario

Example: MIZUHO SECURITIES CO LTD XS0715481478

Documentation:

Maturity Redemption Annex

Unless already redeemed in accordance with the provisions of these Final Terms, the Notes will be redeemed on the Maturity Date as follows:

1. If the Calculation Agent determines that FX1 is less than 53.10, the Maturity Redemption Amount payable per Calculation Amount shall be AUD 941,619.59;
2. If the Calculation Agent determines that FX1 is equal to or greater than 53.10, the Maturity Redemption Amount per Calculation Amount shall be JPY 50,000,000.

In such situation, EB reports OFFR using format B to be able to report the currency (and not the PRCT format A). The question is, should the price be expressed in denomination ccy or in payment ccy?

17. CA335 Cash Currency Options

18. CA Flows for Intraday liquidity Reporting



Intraday Liquidity Reporting - Corporate



bcbs238.pdf



LITFMeeting_v3_060 42015_Full.pptx



LiquidityReportingRuleBook_LITF_v4_7.1_

19. CA325 BMET vs. CONS

20. CA326 Usage of PROR (Pro-Ration rate)

PROR: Pro-Ration Rate - ~~Proportionate allocation used for~~ Percentage of securities accepted by the offeror/issuer.

NMPG	Summary of Feedback/Comments
BE	
CH	Agree with DE & UK
DE	Pro-rata rate is the proportion of FIs that will be accepted (opposite of reduction rate)
ES	

FI	
FR	
ISITC	
KR	
LU	Agree with DE & UK
MDPUG	
NO	
RU	
SE	NA
UK&IE	Propose to change definition of PROR to clearly state it refers to the % of securities accepted.
XS	Agree with DE
ZA	Agree with DE

21. CA315 Extending CA MPs to ISO 20022