



Standards

Standards MT Release 2018

ISO 20022 maintenance cycle 2017/2018

Maintenance Change Request – Maintenance  
Working Group FINAL Minutes  
Corporate Actions

Distribution: Corporate Action Maintenance Working Group  
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# 1 Introduction

## ISO 15022 – 20022 Maintenance Process

As from the year 2012, a joint maintenance process has been put in place for ISO 20022 and 15022 and Corporate Action messages with the support of the ISO 20022 RMG and of the SWIFT Board.

This joint maintenance will ensure interoperability between the two standards and a more efficient maintenance process.

## Standards Illustrations in this document

Standards illustrations are provided by SWIFT Standards. They are not part of the original request.

Any standard illustrations (rules, codes, qualifiers, wordings) are **only for illustration purposes**. It does not mean SWIFT Standards is in agreement with the maintenance request or that the final standards solutions (for accepted maintenance requests) will be as shown in this document.

The MT Standards Release Guide (+ potential erratum) and the ISO 20022 message definition reports are the **ONLY** source of reliable information based on which implementation of changes should be made. Any other documentation (including this one) is subject to change.

## SR 2018 change requests

This document contains all CA MT/MX CRs for MT category 5 and equivalent MX messages investigated this year for implementation in SR 2018.

The requests originator is indicated as follows:

- Requesting Country; Country code of requesting NMPG or UG; eg. BE
- Requesting Group: a SWIFT User Group or a National (Securities) Market Practice Group with the acknowledgement of the UGC or Recognized industry group eg. SMPG (the global Securities Market Practice Group)

## CR Title Colour notation (for minutes only)

In **GREEN** are items that are approved or approved with comments or approved with alternative solution.

In **RED** are items that are rejected, postponed, withdrawn or linked to agreed items

## Contact persons regarding this document

Jacques Littre – SWIFT Standards; [jacques.littre@swift.com](mailto:jacques.littre@swift.com)

## CA MWG Members for SR2017

The following people are part of the CA MWG for SR2017.

- Michael Blumer - CH
- Jyi-Chen Chueh - SG
- Mariangela Fumagalli – UK
- Narelle Rutter - AU
- Delphine Haillez – XS (ICSD's)
- Bernard Lenelle - LU
- Véronique Peeters - BE
- Daniel Schäfer - DE
- Paul Fullam - US/ISITC

- Jean-Pierre Klak – FR
- Pillipa Morris - HK
- Jacques Littré – SWIFT, MWG Chair

The following people attend the CA MWG meeting as representatives from the ISO 20022 Securities SEG CA Evaluation Team:

- Christine Strandberg – ISO 20022 Securities SEG,
- Steven Sloan – ISO 20022 Securities SEG.

## 2 Overview of User Change requests

### 2.1 CR 001300: Create New CA Event, Rate and Amount Qualifiers for Deemed Distribution Payments

Origin of request	
Requesting Country:	AU Australia
Requesting Group:	
Sponsors	
Australia NMPG	
Complies with regulation	
Regulation - Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015 / ASX Listing Rule 3.21 regarding continuous disclosure	
Business impact of this request	
LOW	
Commitment to implement the change	
Commits to implement and when: Australia 2018	
Business context	
<p>The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 establishes a new class of trust known as an attribution managed investment trust (AMIT). For tax purposes, an AMIT is able to attribute income and tax offsets of the trust for an income year to unitholders (referred to as “members” of the AMIT) whether or not such an attribution for an income year has been distributed in cash for that year. The attribution of income (assessable income, exempt income and non-assessable non-exempt income) and tax offsets are attributed to a member on the AMIT member’s annual statement (AMMA Statement) issued by the AMIT after the end of the AMIT’s income year. The AMIT provisions introduce the concept of a deemed payment which is broadly the difference between the amounts of income attributed to investors for an income year and the amounts of any such income that has been physically distributed or previously notified to members for that year.</p> <p>A deemed payment amount will be subject to withholding tax. The amount of the withholding tax liability is calculated pursuant to Australian withholding tax rules on the assumption that the deemed payment was an actual payment. The rate of withholding tax will depend on whether the deemed payment is subject to resident withholding tax or is subject to non-resident withholding tax (where the deemed payment has the character of interest or dividend or comprises a fund payment). A new deemed payment information field is required as it will show where there is an amount attributed to a member that is potentially subject to</p>	

withholding tax where the amount is not accompanied in full by a cash amount. The field must be a repeatable field to allow the AMIT or custodian to separately identify different components of the deemed payment.

In order for these payments to be accurately communicated to clients a new event type and rate payment qualifiers are required to be added to MT 564 and MT 566 messages to cater for these new payment types.

We expect there to be around 100 events declared in the market each year. It is expected that through the various layers of sub-custodian and global custodian SWIFT messages that around 50,000 SWIFT messages will be generated each year for deemed payments from the Australian market. There is not currently a specific SWIFT event type linked to this type of payment and the CR proposes that a new event is created for deemed payments.

#### **Nature of change**

Add a new CAEV code of TAXD to field 22F of MT564, MT566 and MT568 to show that a tax debit event is occurring and that no cash distribution is taking place.

Add an optional new qualifier to field 92a with code DEEM - Deemed Payment rate. Deemed Payment rate is restricted to the use in cash debits in subsequence E2 of MT 564 and in subsequence D2 of MT 566.

Add a new format option D to MT564 field 92 to be used with code DEEM to denote that the deemed payment rate is not an actual rate that will be paid.

Add an optional new qualifier to field 19B with code DEEM - Deemed Payment amount. Deemed Payment amount is restricted to subsequence E2 of MT 564 and subsequence D2 of MT 566.

#### **Workaround**

Only tax debit information can currently be displayed in SWIFT formatted fields. The deemed amount on which taxation is to be applied will need to be included in the narrative.

#### **Message type(s) impacted**

(CA) MT 564, MT 566, MT 568

(SnR) MT 508, MT 536, MT 537, MT 538, MT 575 (for the CA event list only)

(CA) seev.031, seev.035, seev.036, seev.037, seev.039, seev.044

(SnR) semt.015, semt.016, semt.017, semt.018 (for the CA event list only)

#### **Examples**

The below is an example of the annual distributions that we will expect to see from an AMIT:

The AMIT makes two payments per financial year as per the current MIT payment schedule with record dates on 31 December and 30 June. Both of these distributions will be processed in the exact same way as the current MIT distribution process. These are followed by a deemed payment after the second distribution is paid which only a cash debit of tax takes place. The breakdown of each payment is as follows:

##### **Distribution 1**

Holding 1,000,000

Announcement date: 15 December

Record date: 31 December

Pay date: 15 February

Component	Cents/sh	Tax Rate	Gross payment \$	Tax \$	Net Payment \$
Interest Income Australian Sourced	0.2	10%	20,000.00	2,000.00	18,000.00
Other Australian Taxable Income	3.65	15%	365,000.00	54,750.00	310,250.00
Franked Dividends	0.05	0%	5,000.00		5,000.00
<b>Total Distribution</b>	<b>3.9</b>		<b>390,000.00</b>	<b>56,750.00</b>	<b>333,250.00</b>

**Distribution 2**

Holding 500,000

Announcement date: 15 June

Record date: 30 June

Pay date: 15 August

Component	Cents/sh	Tax Rate	Gross payment \$	Tax \$	Net Payment \$
Interest Income Australian Sourced	0.2	10%	10,000.00	1,000.00	9,000.00
Other Australian Taxable Income	5.5	15%	275,000.00	41,250.00	233,750.00
Franked Dividends	0.05	0%	2,500.00	-	2,500.00
<b>Total Distribution</b>	<b>5.75</b>	<b>-</b>	<b>287,500.00</b>	<b>42,250.00</b>	<b>245,250.00</b>

**Deemed Payment**

Holding 500,000

Announcement date: 20 August

Record date: 30 June

Pay date: 30 August

Component	Total Cents per unit distributed by fund to unitholder - Dec + Jun dist rate	Tax rate	Total Gross Payment	Total Tax due	Total Net Payment	* Total Cents per unit received by fund	Deemed rate	Deemed Income (income not received by unitholder)	Tax due
Interest Income Australian sourced	\$ 0.22	10%	\$ 110,000.00	\$ 11,000.00	\$ 99,000.00	\$ 0.35	\$ 0.13	\$ 65,000.00	\$ 6,500.00
Other Australian Income	\$ 5.87	15%	\$ 2,932,500.00	\$ 439,875.00	\$ 2,492,625.00	\$ 6.00	\$ 0.14	\$ 67,500.00	\$ 10,125.00
Franked Dividend	\$ 0.06	0%	\$ 27,500.00	\$ -	\$ 27,500.00	\$ 0.10	\$ 0.05	\$ 22,500.00	\$ -
						\$ 6.45		\$155,000.00	\$ 16,625.00

\* - for a deemed payment the total income received by the fund must be more than the income paid to unitholders

**MT564 Example**

:16R:GENL

::20C::CORP//6016579191656

:20C::SEME//2B8D98DC6E62253A  
:23G::NEWM  
:22F::CAEV//TXEV  
:22F::CAMV//MAND

:98C::PREP//20160729164333  
:25D::PROC//COMP  
:16S::GENL  
:16R::USECU  
:35B::ISIN AU000000WFD0  
WESTFIELD CORP ORD SHS  
:16R::ACCTINFO  
:97A::SAFE//000251800001  
:93B::ELIG//UNIT/500000  
:93C::SETT//UNIT/ELIG/500000  
:16S::ACCTINFO  
:16S::USECU  
:16R::CADETL  
:98A::XDTE//20160628  
:98A::RDTE//20160630  
:22F::DIVI//FINL  
:22F::TXEV//XXXX/YYYY  
:16S::CADETL  
:16R::CAOPTN  
:13A::CAON//001  
:22F::CAOP//CASH  
:11A::OPTN//AUD  
:17B::DFLT//Y

:16R::CASHMOVE  
:22H::CRDB//DEBT  
:98A::PAYD//20160830  
:92D::DEEM//AUD0,13  
:92A::TAXR//10,  
:16S::CASHMOVE

:16R::CASHMOVE  
:22H::CRDB//DEBT  
:98A::PAYD//20160830  
:92D::DEEM//AUD0.14  
:92A::TAXR//15,  
:16S::CASHMOVE

:16R::CASHMOVE  
:22H::CRDB//DEBT  
:98A::PAYD//20160830  
:92D::DEEM//AUD0.05  
:92A::TAXR//0,  
:16S::CASHMOVE

:16S::CAOPTN

MT566 Example

:16R::GENL  
:20C::CORP//6016579191656  
:20C::SEME//1C77A971BE912AB4  
:23G::NEWM  
:22F::CAEV//TXEV



```

:98C::PREP//20160226182517
:16R::LINK
:22F::LINK//AFTE
:13A::LINK//564
:20C::PREV//2B8D98DC6E62253A
:16S::LINK
:16S::GENL
:16R::USECU
:97A::SAFE//000251800001
:35B::ISIN AU000000WFD0
WESTFIELD CORP ORD SHS
:93B::ELIG//UNIT/500000
:93B::CONB//UNIT/500000
:16S::USECU
:16R::CADETL
:98A::XDTE//20160628
:98A::RDTE//20160630
:22F::DIVI//FINL
:22F::TXEV/XXXX/YYYY
:16S::CADETL
:16R::CACONF
:13A::CAON//001
:22F::CAOP//CASH
:11A::OPTN//AUD

```

```

:16R::CASHMOVE
:22H::CRDB//DEBT
:19B::PSTA//AUD6500,
:19B::TAXR//AUD6500,
:19B::DEEM//AUD65000,
:98A::POST//20160830
:98A::VALU//20160830
:98A::PAYD//20160830
:92D::DEEM//AUD0,13
:92A::TAXR//10,
:16S::CASHMOVE

```

```

:16R::CASHMOVE
:22H::CRDB//DEBT
:19B::PSTA//AUD10125,
:19B::TAXR//AUD10125,
:19B::DEEM//AUD67500,
:98A::POST//20160830
:98A::VALU//20160830
:98A::PAYD//20160830
:92D::DEEM//AUD0,14
:92A::TAXR//15,
:16S::CASHMOVE

```

```

:16R::CASHMOVE
:22H::CRDB//DEBT
:19B::PSTA//AUD0,
:19B::TAXR//AUD0,

```

```

:19B::DEEM//AUD22500,
:98A::POST//20160830
:98A::VALU//20160830
:98A::PAYD//20160830
:92D::DEEM//AUD0,05
:92A::TAXR//0,
:16S:CASHMOVE
:16S:CACONF

```

## Standards Illustration

See illustrations of the commonly agreed solution for ISO 15022 and ISO 20022 between CR 001300 and CR 001317 in section 2.2 (CR 001317).

## SWIFT Comment

This change request submitted which was already submitted for the SR2017 (and rejected to ensure harmonisation in SR2018 with other very similar business cases in other countries) is almost identical to the next change request CR00317 submitted by ISITC.

The main differences between both requests are as follows:

- a new optional **DeemedPaymentRate** in the cash movement sequence is requested in the AU CR whilst this is not required in the ISITC CR.
- a new specific **Tax Event Type Indicator** is created into the Corporate Action Details sequence in the ISITC CR together with a new NVR so as to link the tax event with a specific tax regulation to be specified. This is not requested in the AU CR.

SWIFT recommends to discuss those 2 CRs together and to resort to a single solution for both since the business case is almost identical.

**Note that the creation of a new rate format option D (:92D: as proposed in the CR) to express a rate that is not paid and which is structurally identical to format option F is not acceptable as there is no semantic linked to a format option.**

## Working Group Meeting

### Discussion

Both CR 1300 and CR 1317 have been discussed together by the WG in order to adopt a single global solution covering requirements from both AU and ISITC.

See the outcome in the "Discussion" section in the CR 001317 in section 2.2.

### Decision

**Accepted**

## **Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
--------------------------------	--

Comments:

Reject the MWG decision	
-------------------------------	--

Reason for rejection:

## 2.2 CR 001317: Create New CA Event, Indicator and Amount Qualifiers for Deemed Distribution Payment

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
Brown Brothers Harriman, Fidelity, DTCC and ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW	
<b>Commitment to implement the change</b>	
Commits to implement and when: US, ISITC 2018	
<b>Business context</b>	
<p>Section 305(c) of the IRC considers that holders of convertible securities may be deemed to have received a dividend as a result of a corporate action on the underlying common stock. Issuers of convertible securities are required to file IRS Form 8937 if a conversion rate adjustment (CRA) results in a distribution under section 305(c) stating the timing and the amount of the deemed dividend. The deemed dividend is subject to tax withholding if the convertible security is held by a non-US investor in the same manner as a regular cash dividend. Financial institutions have requirements to withhold tax on the deemed distribution and to perform year-end tax reporting for the deemed distribution to holders.</p> <p>Section 871(m) of the Internal Revenue Code and its associated US Treasury Regulations ("Section 871(m)") effectively impose withholding tax on foreign investors holding certain derivatives that are linked to U.S. equity securities. These derivatives, generally defined in Section 871(m) as equity-linked instruments ("ELIs"), are securities that reference, or are linked to the value of one or more underlying securities that can produce U.S. source dividends. Common examples include structured notes, exchange traded notes, and other derivatives that reference the value of one or more underlying U.S. equity securities. When an underlying security pays a cash dividend, this may trigger a Dividend Equivalent Payment (DEP) on the ELI, and financial institutions have requirements to withhold tax on the DEP if the ELI is held by non-US investors.</p> <p>In the absence of the allocation of an entitlement such as a cash dividend or a standardized message, withholding agents face significant difficulties in identifying these taxable events, including the timing and the amount of either the DEP under section 871(m) or the deemed dividend under section 305(c).</p> <p>Event type - Tax event (TXEV)</p> <p>Messages impacted - (MT 564, MT 566, CANO, CAPA and CACO)</p> <p>Build data source scheme and common table to house 305c/871m classification - (305C and</p>	

871M)

The data source scheme and table (associated tax regulation and country) would be updateable avoiding the need for future change requests

305C definition -

871m definition -

Gross taxable amount definition -

Tax event, gross taxable amount usage rule -

### Nature of change

1. Add a new 22F CAEV Code of TXEV in sequence A to the above list of messages to support the announcement and processing payments for tax events such as 305c or 871m applicable to the US but will need to be generic to accommodate new tax regulations applicable to other countries.

Event type definition - A potential tax reporting and tax withholding obligation to be further classified based on a data source scheme for the tax regulation.

2. Add a new 22F Indicator of TXEV plus the use of the Data Source Scheme (DSS) in sequence D to allow the sender to specify the type of tax event or as in the case of the US, 305c or 871m. The implementation and usage of the DSS must be flexible to accommodate new tax regulations applicable to other countries, e.g. Australia

Recommendation is to maintain a list of TXEV codes in DSS format at the global or national market level, outside of the message standards.

#### Example of list of TXEV Codes for the US:

#### Data Source Scheme (DSS)

Issuer Code Value	Tax Event Code
IRSX	305c
IRSX	871m

3. Add a new network validated rule to check in sequence A, if field :22F::CAEV//TXEV is present, then sequence D must be present and field :22F::TXEV must be present in sequence D to avoid the misuse for the new CAEV code TXEV for other purposes beyond its definition.

4. Add an optional new Amount qualifier to field 19B with code GTAX to specify the "Gross Taxable Amount" of money that has been subject to taxation. This is to provide more transparency into the money amount used to derive the confirmation payment amount being posted to the recipient account.

### Workaround

The current work around: The event type is announced as other (OTHR). Service providers are forced to leverage the narrative in the message or another means of communication outside of the SWIFT network to communicate this critical tax information, which has the potential to result in a reporting and withholding obligation to the IRS. The pre-advice and payment confirmation would be impacted by the same limitation associated with the notification.

### Message type(s) impacted

(CA) MT 564, MT 566, MT 568,

(SnR) MT 508, MT 536, MT 537, MT 538, MT 575

(CA) seev.031, seev.035, seev.036, seev.037, seev.039, seev.044

(SnR) semt.015, semt.016, semt.017, semt.018

### Examples

### **Example of the usage of the Gross Taxable Amount**

The deemed distribution cash rate at USD 9.50.

Customer held 1000 shares and is taxed at 30% basis rate

--> Optional Repetitive Subsequence D2 Cash Movement within the MT 566 message

:16R:CASHMOVE  
:22H::CRDB//DEBT  
:19B::PSTA//USD2850,  
:19B::GTAX//USD9500,  
:98A::POST//20YYMMDD  
:98A::VALU//20YYMMDD  
:92F::GRSS//USD9,5  
:92A::TAXR//30,  
:16S:CASHMOVE

### **Example of form used in the US:**



CR001317\_DDP.pdf

### **Example of US Usage of TXEV event**

:16R:GENL  
:20C::CORP//243042923  
:20C::SEME//243042923400001  
:20C::COAF//US105473915  
:23G:REPL  
:22F::CAEP//DISN  
:22F::CAEV//TXEV  
:22F::CAMV//MAND  
:98C::PREP//20170818084823  
:25D::PROC//COMP  
:16R:LINK  
:13A::LINK//564  
:22F::PREV//2017012087459983  
:16S:LINK  
:16S:GENL  
:16R:USECU  
:35B::/US/037347309  
ANWORTH MTG ASSET 6.25000PCT PFD  
:16R:FIA  
:12C::CLAS//EEXXXX  
:16S:FIA  
:16R:ACCTINFO  
:97A::SAFE//xxxxxxxxxxxxxxxxxxx  
:93B::ELIG//UNIT/1000,  
:16S:ACCTINFO  
:16S:USECU  
:16R:CADETL  
:98A::RDTE//20170630

**:22F::TXEV/ABCD/305C**

:16S:CADETL  
 :16R:CAOPTN  
 :13A::CAON//001  
 :22F::CAOP//CASH  
 :17B::DFLT//Y  
 :16R:CASHMOVE  
 :22F::ITYP/IRSX/0006  
 :22H::CRDB//DEBT  
 :19B::ENTL//USD90,  
**:19B::DEEM//USD90,**  
 :98A::PAYD//20170703  
 :92F::NETT//USD0,09  
 :16S:CASHMOVE  
 :16S:CAOPTN

**Current workaround used in seev.031 example for a Tax 305c event:**

```
<NtfctnTp>REPL</NtfctnTp>
<PrcgSts>
  <Cd>
    <EvtCmpltnsSts>COMP</EvtCmpltnsSts>
    <EvtConfSts>CONF</EvtConfSts>
  </Cd>
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  <AddtlTxt>
    <UpdDt>2017-01-20</UpdDt>
    <AddtlInf>Tax Event - Deemed dividend per Internal Revenue Code section 305(c).</AddtlInf>
  </AddtlTxt>
</AddtlInf>
```

## Standards Illustration

### 1. ISO 15022 Illustration

1. In the MT564, MT 566 and MT 568 messages, in sequence A, create a new event type TNDP (Tax On Non Distributed Proceeds) in field :22F: in qualifier CAEV as illustrated below:

## MT 564 Field Specifications

### 5. Field 22F: Indicator

#### FORMAT

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

#### PRESENCE

Mandatory in mandatory sequence A

#### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	CAEP	N		F	Corporate Action Event Processing
2	M	CAEV	N	C4, C6, C10, C11	F	Corporate Action Event Indicator
3	M	CAMV	N		F	Mandatory/Voluntary Indicator

#### DEFINITION

This qualified generic field specifies:

CAEP	Corporate Action Event Processing	Type of processing involved by a Corporate Action.
CAEV	Corporate Action Event Indicator	Specifies the type of corporate event.
CAMV	Mandatory/Voluntary Indicator	Specifies whether the event is mandatory, mandatory with options or voluntary.

#### CODES

If Qualifier is CAEV and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

....

SUSP	Trading Status: Suspended	Trading in the security has been suspended.
TEND	Tender/Acquisition/Takeover/Purchase Offer	An offer made to holders by a third party, requesting them to sell (tender) or exchange their securities.

TREC	Tax Reclaim	Event related to tax reclaim activities.
<b>TNDP</b>	<b><u>Tax On Non-Distributed Proceeds</u></b>	<b><u>Taxable component on non-distributed proceeds, for example, Australian deemed income or US 871m income regulation.</u></b>
WRTH	Worthless	Booking out of valueless securities.
WTRC	Withholding Tax Relief Certification	Certification process for withholding tax reduction or exemption based on the tax status of the holder.
XMET	Extraordinary or Special General Meeting	Extraordinary or special general meeting.

Apply the same change in the qualifier :22F::CAEV in the following messages:

- MT508 sequence B,
- MT536 subsequence B1a2
- MT537 subsequence B2b, C2
- MT538 subsequence B2a
- MT575 subsequence B1a2, B1a3, C2,

2. In the MT 564 message in sequence D and in the message MT 566 in sequences C, add a new optional non repeatable Indicator qualifier TNDP with the name “Tax On Non-Distributed Proceeds Indicator” as illustrated below:

## MT 564 Field Specifications

### 51. Field 22F: Indicator

#### FORMAT

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

#### PRESENCE

Optional in optional sequence D

#### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	DIVI	N		F	Dividend Type Indicator
...						
15	O	CONS	N		F	Consent Type Indicator
16	O	INFO	N		F	Information Type Indicator
<b><u>17</u></b>	<b><u>O</u></b>	<b><u>TNDP</u></b>	<b><u>N</u></b>		<b><u>F</u></b>	<b><u>Tax On Non-Distributed Proceeds Indicator</u></b>

#### DEFINITION

This qualified generic field specifies:

ADDB      Additional      Specifies the additional business process linked to a corporate  
              Business Process      action event such as a claim compensation or tax refund.  
              Indicator

.....

SELL	Renounceable Status of Entitlement Indicator	Specifies whether terms of the event allow resale of the rights.
TDTA	TID/TIS Calculated Indicator	Specifies whether the fund calculates the taxable income per dividend/taxable income per share.

<b>TNDP</b>	<b><u>Tax On Non-Distributed Proceeds Indicator</u></b>	<b><u>Specifies the tax regulation being attributed to the non-distributed proceeds event.</u></b>
-------------	---	--

**CODES**

**If Qualifier is TNDP, Data Source Scheme must be used, for example, IRSX in the United States.**

3. In the MT 564 message in sequence E2 and in the message MT 566 in sequences D2, add a new optional and repeatable Rate qualifier DEEM with the name “Deemed Rate” and four new rate type codes as illustrated below:

## MT 564 Field Specifications

### 95. Field 92a: Rate FORMAT

Option A	:4!c/[N]15d	(Qualifier)(Sign)(Rate)
Option B	:4!c/[3!a/3!a/15d	(Qualifier)(First Currency Code)(Second Currency Code)(Rate)
Option F	:4!c/[3!a15d	(Qualifier)(Currency Code)(Amount)
Option H	:4!c/[3!a15d/4!c	(Qualifier)(Currency Code)(Amount)(Rate Status)
Option J	:4!c/[8c]/4!c/3!a15d/[4!c]	(Qualifier)(Data Source Scheme)(Rate Type Code)(Currency Code)(Amount)(Rate Status)
Option K	:4!c/[4!c	(Qualifier)(Rate Type Code)
Option M	:4!c/[3!a15d/15d	(Qualifier)(Currency Code)(Amount)(Quantity)
Option R	:4!c/[8c]/4!c/15d	(Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)

**PRESENCE**

Optional in optional subsequence E2

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ATAX	N		A, F, or K	Additional Tax
....						
19	O	TXRC	N		A or K	Reclaim of Taxes Rate

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
20	O	WITL	R		A, F, K, or R	Second Level Tax
<a href="#">21</a>	<a href="#">O</a>	<a href="#">DEEM</a>	<a href="#">R</a>		<a href="#">A,F,K, J or R</a>	<a href="#">Deemed Rate</a>

**DEFINITION**

This qualified generic field specifies:

ATAX	Additional Tax	Rate used for additional tax that cannot be categorised.
CHAR	Charges/Fees	Rate used to calculate the amount of the charges/fees that cannot be categorised.

<a href="#">DEEM</a>	<a href="#">Deemed Rate</a>	<a href="#">Rate applied for the calculation of deemed proceeds which are not paid to security holders but on which withholding tax is applicable.</a>
----------------------	-----------------------------	--

EQU	Equalisation Rate	The portion of the fund distribution which represents the average accrued income included in the purchase price for units bought during the account period.
-----	-------------------	---

...

WITL	Second Level Tax	Rate at which the income will be withheld by a jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile.
------	------------------	---

**CODES**

[In option J or R, if Qualifier is DEEM and Data Source Scheme is not present, Rate Type Code must contain one of the following codes \(Error code\(s\): K92\):](#)

<a href="#">DEIT</a>	<a href="#">Deemed Interest Proceeds</a>	<a href="#">Deemed rate of interest proceeds attributed to the security holder.</a>
<a href="#">DEDI</a>	<a href="#">Deemed Dividend Proceeds</a>	<a href="#">Deemed rate of dividend proceeds attributed to the security holder.</a>
<a href="#">DEFP</a>	<a href="#">Deemed Fund Proceeds</a>	<a href="#">Deemed rate of fund proceeds attributed to the security holder.</a>
<a href="#">DERY</a>	<a href="#">Deemed Royalties Proceeds</a>	<a href="#">Deemed rate of royalties proceeds attributed to the security holder.</a>

4. In the MT 564 message in sequence E2 and in the message MT 566 in sequences D2, add a new optional non repeatable amount qualifier DEEM with the name "Deemed Amount" as illustrated below:

**MT 564 Field Specifications**

93. Field 19B: Amount  
FORMAT

Option B :4!c//3!a15d (Qualifier)(Currency Code)(Amount)

## PRESENCE

Conditional (see rule C2) in optional subsequence E2

## QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ENTL	N		B	Entitled Amount
....						
44	O	TRAX	N		B	Transaction Tax
<u>45</u>	<u>O</u>	<u>DEEM</u>	<u>N</u>		<u>B</u>	<u>Deemed Amount</u>

## DEFINITION

This qualified generic field specifies:

ACRU      Accrued Interest      Amount of interest that has been accrued in between coupon  
Amount      payment periods.

....

CINL      Cash in Lieu of      Cash disbursement in lieu of a fractional quantity of, for  
Shares      example, equity.

<u>DEEM</u>	<u>Deemed Amount</u>	<u>Amount of proceeds which is not actually paid to the security holder but on which withholding tax is applicable.</u>
-------------	----------------------	---

ENTL      Entitled Amount      Cash amount based on terms of corporate action event and  
balance of underlying securities, entitled to/from account owner  
(which may be positive or negative).

...

WITL      Second Level      Amount of money withheld by the jurisdiction other than the  
Tax Amount      jurisdiction of the issuer's country of tax incorporation, for which  
a relief at source and/or reclaim may be possible. It is levied in  
complement or offset of the withholding tax rate (TAXR) levied  
by the jurisdiction of the issuer's tax domicile.

## 2. ISO 20022 Illustration

### 1. New Event Type

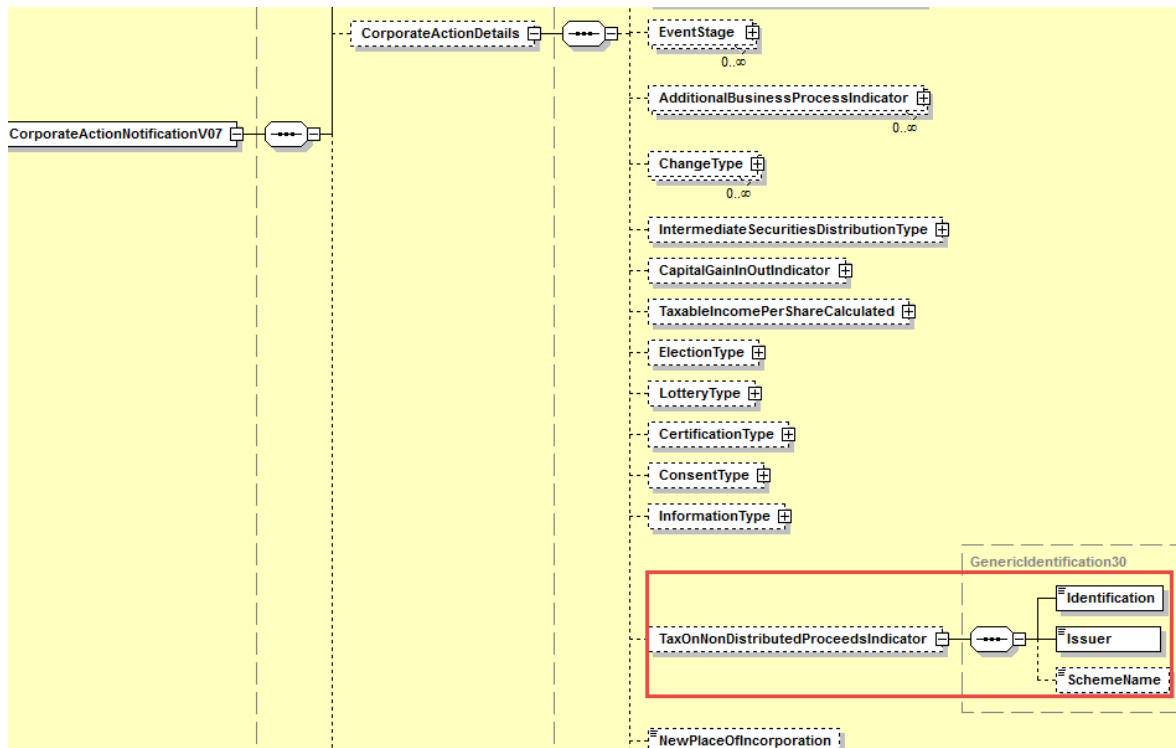
In the latest version of the parent Data Type Code **CorporateActionEventTypeV6Code**, add a new event type code **TaxOnNonDistributedProceeds (TNDP)** as illustrated above in ISO 15022.

Create new versions of the CorporateActionEventType21Code, CorporateActionEventType22Code, CorporateActionEventType23Code, CorporateActionEventType24Code and add the new Event type TNDP and tracing to the new version of the parent Data Type code **CorporateActionEventTypeV6Code** for Corporate Action event types.

This will trigger the addition of the TNDP event in messages **seev.031**, **seev.035**, **seev.036**, **seev.37**, **seev.039** and **seev.044**, in the data type of the *CorporateActionGeneralInformation/EventType/Code* elements as well as in the MX messages **semt.015**, **semt.016**, **semt.017**, **semt.018**.

## 2. New Indicator in CADetails

In the **seev.031** (CorporateActionNotification) in the sequence *CorporateActionDetails*, add a new optional non repeatable element named **TaxOnNonDistributedProceedsIndicator** and typed by the data type *GenericIdentification30* as illustrated below:



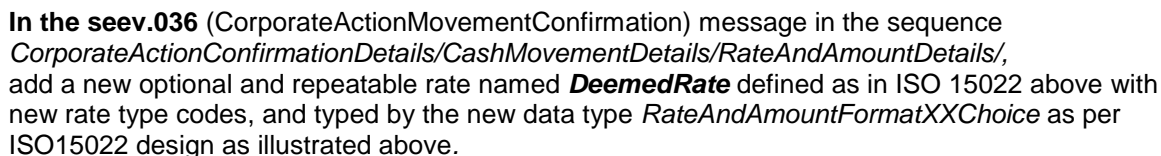
The indicator is not needed in the **seev.035** (CorporateActionMovementPreliminaryAdvice) and **seev.036** message (CorporateActionMovementConfirmation) message.

## 3. New rate in Cash Movement

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/CashMovementDetails/RateAndAmountDetails/*,

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/CashMovementDetails/RateAndAmountDetails/*,

add a new optional repeatable rate named **DeemedRate**, defined as in ISO15022 above with new rate type codes and typed by the new data type *RateAndAmountFormatXXChoice* as per ISO15022 design as illustrated above:

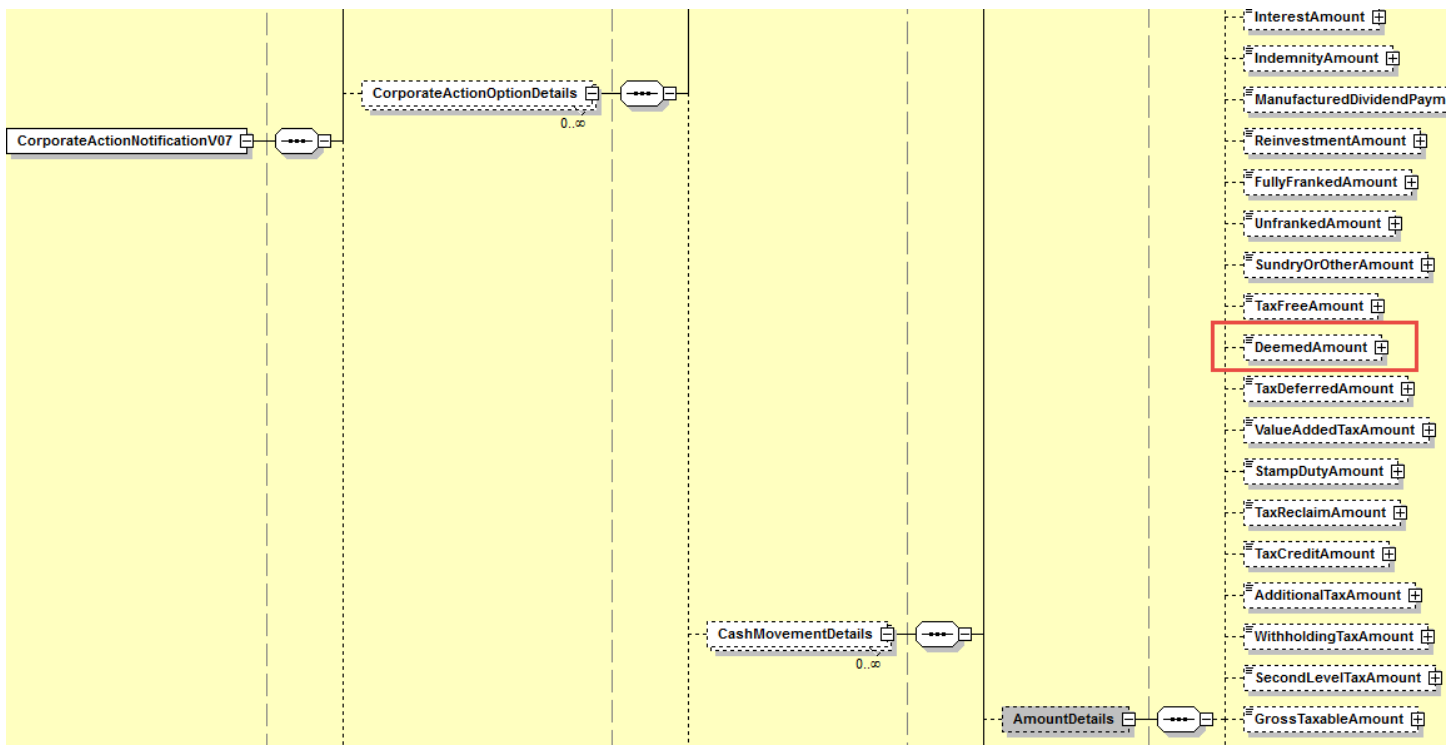


**Amount Details**  
In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/CashMovementDetails/AmountDetails/*,

and in the **seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails/*.

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## SWIFT Comment

This change request submitted by ISITC is almost identical to the previous change request CR001300 submitted by AU which was already submitted for the SR2017 (and rejected to ensure harmonisation in SR2018 with other very similar business cases in other countries).

The main differences between both requests are as follows:

- a new optional **DeemedPaymentRate** in the cash movement sequence is requested in the AU CR whilst this is not required in the ISITC CR.
- a new specific **Tax Event Type Indicator** is created into the Corporate Action Details sequence in the ISITC CR together with a new NVR so as to link the tax event with a specific tax regulation to be specified. This is not requested in the AU CR.

SWIFT recommends to discuss those 2 CRs together and to resort to a single solution for both since the business case is almost identical.

**SWIFT would recommend to have a solution based on the ISITC CR and to add to the Deemed Payment Rate to it requested by AU.**

## Working Group Meeting

### Discussion

The MWG fully agrees with the AU and US business cases and acknowledges the increasing volume of those deemed dividend payment events in AU and in the US.

As suggested by SWIFT in the above comment, given the obvious functional commonalities

between those requests, the MWG therefore agrees to adopt a single common solution to accommodate the requirements from both CR 1300 from Australia and CR 1317 from ISITC/US i.e. the creation of a new specific CA event (TNDP), of an optional dedicated related indicator (TNDP) with a DSS to refer to the type of tax regulation concerned, the creation of a new optional and repeatable deemed rate with specific rate type codes and a new optional deemed amount.

However, the MWG could not reach a consensus on the creation of a new NVR to mandate the presence of the new TNDP Indicator for this new event as the indicator has no fixed code values pre-defined (only DSS allowed) and therefore can anyway be misused even in the presence of an NVR. The MWG then agrees that a DSS and code values for this new indicator will need to be defined via a local market practice.

The UK and the US at least will need to create a market practice for the usage of this new event and they will be reviewed by the SMPG CA WG to ensure consistency.

DE will also introduce soon deemed payments for investment funds shares. DE asks whether in this case the DSS could be more generic and instead of stating the name of the tax department in a given country use a more general code (e.g. USTX, FRTX, DETX instead). This aspect should be addressed to the SMPG.

The MWG has reviewed and agreed on the new short names, long names and definitions of the newly created items so that the scope is specific enough to prevent misuse and large enough to accommodate market variations.

#### Decision

Accepted with comments

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
--------------------------	--

Comments:

Reject the MWG decision	
-------------------------	--

Reason for rejection:

## 2.3 CR 001304: Change Usage Rule for Declared Rate (DEVI)

<b>Origin of request</b>	
Requesting Country:	GB United Kingdom
Requesting Group:	
<b>Sponsors</b>	
UK/IE National Market Practice Group	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
Low Change is in relation to the usage rule regarding the DEVI qualifier, which is optional.	
<b>Commitment to implement the change</b>	
Commits to implement and when: UK 2018	
<b>Business context</b>	
<p>The change is required to enable end user clients to identify the currency and rate that a dividend event has been declared in even if the paying currency and rate is an option currency on the event.</p> <p>As an institution we have received multiple requests from clients for us to identify the declared currency and rate on dividend events that have alternate currency options.</p>	
<b>Nature of change</b>	
<p>The change is to amend the current usage rule for the DEVI qualifier that appears in sequence D of the MT 564 message.</p> <p><u>Usage Rule currently states:</u></p> <p>The Declared Rate :92a::DEVI may only be used if the dividend or interest declared by the issuer is actually paid in a different currency than the declared one.</p> <p><u>We would like to amend the above usage rule as follows:</u></p> <p>The Declared Rate :92a::DEVI may only be used if the dividend or interest declared by the issuer is actually paid in a different currency than the declared one, or in the case of where the dividend or interest event has multiple currency options available to elect for.</p>	
<b>Message type(s) impacted</b>	
MT 564, seev.031	
<b>Examples</b>	
<p>HSBC Dividend Option event - ISIN GB0005405286.</p> <p>Event options: CASH in GBP, CASH in HKD, CASH in USD or Securities</p> <p>Dividend is declared in USD, which is a payable currency.</p>	

BHP Billiton Choice Currency Option event - ISIN AU000000BHP4

Event options: CASH in GBP, CASH in NZD, CASH in USD or CASH in AUD

Dividend is declared in AUD, which is a payable currency.

CRH Dividend Option Event - ISIN IE0001827041

Event Options: CASH in GBP, CASH in EUR or Securities

Dividend is declared in EUR, which is a payable currency.

## Standards Illustration

### 1. ISO 15022 Illustration

In the MT564 message, in sequence D, in field :92a::Rate, amend the Usage Rule on the Declared Rate (DEVI) qualifier as illustrated below:

## MT 564 Field Specifications

### 46. Field 92a: Rate FORMAT

Option A	:4!c//[N]15d	(Qualifier)(Sign)(Rate)
Option F	:4!c//3!a15d	(Qualifier)(Currency Code)(Amount)
Option K	:4!c//4!c	(Qualifier)(Rate Type Code)
Option P	:4!c//15d	(Qualifier)(Index Points)

### PRESENCE

Optional in optional sequence D

### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	RDIS	N		A or K	Reinvestment Discount Rate to Market
.....						
11	O	DEVI	N	C18	A or F	Declared Rate

### DEFINITION

This qualified generic field specifies:

BIDI Bid Interval Rate Acceptable price increment used for submitting a bid.

DEVI Declared Rate Dividend or interest rate declared by the issuer.

.....

SHRT Interest Shortfall For structured security issues where there is a set schedule of principal and interest payments for the life of the issue, this is the difference between the actual rate of the interest payment and the expected or scheduled rate of the interest payment.

**USAGE RULES**

Sign must be present when Rate is negative.

Except if notified differently in the rate definition, the rate must be expressed as a percentage, not as a decimal fraction (12% must be identified by 12, and not 0,12).

Sequence D Interest Rate :92a::INTR and sequence E Interest Rate Used for Payment :92a::INTP usage must not be mixed. INTR is used to provide the annual rate of the financial instrument. INTP is used to provide the applicable rate for the current payment, after all calculations have been performed, that is, application of period and method of interest computation.

The Declared Rate :92a::DEVI may only be used if the dividend or interest declared by the issuer is actually paid in a different currency than the declared one, [or if the dividend or the interest event makes it possible to elect amongst multiple currency options.](#)

**2. ISO 20022 Illustration**

In the **seev.031** (CorporateActionNotification) message, in the *CorporateActionDetails/RateAndAmountDetails* sequence, amend the textual rule "DeclaredRateRule" as illustrated above for ISO15022.

**SWIFT Comment**

--

**Working Group Meeting**

Discussion
The MWG unanimously agreed on the business case and solution.
Decision
Accepted

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
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Comments:

Reject the MWG decision	
-------------------------	--

Reason for rejection:

## 2.4 CR 001323: Amend Definition of Certification Deadline

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	SMPG
<b>Sponsors</b>	
SMPG	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
Low	
<b>Commitment to implement the change</b>	
Commits to implement and when: SMPG 2018	
<b>Business context</b>	
<p>In the SR2017 CR 001098 submitted by LU, there was a SWIFT comment mentioning that questions had been received by the SMPG tax subgroup at the time about the restricted coverage of the CERT Date Time qualifier definition in seq. D of the MT 564 and seq. C of the MT 566 which confines CERT into a simple deadline for beneficial ownership whilst it should rather be defined as a deadline for the certification paperwork more generally.</p> <p>The MWG at the time agreed that it would rather be a separate potential future change request, which should first be discussed by the SMPG tax sub-group.</p> <p>In 2017, the SMPG CA Tax subgroup has discussed and accepted the business case for a change of definition of CERT and has proposed a new definition accordingly.</p>	
<b>Nature of change</b>	
<p>Current :98a::CERT (Certification Deadline Date/Time) definition: "Deadline by which the beneficial ownership of securities must be declared."</p> <p>Proposed new definition: "Deadline by which the certification must be sent to the account servicer".</p>	
<b>Message type(s) impacted</b>	
MT 564, MT 566, seev.031	
<b>Examples</b>	
N/A	

## Standards Illustration

### 1. ISO 15022 Illustration

In the MT564 message, in sequence D, and in the MT 566 message in sequence C, in field :98a::Date/Time, amend the definition of the Certification Deadline (CERT) date/Time qualifier as illustrated below:

### MT 564 Field Specifications

#### 43. Field 98a: Date/Time FORMAT

Option A	:4!c//8!n	(Qualifier)(Date)
Option B	:4!c/[8c]/4!c	(Qualifier)(Data Source Scheme)(Date Code)
Option C	:4!c//8!n6!n	(Qualifier)(Date)(Time)
Option E	:4!c//8!n6!n[,3n][/[N]2!n[2!n]]	(Qualifier)(Date)(Time)(Decimals)(UTC Indicator)

#### PRESENCE

Optional in optional sequence D

#### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ANOU	N		A, B, or C	Announcement Date/Time
2	O	CERT	N		A, B, or C	Certification Deadline Date/Time
3	O	XDTE	N		A, B, or C	Ex-Dividend or Distribution Date/Time
.....						
37	O	ECRD	N		A, B, or C	Election to Counterparty Response Deadline

#### DEFINITION

This qualified generic field specifies:

ANOU	Announcement Date/Time	Date/time at which the issuer announced that a corporate action event will occur.
CERT	Certification Deadline Date/Time	Deadline by which the <del>beneficial ownership of securities must be declared</del> <u>certification must be sent</u> .
....		
XDTE	Ex-Dividend or Distribution Date/Time	Date/time as from which trading (including exchange and OTC trading) occurs on the underlying security without the benefit.

---

## 2. ISO 20022 Illustration

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In the **seev.031** (CorporateActionNotification) message, in the *CorporateActionDetails/DateDetails* sequence, amend the definition of the “certification deadline” element as illustrated above for ISO15022.

This element is not present in the confirmation message (seev.036) in ISO 20022.

### SWIFT Comment

--

### Working Group Meeting

<b>Discussion</b>
The MWG unanimously agreed on the business case. As proposed by XS, the MWG agrees to remove the last part of the initially proposed new definition (i.e. remove “ <i>to the Account Servicer</i> ”) part of the sentence.
<b>Decision</b>
Accepted with comment

### Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
--------------------------------	--

Comments:

Reject the MWG decision	
-------------------------------	--

Reason for rejection:



## 2.5 CR 001305: Add New Cash Amounts and Rules for Instructing on Cash Amount

<b>Origin of request</b>	
Requesting Country:	GB United Kingdom
Requesting Group:	
<b>Sponsors</b>	
UK&IE CA National Market Practice Group	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
MEDIUM Change is to allow full STP in connection with the introduction of the QCAS qualifier for Cash Instructions, which was added for SR 2017.	
<b>Commitment to implement the change</b>	
Commits to implement and when: UK&IE 2018	
<b>Business context</b>	
Qualifier QCAS was added to the Standards in SR 2017 (CR001108) to allow instructions with a Cash amount. To allow for full STP, cash amounts qualifiers are required so that cash can be expressed, currently this is not possible with some fields in the MT 564 and more importantly in the MT 567, these amounts would have to be shown in Narrative.	
<b>Nature of change</b>	
<p><b>MT 564</b> sequence E, add Maximum and Minimum qualifiers and codes for cash instructions.</p> <ul style="list-style-type: none"> <li>Maximum Cash To Instruct (perhaps MACI)</li> <li>Minimum Cash to Instruct (MICI)</li> <li>Minimum Multiple Cash To Instruct (MMCI)</li> </ul> <p>As it is not really correct to add these qualifiers within 36a: Quantity of Financial instrument where the corresponding MAEX, MILT and MINO codes are, these qualifiers could be added as 90a: Price qualifiers with format B and E.</p> <p>There are currently no Amount codes within 90a to use with the qualifiers, so an amount type code will be required, perhaps as below:</p> <ul style="list-style-type: none"> <li>ACTU Actual Amount Price expressed as an amount of currency.</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>PLOT Lot Price expressed as an amount of money per lot.</li> </ul> <p>The inclusion in 90a: Price is as we feel this will have less impact on users, but we are open to usage in another field if MWG feels there is a better placement.</p> <p><b>MT 567</b></p> <p>A new amount qualifier is required within the MT 567 to confirm the amount of cash subscribed for, equivalent to the 36B::STAQ qualifier which is used for shares. We believe adding the</p>	

amount qualifier as a 19B: Amount, would be have less impact and would be easier to implement, with perhaps a qualifier code of SCAQ - Status Cash amount or STAC - Status Cash or STAA Status amount. We feel a new amount qualifier is imperative to ensure full STP, as currently there is no way to confirm the cash amount subscribed in the MT 567.

#### Workaround

Use of Narrative.

#### Message type(s) impacted

MT 564, MT 567, seev.031, seev.033, seev.034, seev.035, seev.041

#### Examples

The business scenarios for the Introduction of the QCAS qualifier were already supplied with the SR2017 CR001108.

International Public Partnership Offer November 2015 (ISIN GB00B188SR50)

Bluefield Solar Income Fund November 2015 (ISIN GG00BB0RDB98)

Custodian Reit Offer November 2015 (ISIN GB00BJFLFT45)

## Standards Illustration

### 1. ISO 15022 Illustration

In the MT564 message, in sequence E, in field :90a: Price, create 3 new optional and non-repeatable price qualifiers as illustrated below:

## MT 564 Field Specifications

#### 65. Field 90a: Price

##### FORMAT

Option A	:4!c//4!c/[N]15d	(Qualifier)(Percentage Type Code)(Sign)(Price)
Option B	:4!c//4!c/3!a15d	(Qualifier)(Amount Type Code)(Currency Code)(Price)
Option E	:4!c//4!c	(Qualifier)(Price Code)

##### PRESENCE

Optional in optional sequence E

##### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	CINL	N		A, B, or E	Cash in Lieu of Shares Price
2	O	OSUB	N		A, B, or E	Over-subscription Deposit Price
<a href="#">3</a>	<a href="#">O</a>	<a href="#">MACI</a>	<a href="#">N</a>	<a href="#">C20</a>	<a href="#">B, E</a>	<a href="#">Maximum Cash To Instruct</a>
<a href="#">4</a>	<a href="#">O</a>	<a href="#">MICI</a>	<a href="#">N</a>	<a href="#">C20</a>	<a href="#">B, E</a>	<a href="#">Minimum Cash To Instruct</a>

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
<a href="#">5</a>	<a href="#">O</a>	<a href="#">MMCI</a>	<a href="#">N</a>	<a href="#">C20</a>	<a href="#">B, E</a>	<a href="#">Minimum Multiple Cash To Instruct</a>

**DEFINITION**

This qualified generic field specifies:

CINL	Cash in Lieu of Shares Price	Cash disbursement in lieu of equities; usually in lieu of fractional quantity.
OSUB	Over-subscription Deposit Price	Amount of money required per over-subscribed equity as defined by the issuer.

<a href="#">MACI</a>	<a href="#">Maximum Cash To Instruct</a>	<a href="#">Maximum cash amount that may be instructed.</a>
<a href="#">MICI</a>	<a href="#">Minimum Cash To Instruct</a>	<a href="#">Minimum cash amount that may be instructed.</a>
<a href="#">MMCI</a>	<a href="#">Minimum Multiple Cash To Instruct</a>	<a href="#">Minimum multiple of a cash amount that may be instructed.</a>

**CODES**

In option A, Percentage Type Code must contain one of the following codes (Error code(s): K90):

DISC	Discount	Price expressed as the number of percentage points below par, for example, a discount price of 2.0% equals a price of 98 when par is 100.
PRCT	Percentage	Price expressed as a percentage of par.
PREM	Premium	Price expressed as the number of percentage points above par, for example, a premium price of 2.0% equals a price of 102 when par is 100.
YIEL	Yield	Price expressed as a yield.

**CODES**

In option B, [if Qualifier is CINL or OSUB](#), Amount Type Code must contain one of the following codes (Error code(s): K90):

ACTU	Actual Amount	Price expressed as an amount of currency per unit or per share.
DISC	Discount	Price expressed as a discount amount.
PLOT	Lot	Price expressed as an amount of money per lot.
PREM	Premium	Price expressed as a premium.

**CODES**

[In option B, if qualifier is MACI, MICI or MMCI, Amount Type Code must contain one of the following codes \(Error code\(s\): K90\):](#)

<a href="#">ACTU</a>	<a href="#">Actual Amount</a>	<a href="#">Price expressed as an amount of currency per unit or per share.</a>
<a href="#">PLOT</a>	<a href="#">Lot</a>	<a href="#">Price expressed as an amount of money per lot.</a>

**CODES**

In option E, Price Code must contain the following code (Error code(s): K90):

UKWN      Unknown Price      Price is unknown by the sender or has not been established.

**NETWORK VALIDATED RULES**

The integer part of Price must contain at least one digit. A decimal comma is mandatory and is included in the maximum length (Error code(s): T40,T43).

Currency Code must be a valid ISO 4217 currency code (Error code(s): T52).

If Price is zero, Sign must not be present (Error code(s): T14).

**USAGE RULES**

The number of decimal digits in Price is not validated against the currency specified.

Sign must be present when Price is negative.

Sign may only be present if Percentage Type Code is YIEL.

2. In the M 564, add a new Network Validated Rule C20 so as to enforce the presence of the OPTF//QCAS indicator in sequence E when one or more of the 3 new :90a:: cash amount Prices in sequence E are present as illustrated below:

**C20**

In each occurrence of sequence E, if :22F::OPTF//QCAS is present, then in the same occurrence of sequence E, any combination of the fields :90a::MACI, :90a::MICI and :90a::MMCI is allowed and all three fields may be absent. If :22F::OPTF//QCAS is absent, then fields :90a::MACI, :90a::MICI, and :90a::MMCI are not allowed (Error code(s): E20).

<u>In each occurrence of sequence E if field :22F::OPTF//QCAS is ...</u>	<u>Then, in the same occurrence of sequence E, fields :90a::MACI, :90a::MICI, and :90a::MMCI are ...</u>
<u>Present</u>	<u>Optional</u>
<u>Not present</u>	<u>Not allowed</u>

3. In the M 567, in sequence B, create a new optional non repeatable :19B::STAC amount qualifier as illustrated below:

**MT 567 Field Specifications**

26. Field 19B: Amount

**FORMAT**

Option B                    :4!c//3!a15d                    (Qualifier)(Currency Code)(Amount)

**PRESENCE**

Optional in optional sequence B

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	CAPG	N		B	Capital Gains Amount
...						
39	O	TXRC	N		B	Reclaim of Taxes

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
<a href="#">40</a>	<a href="#">O</a>	<a href="#">STAC</a>	<a href="#">N</a>	<a href="#">C5</a>	<a href="#">B</a>	<a href="#">Status Cash Amount</a>

**DEFINITION**

This qualified generic field specifies:

ATAX      Additional Tax      Amount of additional taxes that cannot be categorised.  
Amount

....

SPCN      Special      Amount of drawdown or other reduction from or in addition to  
Concessions      the deal price.

[STAC](#)      [Status Cash](#)      [Amount of cash subscribed that has been assigned the](#)  
[Amount](#)      [status indicated.](#)

STAM      Stamp Duty      Amount of stamp duty.

...

WITL      Second Level      Amount of money withheld by the jurisdiction other than the  
Tax Amount      jurisdiction of the issuer's country of tax incorporation, for which  
a relief at source and/or reclaim may be possible. It is levied in  
complement or offset of the withholding tax rate (TAXR) levied  
by the jurisdiction of the issuer's tax domicile.

4. In the M 567, add a new Network Validated Rule C5 so as to enforce the presence of a single field between :36B::STAQ or :19B::STAC and not both, as illustrated below:

**C5**

[In sequence B, if field :36B::STAQ is present, then field :19B::STAC is not allowed and if field :36B::STAQ is not present, then field :19B::STAC is optional \(Error code\(s\): EXX\).](#)

<a href="#">In sequence B</a> <a href="#">if field :36B::STAQ is ...</a>	<a href="#">then field :19B::STAC is ...</a>
<a href="#">Present</a>	<a href="#">Not allowed</a>
<a href="#">Not present</a>	<a href="#">Optional</a>

## 2. ISO 20022 Illustration

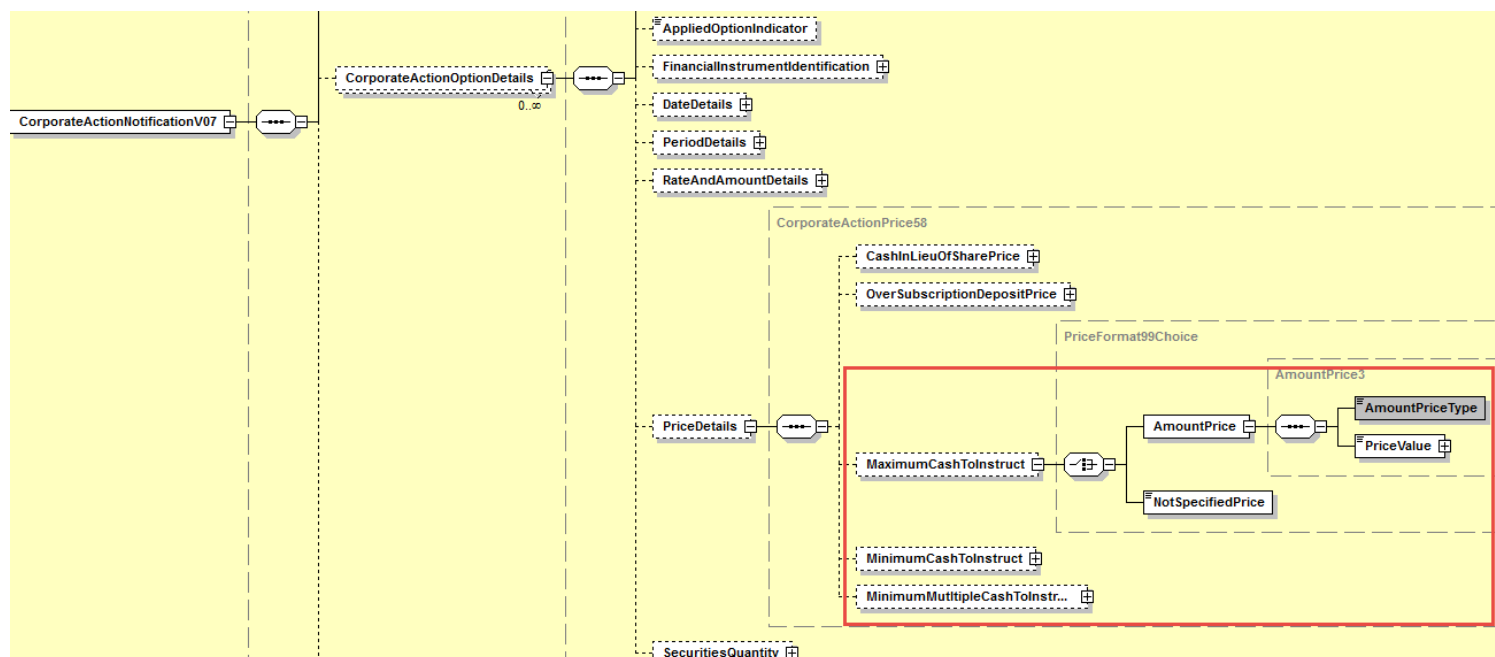
### 1. Create New Price Amount

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/PriceDetails/*,

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/PriceDetails/*,

add three new optional non repeatable price elements named **MaximumCashToInstruct**, **MinimumCashToInstruct** and **MinimumMultipleCashToInstruct** defined as in ISO15022 above, and typed by a new data type **PriceFormatXXChoice** with AmountPrice typed by a data type

similar to *AmountPrice3* data type but in which the *AmountPriceType* is restricted to ACTU and PLOT codes and an element “NotSpecifiedPrice” typed by *PriceValueType10Code* as illustrated below:



## 2. Add new Cross Element complex rule in seev.031 and seev.035

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails*,

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails*,

Add the new cross element complex rule named *InstructCashAmountRule()* as follows:

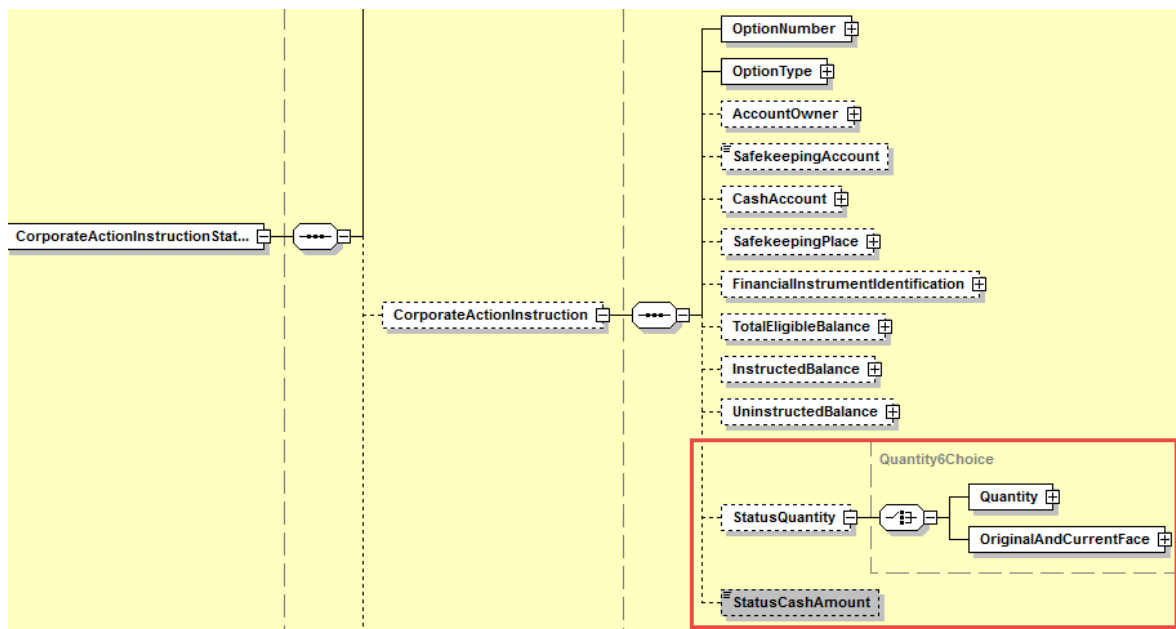
“If one or more message elements in the list (*PriceDetails/MaximumCashToInstruct*, *PriceDetails/MinimumCashToInstruct*, *PriceDetails/MinimumMultipleCashToInstruct*) are present, then *OptionFeatures/Code* must be QCAS (*InstructCashAmount*).”

## 3. Add new Amount in Status Messages (seev.034 & seev. 041)

Alternative Design with Complex Rule instead of the Choice component

In the **seev.034** (CorporateActionInstructionStatusAdvice), and in the **seev.041** (CorporateActionInstructionCancellationRequestStatusAdvice), in the *CorporateActionInstruction* sequence, change the multiplicity of the *StatusQuantity* element to optional and add a new optional non repeatable element named *StatusCashAmount* and typed by *ActiveCurrencyAndAmount* as illustrated below and add a new complex rule named *StatusQuantityOrStatusCashAmount()* as follows:

“If *StatusQuantity* is present, then *StatusCashAmount* is not allowed. If *StatusCashAmount* is present, then *StatusQuantity* is not allowed.”



#### 4. Correct the data type of the InstructedAmount element In the seev.033

The element InstructedAmount in the variant 001 of the ISO20022 message has been incorrectly assigned the data type *RestrictedFINActiveCurrencyAndAmount* to be used in the variant 002.

In seev.033.001.07 (and not in the seev.033.002.07) in the sequence

CorporateActionInstruction/SecuritiesQuantityOrInstructedAmount, change the data type *RestrictedFINActiveCurrencyAndAmount* of the element InstructedAmount by the data type *ActiveCurrencyAndAmount*.

## SWIFT Comment

SWIFT would recommend that:

1. the presence of one or more of the three new cash amount elements in the MT 564 sequence E be conditioned by the mandatory presence of the OPTF//QCAS indicator introduced last year for SR2017 i.e. a new NVR would be requested to link those elements (see proposed design in illustrations above).
2. a new C5 NVR rule be introduced into the MT 567 in order to avoid having both :36B::STAQ and :19B::STAC fields present similarly to NVR rule C5 in the MT 565 for the presence of QINS and QCAS (see proposed design in illustrations above).

## Working Group Meeting

### Discussion

DE (comments sent via email prior to the meeting) does not agree with this business case as they did not agree with the original UK business case of the CR001108 last year for the creation of the QCAS instructed amount in the MT 565 and DE claims that they have not seen the

community (local custodians, global custodians and clients) implementing last year changes.

CH proposes to postpone the change to SR2019 and in the meantime to assess whether the volume/use of QCAS warrants any additional CR or not.

However UK reconfirms the recent commitment of all the UK market players in the UK NMPG to implement those additional changes for the instruction on cash amount.

Currently the solution implemented for SR2017 does not work properly without those additional changes which are required to achieve full STP. In 2017, SWIFT standards has received several requests from customer complaining about the lack of some critical fields in the SR2017 solution, hence the need for this CR for SR2018.

In order to have a consistent and complete solution for the instructions on cash amount, the MWG finally agrees with the business case, with SWIFT comment and with the proposed design solution. New NVR C20 for the MT 564 and C5 for the 567 have been slightly corrected in this version to correct errors in the first version of the MWG document.

For the ISO 20022 solution design the representative of the ISO SEG CA ET confirms that the alternative design with a new complex rule in the seev.034 (CorporateActionInstructionStatusAdvice), and in the seev.041 (CorporateActionInstructionCancellationRequestStatusAdvice) is preferred.

The MWG agrees also with the correction of data type in the seev.033.001 (variant 1) proposed by SWIFT in item 4 of the ISO 20022 Illustration.

#### Decision

Accepted

### Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:



## 2.6 CR 001299: Add Rate Type code to Identify an Amount for Conduit Foreign Income (CFI)

<b>Origin of request</b>	
Requesting Country:	AU Australia
Requesting Group:	
<b>Sponsors</b>	
Australia NMPG, SMPG CA WG	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW Optional change for Australian securities users	
<b>Commitment to implement the change</b>	
Commits to implement and when: Australia 2018	
<b>Business context</b>	
<p>Where Australian listed companies make distributions of income that are from a source outside of Australia they may distribute this income to shareholders as Conduit Foreign Income (CFI). The taxation treatment of CFI varies depending on the country of beneficial ownership of the security holder; for Australian residents the income should be treated as an unfranked dividend and for non-resident investors the income should be treated as tax free. There is not currently a rate field in MT 564 or MT 566 messages to cater for this type of income. CFI does not have a code and so cannot be treated in the same manner as Franked/Unfranked announcements, with clients being advised of the correct breakdown and systems process the tax components with the correct tags.</p> <p>Given CFI components are included in some 50% of the Australian dividend announcements this forms a significant roadblock to our efforts to provide clear concise information to underlying clients and also manage our systems on an STP basis</p> <p>The new flag will be used by custodians who have clients with multiple accounts and who require a single corporate action notification for each event and will allow for clients to correctly report the nature of the income to investors without resorting to narrative in 70E ADTX, enhancing the STP flow of information.</p>	
<b>Nature of change</b>	
<p>Add an optional subfield Rate Type code to field 92a with code CDFI - Conduit Foreign Income rate. Conduit Foreign Income rate is restricted to the use of qualifiers GRSS and NETT in subsequence E2 of MT 564 and subsequence D2 of MT 566.</p> <p>Add an optional subfield Rate Type code to field 19B with code CDFI - Conduit Foreign Income amount. Conduit Foreign Income amount is restricted to the use of qualifiers GRSS and NETT in sequence E and in subsequence E2 of MT 564 and in sequence D and subsequence D2 of MT 566.</p>	

<b>Workaround</b>
Narrative is used in messaging to advise clients where Conduit Foreign Income is paid.
<b>Message type(s) impacted</b>
MT 564, MT 566, seev.031, seev.035, seev.036
<b>Examples</b>
<p>MT564</p> <pre> :16R:GENL :20C::CORP//6016579191656 :20C::SEME//2B8D98DC6E62253A :23G:NEWM :22F::CAEV//DVCA :22F::CAMV//MAND :98C::PREP//20160729164333 :25D::PROC//COMP :16S:GENL :16R:USECU :35B:ISIN AU000000WFD0 WESTFIELD CORP ORD SHS :16R:ACCTINFO :97A::SAFE//000251800001 :93B::ELIG//UNIT/1000000, :93C::SETT//UNIT/ELIG/1000000, :16S:ACCTINFO :16S:USECU :16R:CADETL :98A::XDTE//20160628 :98A::RDTE//20160630 :22F::DIVI//FINL :16S:CADETL :16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//AUD :17B::DFLT//Y :16R:CASHMOVE :22H::CRDB//CRED :98A::PAYD//20160830 :92J::GRSS//CDFI/AUD0,05 :92J::NETT//CDFI/AUD0,05 :92A::TAXR//0, :16S:CASHMOVE :16S:CAOPTN </pre> <p>MT566</p> <pre> :16R:GENL :20C::CORP//6016579191656 :20C::SEME//1C77A971BE912AB4 :23G:NEWM :22F::CAEV//DVCA :98C::PREP//20160226182517 :16R:LINK :22F::LINK//AFTE :13A::LINK//564 :20C::PREV//2B8D98DC6E62253A :16S:LINK :16S:GENL :16R:USECU </pre>

```

:97A::SAFE//000251800001
:35B::ISIN AU000000WFD0
WESTFIELD CORP ORD SHS
:93B::ELIG//UNIT/1000000
:93B::CONB//UNIT/1000000
:16S::USECU
:16R::CADETL
:98A::XDTE//20160628
:98A::RDTE//20160630
:22F::DIVI//FINL
:16S::CADETL
:16R::CACONF
:13A::CAON//001
:22F::CAOP//CASH
:11A::OPTN//AUD
:16R::CASHMOVE
:22H::CRDB//CRED
:97A::CASH//1200XXXX
:19B::PSTA//AUD50000,
:19B::CDFI//AUD50000,
:98A::POST//20160830
:98A::VALU//20160830
:98A::PAYD//20160830
:92A::TAXR//0,
:16S::CASHMOVE
:16S::CACONF

```

## Standards Illustration

### 1. ISO 15022 Illustration

1. In the MT 564 message in sequences E and E2 and in the message MT 566 in the sequences D and D2, add a new Rate Type Code value CDFI with the name “Conduit Foreign Income” that can only be used with GRSS and NETT qualifiers as illustrated here below:

### MT 564 Field Specifications

#### 95. Field 92a: Rate

##### FORMAT

Option A	:4!c//[N]15d	(Qualifier)(Sign)(Rate)
Option B	:4!c//3!a/3!a/15d	(Qualifier)(First Currency Code)(Second Currency Code)(Rate)
Option F	:4!c//3!a15d	(Qualifier)(Currency Code)(Amount)
Option H	:4!c//3!a15d/4!c	(Qualifier)(Currency Code)(Amount)(Rate Status)
Option J	:4!c//[8c]/4!c/3!a15d[/4!c]	(Qualifier)(Data Source Scheme)(Rate Type Code)(Currency Code)(Amount)(Rate Status)
Option K	:4!c//4!c	(Qualifier)(Rate Type Code)
Option M	:4!c//3!a15d/15d	(Qualifier)(Currency Code)(Amount)(Quantity)
Option R	:4!c//[8c]/4!c/15d	(Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)

##### PRESENCE

Optional in optional subsequence E2

##### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ATAX	N		A, F, or K	Additional Tax
2	O	CHAR	N		A, F, or K	Charges/Fees
3	O	EQU	N		F or K	Equalisation Rate
4	O	ESOF	N		A, F, K, or M	Early Solicitation Fee Rate
5	O	FLFR	N		A, F, or K	Fully Franked Rate
6	O	FISC	N		A or K	Fiscal Stamp
7	O	GRSS	R	C7, C8	F, H, J, or K	Gross Dividend Rate
8	O	EXCH	N	C1	B	Exchange Rate
9	O	INCE	N		A, F, or K	Third Party Incentive Rate
10	O	INTP	R		A, F, J, or K	Interest Rate Used for Payment
11	O	NETT	R	C7, C8	F, H, J, or K	Net Dividend Rate
12	O	NRES	N		A, F, or K	Non-Resident Rate
13	O	RATE	N		A or K	Applicable Rate
14	O	SOFE	N		A, F, K, or M	Solicitation Fee Rate
15	O	TAXC	R	C7, C8	A, F, J, or K	Tax Credit Rate
16	O	TAXR	R	C19	A, F, K, or R	Withholding Tax Rate
17	O	TXIN	N		A, F, or K	Tax on Income
18	O	TXPR	N		A or K	Tax on Profits
19	O	TXRC	N		A or K	Reclaim of Taxes Rate
20	O	WITL	R		A, F, K, or R	Second Level Tax

**CODES**

In option J, if Qualifier is GRSS and Data Source Scheme is not present, Rate Type Code must contain one of the following codes (Error code(s): K92):

CAPO      Capital Portion      Rate relating to the underlying security for which capital is

distributed.

<u>CDFI</u>	<u>Conduit Foreign Income</u>	<u>Rate relating to a conduit foreign income type.</u>
FLFR	Fully Franked	Fully franked.
....		
TXFR	Tax Free	Rate relating to the underlying security which is not taxable.
UNFR	Unfranked	Unfranked.

**CODES**

In option J, if Qualifier is NETT and Data Source Scheme is not present, Rate Type Code must contain one of the following codes (Error code(s): K92):

CAPO      Capital Portion      Rate relating to the underlying security for which capital is distributed.

<u>CDFI</u>	<u>Conduit Foreign Income</u>	<u>Rate relating to a conduit foreign income type.</u>
FLFR	Fully Franked	Fully franked.
....		
TXFR	Tax Free	Rate relating to the underlying security which is not taxable.
UNFR	Unfranked	Unfranked.

2. In the MT 564 sequence E2 and in the MT 566 sequence D2, add a new optional non repetitive qualifier “Conduit Foreign Income Amount” as illustrated here below:

**MT 564 Field Specifications**

93. Field 19B: Amount

**FORMAT**

Option B      :4!c//3!a15d      (Qualifier)(Currency Code)(Amount)

**PRESENCE**

Conditional (see rule C2) in optional subsequence E2

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ENTL	N		B	Entitled Amount
2	O	RESU	N		B	Resulting Amount
....						
44	O	TRAX	N		B	Transaction Tax
<b>45</b>	<b>0</b>	<b>CDFI</b>	<b>N</b>		<b>B</b>	<b>Conduit Foreign Income Amount</b>

**DEFINITION**

---

This qualified generic field specifies:

ACRU	Accrued Interest Amount	Amount of interest that has been accrued in between coupon payment periods.
------	-------------------------	---

....

CHAR	Charges/Fees Amount	Amount of money paid for the provision of financial services that cannot be categorised by another qualifier.
------	---------------------	---

<b>CDFI</b>	<b><u>Conduit Foreign Income Amount</u></b>	<b><u>Amount relating to a conduit foreign income.</u></b>
-------------	---	--

CINL	Cash in Lieu of Shares	Cash disbursement in lieu of a fractional quantity of, for example, equity.
------	------------------------	---

.....

WITL	Second Level Tax Amount	Amount of money withheld by the jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile.
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## 2. ISO 20022 Illustration

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### 1. Add new Rate Type Code in seev.031, seev.035 and seev.036

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/RateAndAmountDetails/*

**and in the seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/RateAndAmountDetails/*,

**and in the seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/RateAndAmountDetails/*

add a new rate type code CDFI (ConduitForeignIncomeAmount) to the data type code list *GrossDividendRateType3Code* typing the element *GrossDividendRate/RateTypeAndAmountAndRateStatus/RateType/Code* and

add a new rate type code CDFI (ConduitForeignIncomeAmount) to the data type code list *NetDividendRateType3Code* typing the element *NetDividendRate/RateTypeAndAmountAndRateStatus/RateType/Code* as defined above in ISO 15022.

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/CashMovementDetails/RateAndAmountDetails/*,

**and in the seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/CashMovementDetails/RateAndAmountDetails/*,

**and in the seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/RateAndAmountDetails/*,

add a new rate type code CDFI (ConduitForeignIncomeAmount) to the data type code list *GrossDividendRateType2Code* typing the element *GrossDividendRate/RateTypeAndAmountAndRateStatus/RateType/Code*

and add a new rate type code CDFI (ConduitForeignIncomeAmount) to the data type code list *NetDividendRateType2Code* typing the element *NetDividendRate/RateTypeAndAmountAndRateStatus/RateType/Code* as defined above in ISO 15022.

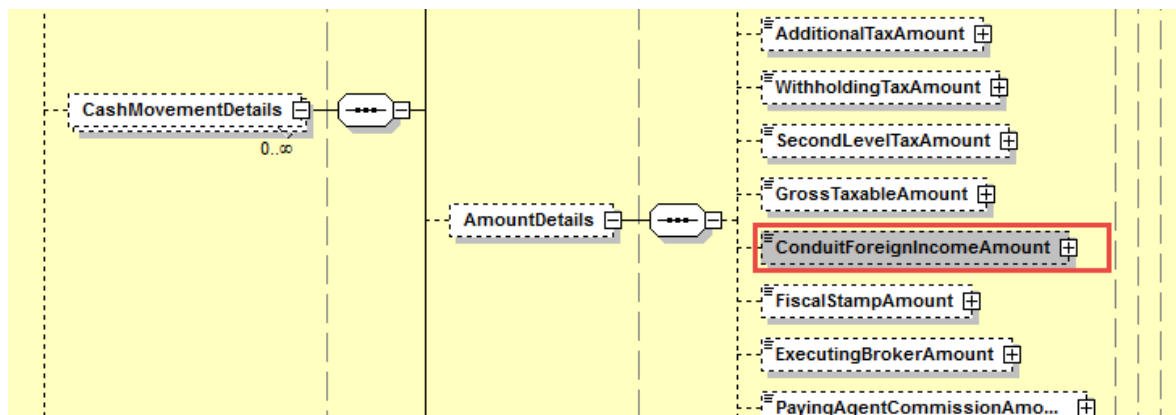
## 2. Add new amount element in seev.031, seev.035 and seev.036

**In the seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/CashMovementDetails/AmountDetails/*,

**and in the seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/CashMovementDetails/AmountDetails/*,

**and in the seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails/*,

add a new optional non repeatable element named *ConduitForeignIncomeAmount* as defined in ISO15022 above and typed by *ActiveCurrencyAndAmount* as illustrated below:



## SWIFT Comment

Change request submitted last year for SR2017 and resubmitted in SR2018 with the support of the SMPG.

## Working Group Meeting

### Discussion

The MWG fully agrees with the business case. However, UK suggests to use the ITYP indicator

instead of creating this new rate type code for GRSS and NETT rates. The MWG does not agree with this proposal as there is a specific tax treatment required in the context of the dividend.

The MWG then agrees with the proposed rate type code and new CDFI amount.

**Decision**

**Accepted**

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
--------------------------------	--

Comments:

Reject the MWG decision	
-------------------------------	--

Reason for rejection:



## 2.7 CR 001318: Delete Unused NRES Tax Related Rate and IMPU/PREC/TIER Rate Type Codes

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	SMPG
<b>Sponsors</b>	
CA SMPG Tax sub-group	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW	
The Change Request relates to removal of non-used qualifiers and codes	
<b>Commitment to implement the change</b>	
Commits to implement and when: Users of Corporate Actions messages where Tax qualifiers / codes are present 2018	
<b>Business context</b>	
<p>1. The entire community will benefit from this change</p> <p><u>2. Background and approach</u></p> <p>Based on a 3 months volume activity in 2014, SWIFT identified some qualifiers and codes related to the tax perimeter that were not used. Qualifier : NRES: Non Resident rate and IMPU, PREC, TIER rate type codes (Imputed Tax, Precompte, One-Tier Tax) associated to TAXC qualifier as well as the Rate Status component associated with the TAXC rate.</p> <p>A survey has been, consequently, launched first within the Corporate Actions Tax sub-group and then extended within the Corporate Actions SMPG in order to identify if some countries were using the above qualifiers / codes.</p> <p><u>3. Conclusion and proposal</u></p> <p>All 16 markets (including most of the major ones) that had answered to the survey indicated using neither the NRES qualifier nor the TAXC/IMPU-PREC-TIER rate type codes. Please see the table in the example section.</p> <p>As a consequence, the Corporate Actions SMPG proposed to remove these non-used qualifiers / codes (topic CA358 of the Corporate Actions SMPG).</p>	
<b>Nature of change</b>	
<p>1. Remove the qualifier NRES (Non-resident rate) from:</p> <ul style="list-style-type: none"> <li>- MT 564 sequence E2 Cash movement</li> <li>- MT 566 sequence D2 Cash movement</li> </ul> <p>2. Remove the rate type codes IMPU (Imputed Tax), PREC (Precompte) and TIER (One-Tier Tax)</p>	

(associated to TAXC rate) from:

- MT 564 sequence E1 Securities movement and E2 Cash movement
- MT 566 sequence D1 Securities movement and D2 Cash movement

Note: this will also make TAXC rate no longer repeatable as per NVR rule C7 and C8 in the MT 564 and NVR C3 and C4 in MT 566. This will make also the format option J non longer needed for the:92a: Rate field in sequence E1 of the MT 564 and D1 of the MT 566.

#### Message type(s) impacted

MT 564, MT 566, seev.031, seev.035, seev.036

#### Examples

**Collected feedback from SMPG CA WG members on the usage of the NRES qualifier and IMPU/PREC/TIER rate type codes (Q2 2017):**

Country	NRES qualifier (Non-Resident Rate - Rate per share to which a non-resident is entitled)  Is it used in the Market ? Yes / No	IMPU - PREC - TIER rate type codes associated to TAXC rate (Imputed Tax - Precomplete - One-Tier Tax)  Is it used in the Market ? Yes / No	
		in Seq E1 Secmove	in Seq E2 Cashmove
AU	No	No	No
BE			
CA			
CH			
DE	No	No	No
DK	No	No	No
ES			
FI	No	No	No
FR	No	No	No
IT	No	No	No
JP	No	No	No
LU	No	No	No
NL			
NO	No	No	No
PL			
SE	No	No	No
SG	No	No	No
UK & IE	No	No	No
US	NO	NO	NO
XS (EB)	No	No	No
XS (CB)	No	No	No
ZA	No	No	No

## Standards Illustration

### 1. ISO 15022 Illustration

1. In the MT 564 in sequence E1 and E2 and in the MT 566 in sequences D1 and D2, remove the 3 Rate Type Code IMPU (Imputed tax), PREC (Precompte) and TIER (One-tier tax) used with the TAXC (Tax Credit Rate).

In the MT 564 in sequence E2 and in the MT 566 in sequence D2, in field :92a: Rate, remove the Non-Resident Rate qualifier NRES.

Since TAXC has no longer any Rate Type Code, the multiplicity on the Tax Credit Rate can be removed and the format Option J in the sequence E1 (MT 564) and D1 (MT 566) can be removed as well as illustrated below:

## MT 564 Field Specifications

### 86. Field 92a: Rate

#### FORMAT

Option A	:4!c//[N]15d	(Qualifier)(Sign)(Rate)
Option D	:4!c//15d/15d	(Qualifier)(Quantity1)(Quantity2)
Option F	:4!c//3!a15d	(Qualifier)(Currency Code)(Amount)
<b>Option J</b>	<b>:4!c[8c]/4!c/3!a15d/[4!c]</b>	<b>(Qualifier)(Data Source Scheme)(Rate Type Code)(Currency Code)(Amount)(Rate Status)</b>
Option K	:4!c//4!c	(Qualifier)(Rate Type Code)
Option L	:4!c//3!a15d/3!a15d	(Qualifier)(First Currency Code)(Amount1)(Second Currency Code)(Amount2)
Option M	:4!c//3!a15d/15d	(Qualifier)(Currency Code)(Amount)(Quantity)
Option N	:4!c//15d/3!a15d	(Qualifier)(Quantity)(Currency Code)(Amount)

#### PRESENCE

Optional in optional subsequence E1

#### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ADEX	N		D, K, or L	Additional for Existing Securities
2	O	NEWO	N		D, K, L, M, or N	New to Old
3	O	ADSR	N		D, K, or L	Additional for Subscribed Resultant Securities
4	O	TRAT	N		A	Transformation Rate
5	O	CHAR	N		A, F, or K	Charges/Fees
6	O	FISC	N		A or K	Fiscal Stamp
7	O	RATE	N		A or K	Applicable Rate
8	O	TAXC	<b>R-N</b>	C7, C8	<b>A, F, J, or K</b>	Tax Credit Rate
9	O	TRAX	N		A or K	Financial Transaction Tax Rate

#### DEFINITION

This qualified generic field specifies:

ADEX	Additional for Existing Securities	Quantity of additional securities for a given quantity of underlying securities where underlying securities are not exchanged or debited, for example, 1 for 1: 1 new equity credited for every 1 underlying equity = 2 resulting equities.
ADSR	Additional for Subscribed Resultant Securities	Quantity of additional intermediate securities/new equities awarded for a given quantity of securities derived from subscription.
CHAR	Charges/Fees	Rate used to calculate the amount of the charges/fees that cannot be categorised.
FISC	Fiscal Stamp	Percentage of fiscal tax to apply.
NEWO	New to Old	Quantity of new securities for a given quantity of underlying securities, where the underlying securities will be exchanged or debited, for example, 2 for 1: 2 new equities credited for every 1 underlying equity debited = 2 resulting equities.
RATE	Applicable Rate	Rate applicable to the event announced, for example, redemption rate for a redemption event.
TAXC	Tax Credit Rate	Amount of money per equity allocated as the result of a tax credit.
TRAT	Transformation Rate	Rate used to determine the cash consideration split across outturn settlement transactions that are the result of a transformation of the parent transaction.
TRAX	Financial Transaction Tax Rate	Rate of financial transaction tax.

## CODES

In option K, Rate Type Code must contain the following code (Error code(s): K92):

UKWN	Unknown Rate	Rate is unknown by the sender or has not been established.
------	--------------	--

## CODES

**In option J, if Qualifier is TAXC and Data Source Scheme is not present, Rate Type Code must contain one of the following codes (Error code(s): K92):-**

**IMPU**      **Imputed Tax**      **Imputed tax.**

**PREC**      **Precompte**      **Precompte.**

**TIER**      **One-Tier Tax**      **One-tier tax.**

## CODES

**In option J, if Qualifier is TAXC and Data Source Scheme is not present, Rate Status, when present, must contain one of the following codes (Error code(s): K92):-**

**ACTU**      **Actual Rate**      **Rate is actual.**

**INDI**      **Indicative Rate**      **Rate is indicative.**

## NETWORK VALIDATED RULES

The integer part of Quantity, Rate and Amount must contain at least one digit. A decimal comma is mandatory and is included in the maximum length (Error code(s): T40,T43).

If Rate is zero, Sign must not be present (Error code(s): T14).

Currency Code, First Currency Code and Second Currency Code must be valid ISO 4217 currency codes (Error code(s): T52).

#### USAGE RULES

For the calculation of the rate itself, the First Currency Code will be the base currency and the Second Currency Code will be the quoted currency. (1,00 of First Currency Code = [Rate] of Second Currency Code).

**ACTU is the default value for Rate Status.**

Sign must be present when Rate is negative.

Except if notified differently in the rate definition, the rate must be expressed as a percentage, not as a decimal fraction (12% must be identified by 12, and not 0,12).

## MT 564 Field Specifications

### 95. Field 92a: Rate

#### FORMAT

Option A	:4!c//[N]15d	(Qualifier)(Sign)(Rate)
Option B	:4!c//3!a/3!a/15d	(Qualifier)(First Currency Code)(Second Currency Code)(Rate)
Option F	:4!c//3!a15d	(Qualifier)(Currency Code)(Amount)
Option H	:4!c//3!a15d/4!c	(Qualifier)(Currency Code)(Amount)(Rate Status)
Option J	:4!c//[8c]/4!c/3!a15d/[4!c]	(Qualifier)(Data Source Scheme)(Rate Type Code)(Currency Code)(Amount)(Rate Status)
Option K	:4!c//4!c	(Qualifier)(Rate Type Code)
Option M	:4!c//3!a15d/15d	(Qualifier)(Currency Code)(Amount)(Quantity)
Option R	:4!c//[8c]/4!c/15d	(Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)

#### PRESENCE

Optional in optional subsequence E2

#### QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ATAX	N		A, F, or K	Additional Tax
2	O	CHAR	N		A, F, or K	Charges/Fees
3	O	EQUL	N		F or K	Equalisation Rate
4	O	ESOF	N		A, F, K, or M	Early Solicitation Fee Rate
5	O	FISC	N		A or K	Fiscal Stamp
6	O	GRSS	R	C7, C8	F, H, J, or K	Gross Dividend Rate
7	O	EXCH	N	C1	B	Exchange Rate

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
8	O	INCE	N		A, F, or K	Third Party Incentive Rate
9	O	INTP	R		A, F, J, or K	Interest Rate Used for Payment
10	O	NETT	R	C7, C8	F, H, J, or K	Net Dividend Rate
11	<del>O</del>	<del>NRES</del>	<del>N</del>	<del>-</del>	<del>A, F, or K</del>	<del>Non-Resident Rate</del>
12	O	RATE	N		A or K	Applicable Rate
13	O	SOFE	N		A, F, K, or M	Solicitation Fee Rate
14	O	TAXC	<del>R</del> <del>N</del>	C7, C8	A, F, <del>J</del> , or K	Tax Credit Rate
15	O	TAXR	R	C19	A, F, K, or R	Withholding Tax Rate
16	O	TXIN	N		A, F, or K	Tax on Income
17	O	TXPR	N		A or K	Tax on Profits
18	O	TXRC	N		A or K	Reclaim of Taxes Rate
19	O	WITL	R		A, F, K, or R	Second Level Tax

**DEFINITION**

This qualified generic field specifies:

ATAX	Additional Tax	Rate used for additional tax that cannot be categorised.
CHAR	Charges/Fees	Rate used to calculate the amount of the charges/fees that cannot be categorised.
EQU	Equalisation Rate	The portion of the fund distribution which represents the average accrued income included in the purchase price for units bought during the account period.
ESOF	Early Solicitation Fee Rate	Cash rate made available, as an incentive, in addition to the solicitation fee, in order to encourage early participation in an offer.
EXCH	Exchange Rate	Exchange rate between the amount and the resulting amount.
FISC	Fiscal Stamp	Percentage of fiscal tax to apply.
GRSS	Gross Dividend Rate	Cash dividend amount per equity before deductions or allowances have been made.

INCE	Third Party Incentive Rate	Cash rate made available in an event in order to encourage participation in the offer. As information, payment is made to a third party who has solicited an entity to take part in the offer.
INTP	Interest Rate Used for Payment	The actual interest rate used for the payment of the interest for the specified interest period.
NETT	Net Dividend Rate	Cash dividend amount per equity after deductions or allowances have been made.
<b>NRES</b>	<b>Non-Resident Rate</b>	<b>Rate per share to which a non-resident is entitled.</b>
RATE	Applicable Rate	Rate applicable to the event announced, for example, redemption rate for a redemption event.
SOFE	Solicitation Fee Rate	Rate of the cash premium made available if the securities holder consents or participates to an event, for example consent fees or solicitation fee.
TAXC	Tax Credit Rate	Amount of money per equity allocated as the result of a tax credit.
TAXR	Withholding Tax Rate	Percentage of a cash distribution that will be withheld by the tax authorities of the jurisdiction of the issuer, for which a relief at source and/or reclaim may be possible.
TXIN	Tax on Income	Overall tax withheld at source by fund managers prior to considering the tax obligation of each unit holder.
TXPR	Tax on Profits	Taxation applied on an amount clearly identified as capital profits, capital gains.
TXRC	Reclaim of Taxes Rate	Percentage of cash that was paid in excess of actual tax obligation and was reclaimed.
WITL	Second Level Tax	Rate at which the income will be withheld by a jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile.

#### CODES

In option K, if Qualifier is ATAX or Qualifier is CHAR or Qualifier is EQU or Qualifier is ESOF or Qualifier is FISC or Qualifier is INCE or Qualifier is NETT **or Qualifier is NRES** or Qualifier is RATE or Qualifier is SOFE or Qualifier is TAXC or Qualifier is TAXR or Qualifier is TXIN or Qualifier is TXPR or Qualifier is TXRC or Qualifier is WITL, Rate Type Code must contain the following code (Error code(s): K92):

UKWN	Unknown Rate	Rate is unknown by the sender or has not been established.
------	--------------	--

#### CODES

**In option J, if Qualifier is TAXC and Data Source Scheme is not present, Rate Type Code must contain one of the following codes (Error code(s): K92):**

<b>IMPU</b>	<b>Imputed Tax</b>	<b>Imputed tax.</b>
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<b>PREC</b>	<b>Precompte</b>	<b>Precompte.</b>
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**TIER****One-Tier-Tax**~~One-tier-tax.~~

**2. In the MT 564, NVRs rules C7 and C8 must be updated as well in order to remove TAXC from the rule description.**

**C7**

In each occurrence of sequence E and subsequence E2:

- field :92F::GRSS cannot appear more than once, and field :92H::GRSS cannot appear more than once, and field :92K::GRSS cannot appear more than once and only one of the fields :92F::GRSS, :92H::GRSS and :92K::GRSS may be present.
- field :92F::NETT cannot appear more than once, and field :92H::NETT cannot appear more than once, and field :92K::NETT cannot appear more than once and only one of the fields :92F::NETT, :92H::NETT and :92K::NETT may be present.

~~In each occurrence of subsequence E1 and subsequence E2, field :92A::TAXC cannot appear more than once and field :92F::TAXC cannot appear more than once, and field :92K::TAXC cannot appear more than once and only one of the fields :92A::TAXC, :92F::TAXC and :92K::TAXC may be present~~ (Error code(s): E77).

**C8**

In each occurrence of sequence E and subsequence E2:

- if field :92J::GRSS is present more than once, then for each occurrence of field :92J::GRSS, the Rate Type Code must be different.
- if field :92J::NETT is present more than once, then for each occurrence of field :92J::NETT, the Rate Type Code must be different.

~~In each occurrence of subsequence E1 and subsequence E2, if field :92J::TAXC is present more than once, then for each occurrence of field :92J::TAXC, the Rate Type Code must be different~~ (Error code(s): E78).

**3. In the MT 566, NVRs rules C3 and C4 must be updated as well in order to remove TAXC from the rule description.**

**C3**

In sequence D and in each occurrence of subsequence D2:

- field :92F::GRSS cannot appear more than once and field :92H::GRSS cannot appear more than once and only one of the fields :92F::GRSS and :92H::GRSS may be present.
- field :92F::NETT cannot appear more than once and field :92H::NETT cannot appear more than once and only one of the fields :92F::NETT and :92H::NETT may be present.

~~In each occurrence of subsequence D1 and subsequence D2, field :92A::TAXC cannot appear more than once and field :92F::TAXC cannot appear more than once and only one of the fields :92A::TAXC and :92F::TAXC may be present~~ (Error code(s): E77).

**C4**

In sequence D and in each occurrence of subsequence D2:

- if field :92J::GRSS is present more than once, then for each occurrence of field :92J::GRSS, the Rate Type Code must be different.
- if field :92J::NETT is present more than once, then for each occurrence of field :92J::NETT, the Rate Type Code must be different.

~~In each occurrence of subsequence D1 and subsequence D2, if field :92J::TAXC is present more than once, then for each occurrence of field :92J::TAXC, the Rate Type Code must be different~~ (Error code(s): E78).



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## 2. ISO 20022 Illustration

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### 1. Remove NonResidentRate element.

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/CashMovementDetails/RateAndAmountDetails/*,

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/CashMovementDetails/RateAndAmountAmountDetails/*,

and in the **seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/RateAndAmountAmountDetails/*,

remove the message element *NonResidentRate* as illustrated below:

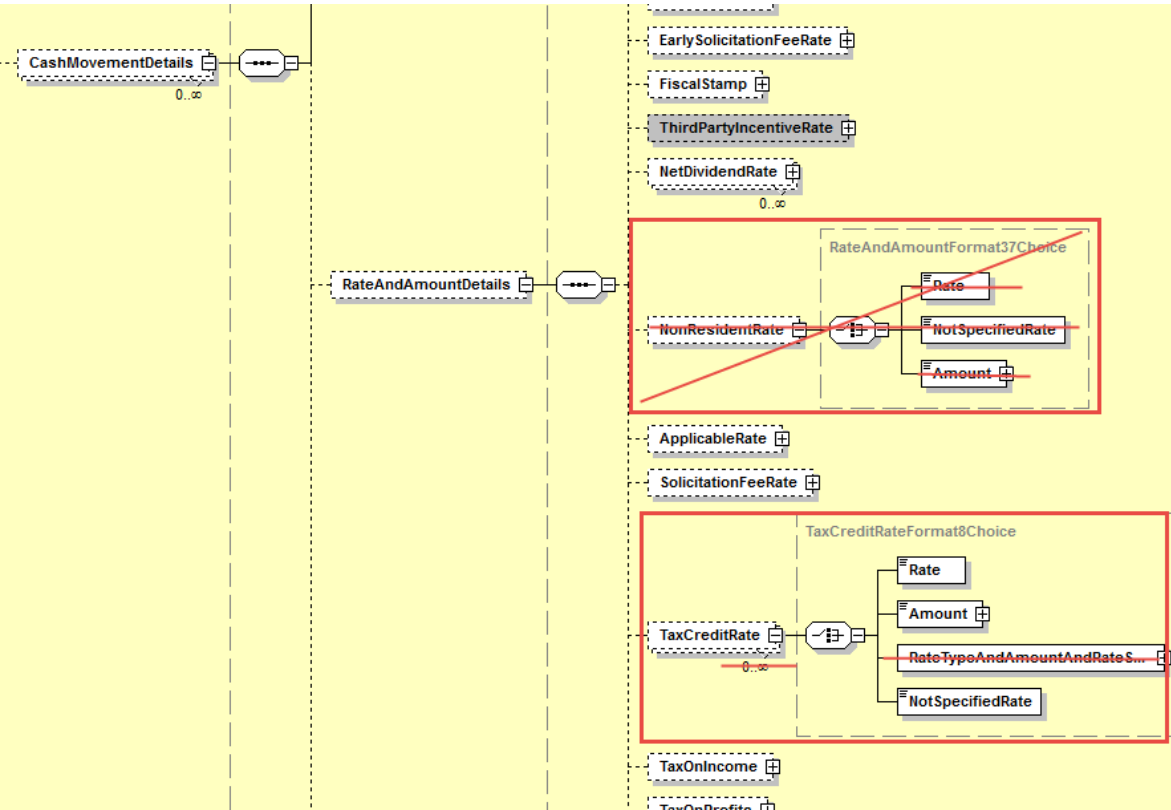
### 2. Remove the RateTypeCode values for the TaxCreditRate element

In the **seev.031** (CorporateActionNotification) message, in the sequence *CorporateActionOptionDetails/SecuritiesMovementDetails/RateDetails/*, and *CorporateActionOptionDetails/CashMovementDetails/RateAndAmountDetails*

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence *CorporateActionMovementDetails/SecuritiesMovementDetails/RateDetails/*, and *CorporateActionMovementDetails/CashMovementDetails/RateAndAmountAmountDetails/*,

and in the **seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/SecuritiesMovementDetails/RateDetails/*, *CorporateActionConfirmationDetails/CashMovementDetails/RateAndAmountAmountDetails/*,

change the data type *TaxCreditRateFormat8Choice* of the *TaxCreditRate* by the data type *RateFormat20Choice* and remove the multiplicity on the element *TaxCreditRate*. and remove the 2 following textual rules: *TaxCreditRate1Rule* and *TaxCreditRate2Rule*.



**SWIFT Comment**

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**Working Group Meeting**

**Discussion**

In addition to the other markets already identified by the SMPG (see “Example” section above), BE and CH confirms that they also agree with the proposed deletions as this rate and rate type codes are not used by their markets either.

Therefore the MWG unanimously agreed on the business case and solution.

**Decision**

**Accepted**

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG	
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decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 2.8 CR 001311: Add Charges Related Amount Qualifiers for Rights / Warrants Events

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
Medium	
Optional changes only related to Rights Exercise events	
<b>Commitment to implement the change</b>	
Commits to implement and when: US Market 2018	
<b>Business context</b>	
<p>For Rights Exercise events, several transactions can result from the rights subscription, which in the current standard there is only one field to display charges amount. Normally, when a client subscribes and /or oversubscribes to a rights offer, there is a charge for the subscription and a separate charge for the oversubscription. Also, these charges could be at an estimated (assumed) rate set by the agent /issuer. When the offer expires, the agent could provide a final rate in which the submitted charges must be adjusted by either a credit or debit based on the rate change. Also, if the oversubscription is pro-rated, some portion of the instructed oversubscription will be returned which will result in a refund of the original oversubscription charge. Given the number charges involved with this event scenario, DTCC is requesting to add three amount fields to the CACO / MT 566 to differentiate these type of charges:</p> <p>Oversubscription amount - the charge related to the oversubscription quantity for events with an oversubscription privilege</p> <p>Refunded subscription amount - For events whereby the oversubscription is pro-rated, the refunded charges due from the unaccepted oversubscription.</p> <p>Final adjusted subscription amount - Debit or credit adjustment for the difference between the estimated and final subscription rate</p> <p>Please note that the regular subscription charge could be mapped to the Charges /Fees Amount (CHAR) qualifier currently in the standard or a new qualifier could be added for Subscription Amount.</p>	
<b>Nature of change</b>	
<p>MT 566</p> <p>Block D2</p> <p>19B:</p> <p>Oversubscription Amount (OSUB) (O,N) The subscription charge related to the</p>	

oversubscription quantity for events with an oversubscription privilege

Refunded Subscription Amount (REFU) (O,N) For events whereby the oversubscription is pro-rated, the refunded charges due from the unaccepted oversubscription.

Final Adjusted Subscription Amount (FINL) (O,N) - Debit or credit adjustment for the difference between the estimated and final subscription rate

#### Workaround

The only possibility in the current standard is to use the Charges Amount qualifier in the MT566 / CACO

#### Message type(s) impacted

MT 566, seev.036

#### Examples

Scenarios:

#### [Additional Input Provided on August 21](#)

##### [Arcelor Mittal Rights Offering Prospectus](#)

Please refer to page 8 for the Summary of the Offering and related Estimated Subscription Price

##### [Arcelor Mittal Rights Offering – Notice of correct CUSIP](#)

##### [Arcelor Mittal Rights Offering – Final Price](#)

##### [Option Instruction Scenario](#)

## Standards Illustration

### 1. ISO 15022 Illustration

In the MT566 message, in subsequence D2, in field :19B: Amount, add the 3 following optional and non-repeatable amount qualifiers OSUB, REFU, FINL as illustrated below:

## MT 566 Field Specifications

83. Field 19B: Amount  
FORMAT

Option B :4!c//3!a15d (Qualifier)(Currency Code)(Amount)

## PRESENCE

Mandatory in optional subsequence D2

## QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	PSTA	N		B	Posting Amount
2	O	RESU	N	C1	B	Resulting Amount
....						
49	O	TRAX	N		B	Transaction Tax
<u>50</u>	<u>O</u>	<u>OSUB</u>	<u>N</u>		<u>B</u>	<u>Oversubscription Amount</u>
<u>51</u>	<u>O</u>	<u>REFU</u>	<u>N</u>		<u>B</u>	<u>Refunded Subscription Amount</u>
<u>52</u>	<u>O</u>	<u>FINL</u>	<u>N</u>		<u>B</u>	<u>Final Adjusted Subscription Amount</u>

## DEFINITION

This qualified generic field specifies:

ACRU      Accrued Interest      Amount of interest that has been accrued in between coupon  
Amount      payment periods.

....

EXEC      Executing      Amount of money paid to an executing broker as a commission.  
Broker's Amount

<u>FINL</u>	<u>Final Adjusted Subscription Amount</u>	<u>Amount of money debited or credited to adjust for the difference between the estimated and the final subscription rate.</u>
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FISC      Fiscal Stamp      Amount of fiscal stamp to apply.

....

OCMT      Original Currency      Posting/settlement amount in its original currency when  
and Ordered      conversion from/into another currency has occurred.  
Amount

<u>OSUB</u>	<u>Oversubscription Amount</u>	<u>Subscription charge amount due related to the oversubscription quantity for events with an oversubscription privilege.</u>
-------------	------------------------------------	---

PAMM      Paying/Sub-      Amount of paying/sub-paying agent commission.  
paying Agent  
Commission

....

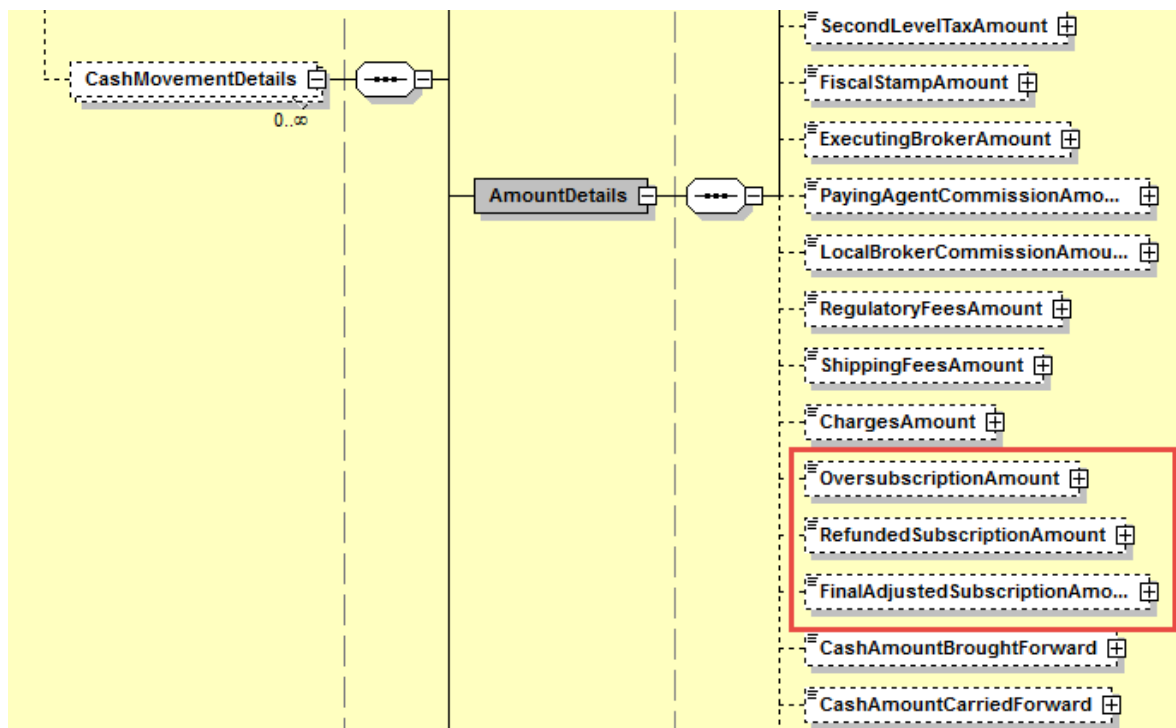
REDP      Redemption      Amount of money (not interest) in addition to the principal at the  
Premium Amount      redemption of a bond.

<u>REFU</u>	<u>Refunded Subscription</u>	<u>Refunded charge amount due related to the unaccepted oversubscription quantity for events whereby the</u>
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	<u>Amount</u>	<u>oversubscription is pro-rated.</u>
REGF	Regulatory Fees	Amount of money charged by a regulatory authority, for example, Securities and Exchange fees.
....		
WITL	Second Level Tax Amount	Amount of money withheld by the jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile.

## 2. ISO 20022 Illustration

In the **seev.036** (CorporateActionMovementConfirmation) message in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails*, add 3 optional non repetitive amount elements as defined in ISO15022 above and as illustrated below:



### SWIFT Comment

### Working Group Meeting

**Discussion**

The MWG does not agree with the business case for adding the 3 amounts in the Confirmation message for several reasons as follows:

- Oversubscription and Refunded Subscription amounts should rather appear in the oversubscription option of the event respectively as a debit and as a credit of the posting amount. However, it appears in the presented business case that the OVER option is not used whilst it should as per SMPG global market practice;
- The Final Adjusted Subscription amount is normally not required since a subscription price is supposed to be fixed before a payment to the issuer agent bank is executed, therefore an adjustment should not take place.
- There is no clarity in the business case on the oversubscription amount information needed at each stage of the flow from the Notification, through the Movement Preliminary Advice and the Confirmation messages. The MWG estimates that most of this information should rather be present in the Notification and not in the Confirmation.
- With this amount adjustment process, 2 Confirmation messages for the same option and same confirmed balance might be sent to the account owner whilst this is not in line with the market practice.

Nevertheless, the MWG recognises that the US market may have some specificities that might need to be taken somewhat into account in the way the oversubscription charges are communicated and processed (estimations followed by adjustments).

Therefore the MWG recommends addressing the change request to the SMPG for further analysis of the scenarios and of the related messages flows so as to provide guidance on how to fit the information in line with the Standards and market practices.

**Decision****Rejected**

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:



## 2.9 CR 001334: Allow for an LEI for Identifying Beneficial Owners in Instruction

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	International Securities Services Association (ISSA) CA Working Group
<b>Sponsors</b>	
ISSA CA Working Group	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
MEDIUM	
<b>Commitment to implement the change</b>	
Commits to implement and when: Users of Corporate Actions messages 2018	
<b>Business context</b>	
<p>1. The entire community will benefit from this change</p> <p>2. Background and approach</p> <p>As part of SR 2016, CR 000988 - "Allow for an LEI in category 5 messages" was approved and implemented for securities messaging, with the exception of the CA messages. Indeed, back in 2015, the CA MWG did not deem it as necessary yet for the community.</p> <p>ISSA, which is a neutral non-profit association, with over 110 members such as custodian banks, brokers, asset managers and various types of infrastructure institutions in around 50 countries, provides leadership in the formulation and promotion of best practices in the post trade securities arena.</p> <p>ISSA's CA WG has launched a review on disclosure best practices and identified LEI as a common identifier that could help standardising the identification/ disclosure/ reporting of asset owners. As such, the ISSA CA WG requests for the LEI to be supported in the MT 565 messages so that instructing party can quote an official LEID for the purpose of disclosing the underlying asset owner.</p>	
<b>Nature of change</b>	
<p>Applying the same logic/ principles as was implemented for Settlement and Reconciliation messages in SR2016:</p> <ul style="list-style-type: none"> <li>- Creation of a new option format L</li> <li>- Addition of this option format to existing qualifier ALTE where it does exist in field 95a (MT 565, MT 566) and creation of a network validated rule to prevent misuse.</li> </ul>	
<b>Message type(s) impacted</b>	
MT 565, seev.033	

**Examples**

The addition of ALTE Format L in MT565 Sequence C - Beneficial Owner Detail will allow instructing party to disclose the asset owner using the standard LEID

**Standards Illustration****1. ISO 15022 Illustration**

1. In the MT565 messages, in sequence C, in field :95a: Party, add the format option :95L: and assign the format option L to the Alternate ID qualifier ALTE as illustrated below.

**MT 565 Field Specifications**

31. Field 95a: Party  
FORMAT

Option L	:4!c//18!c2!n	(Qualifier)(Legal Entity Identifier)
Option P	:4!c//4!a2!a2!c[3!c]	(Qualifier)(Identifier Code)
Option R	:4!c/8c/34x	(Qualifier)(Data Source Scheme)(Proprietary Code)
Option S	:4!c/[8c]/4!c/2!a/30x	(Qualifier)(Data Source Scheme)(Type of ID)(Country Code)(Alternate ID)
Option V	:4!c//10*35x	(Qualifier)(Name and Address)

PRESENCE

Mandatory in optional sequence C

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	M	OWND	N		P, R, or V	Beneficial Owners' ID
2	O	ALTE	R	<u>C6</u>	<u>L or S</u>	Alternate ID

**DEFINITION**

This qualified generic field specifies:

ALTE	Alternate ID	Alternate identification for a party.
OWND	Beneficial Owners' ID	Party that is the beneficial owner of the specified quantity of securities.

In option P, Identifier Code specifies a BIC. For more details, see the Standards MT General Information.

In option R, Proprietary Code specifies a local national code or market segment code identifying the party.

In option S:

- Type of ID specifies the type of alternate identification which can be used to give an alternate identification of the party identified in the sequence.
- Country Code specifies the country for which the alternate identification is relevant.
- Alternate ID specifies an alternate identification of the party identified in the same sequence.

---

**CODES**

In option S, if Qualifier is ALTE and Data Source Scheme is not present, Type of ID must contain one of the following codes (Error code(s): K95):

ARNU	Alien Registration Number	Number assigned by a government agency to identify foreign nationals.
CCPT	Passport Number	Number assigned by a passport authority.
CORP	Corporate Identification	Number assigned to a corporate entity.
DRLC	Driver's Licence Number	Number assigned to a driver's licence.
FIIN	Foreign Investment Identity Number	Number assigned to a foreign investor (other than the alien number).
TXID	Tax Identification Number	Number assigned by a tax authority to an entity.

---

**NETWORK VALIDATED RULES**

Country Code must be a valid ISO country code (Error code(s): T73).

Identifier Code must be a registered BIC (Error code(s): T27,T28,T29,T45).

Proprietary code (Format Option R), Alternate ID (Format Option S) and Name and Address (Format Option V) must not start or end with a slash '/' and must not contain two consecutive slashes '//'. For field formats with more than 1 line, the rule applies for each line (Error code(s): T26).

2. Add also a new NVR C6 in the MT565 so as to prevent the repetition of the Alternate ID qualifier ALTE when used with format option L as illustrated below as well.

## MT 565 Network Validated Rules

**C6**

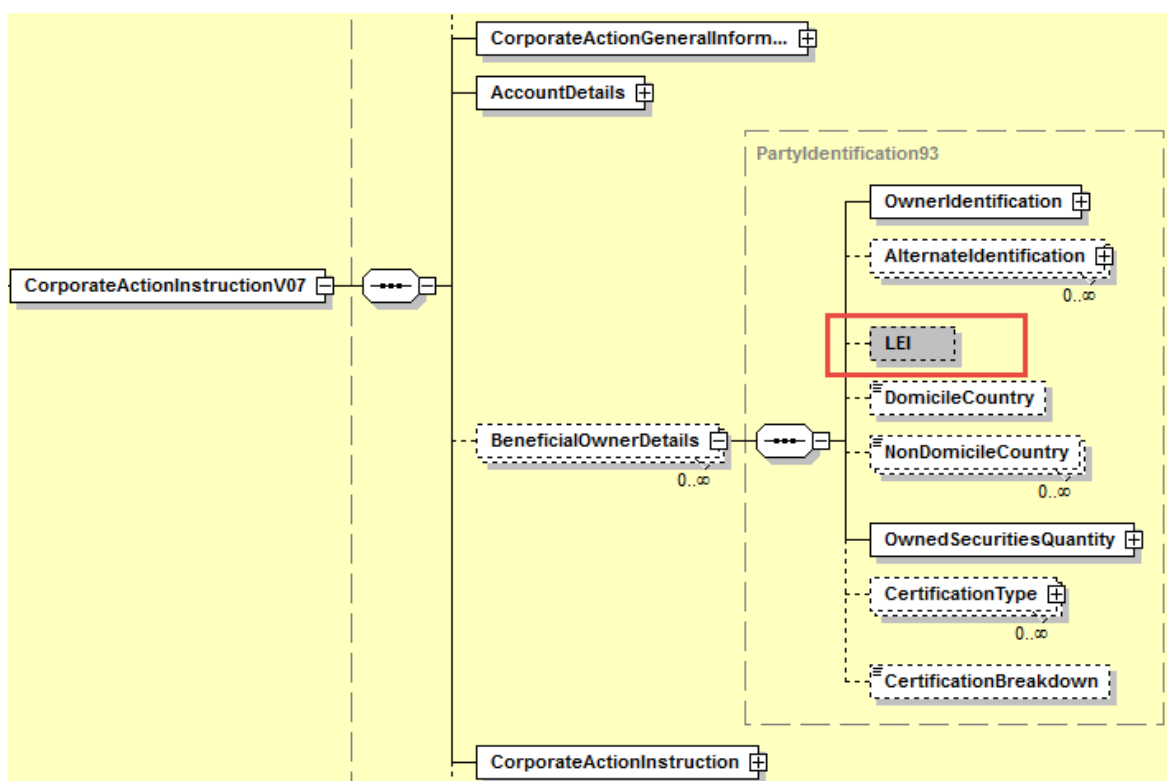
In each occurrence of sequence C, :95a::ALTE when repeated, one and only one occurrence of field :95a::ALTE can be present with format option L (:95L::ALTE) (Error code(s): E99).

---

## 2. ISO 20022 Illustration

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In the seev.033 (CorporateActionInstruction) message, in the sequence BeneficialOwnerDetails, add a new optional non repetitive "LEI" message element defined as a "Legal entity identification as an alternate identification for a party." and typed by *LEIIdentifier* data type as illustrated below:



## SWIFT Comment

The design of the proposed solution in the illustrations is fully compliant with the design adopted in the Settlement and Reconciliation messages in SR2016.

## Working Group Meeting

### Discussion

The MWG recognises that in some markets there is more and more a regulatory push to have an LEI as well for the CA domain. Even if there is some potential for the usage of the LEI in the MT 565, the MWG estimates that the level of commitment at global level is not yet there today and there is not yet a clear view on the timing of mandating the LEI for CA.

Therefore the MWG recommends taking at least one more year in order to better evaluate the business case, the proposed solution and commitment of the markets to implementing an LEI in CA.

The change request is rejected for SR2018 but can be resubmitted once the above concerns have been answered.

### Decision

**Rejected**

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 2.10 CR 001312: Enhancements for Proration Accepted and Unaccepted Balances

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW	
Medium as the fields in question will be optional	
<b>Commitment to implement the change</b>	
Commits to implement and when: ISITC 2018	
<b>Business context</b>	
<p>This change request seeks to add fields Accepted Balance and Unaccepted Balance to the MT 566 (CACO) message regarding the payment processing for voluntary events involving proration. The need for two new balance fields is based on the fact that when payment is made for certain events such as Election Mergers, the unaccepted portion of the prorated option may or may not receive entitlement against the option that was not prorated. While the confirmed balance shows the balance to which the payment applies, having a secondary balance Accepted Balance/ Unaccepted Balance will further explain the basis for the secondary payment which could ultimately be for an option to which the client did not respond. There are two scenarios which could affect the Accepted Balance/ Unaccepted Balance usage:</p> <p>Scenario 1: Tender or exchange events with a cash or securities option may receive only the prorated percentage of the instructed balance for a given option (typically the CASH option). The unaccepted portion of the instruction will be returned to the clients account. For example the client instructs option 1 (CASH) for 1000 units and will receive an MT 566 based upon the option proration rate (.6) The client will receive 600 (prorated instructed unites) * cash rate. The remaining 400 units are returned to the client account. Therefore, the Unaccepted Balance will describe the position being returned to the client account. The Accepted Balance would be the 600 units being paid.</p> <p>Scenario 2: For election merger events, clients instructing upon the cash or securities option will receive the entitlement on the prorated portion for the instructed balance. They will also receive entitlement for the unaccepted portion of what was instructed from the other option which was not prorated. Therefore in this case Unaccepted Balance will be the basis for another CACO / MT 566 in which the confirmed balance for payment will equal the Unaccepted Balance (please see example in excel spreadsheet). The accepted balance will equal the confirmed balance on the prorated option which is being paid.</p>	
<b>Nature of change</b>	

Add Accepted Balance and Unaccepted Balance to ISO 20022 seev.036 Account Details / Balance, MT 566 Block B qualifier 93A Balance

**Accepted Balance (0,1)** for voluntary or choice events which are prorated, the portion of the instructed balance for a given option which was accepted for payment by the issuer / agent.

**Unaccepted Balance (0,1)** for voluntary or choice events which are prorated, the portion of the instructed balance for a given option which was not accepted by the issuer /agent. Based on the offer, the unaccepted balance may be returned to the account or entitlement could be paid against the option which was not prorated.

#### Workaround

DTCC currently will be using a proprietary extension for the CACO message to display this information.

#### Message type(s) impacted

MT 566, seev.036

#### Examples

Scenarios:

#### [Additional Input Provided on August 21](#)

#### Option Instruction Scenarios

## Standards Illustration

### 1. ISO 15022 Illustration

In the MT566 message, in sequence B, in field :93a: Balance, add 2 new optional non repeatable balance qualifiers as illustrated below:

## MT 566 Field Specifications

26. Field 93a: Balance

FORMAT

Option B	:4!c/[8c]/4!c/[N]15d	(Qualifier)(Data Source Scheme)(Quantity Type Code)(Sign)(Balance)
Option C	:4!c//4!c/4!c/[N]15d	(Qualifier)(Quantity Type Code)(Balance Type Code)(Sign)(Balance)

PRESENCE

Mandatory in mandatory sequence B

QUALIFIER

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	ELIG	R	C6	B or C	Total Eligible for Corporate Action Balance

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
2	O	BLOK	N		B or C	Blocked Balance
.....						
16	O	AFFB	N		B or C	Affected Balance
17	O	UNAF	N		B or C	Unaffected Balance
<u>18</u>	<u>O</u>	<u>ACPT</u>	<u>N</u>		<u>B or C</u>	<u>Accepted Balance</u>
<u>19</u>	<u>O</u>	<u>UCPT</u>	<u>N</u>		<u>B or C</u>	<u>Unaccepted Balance</u>

## DEFINITION

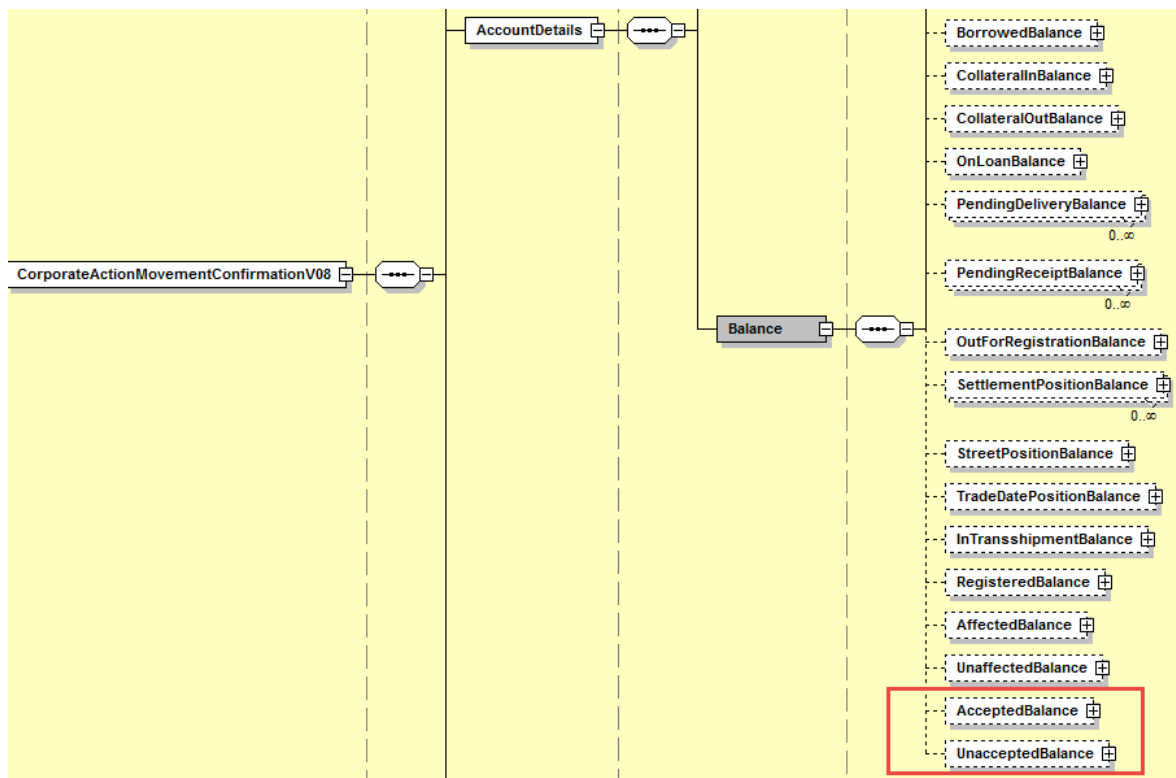
This qualified generic field specifies:

<u>ACPT</u>	<u>Accepted Balance</u>	<u>Portion of the instructed balance which was accepted for payment by the issuer /agent for a given option in case of voluntary or choice events.</u>
AFFB	Affected Balance	Balance that has been affected by the process run through the event.
BLOK	Blocked Balance	Balance of financial instruments that are blocked.
.....		
TRAN	In Transshipment Balance	Balance of physical securities that are in the process of being transferred from one depository/agent to another.
<u>UCPT</u>	<u>Unaccepted Balance</u>	<u>Portion of the instructed balance which was not accepted by the issuer /agent for a given option in case of voluntary or choice events which are prorated. Based on the offer, the unaccepted balance may be returned to the account or entitlement could be paid against the option which was not prorated.</u>
UNAF	Unaffected Balance	Balance that has not been affected by the process run through the event.

## 2. ISO 20022 Illustration

In the seev.036 (CorporateActionConfirmation), in sequence *AccountDetails/Balance*, add 2 new optional non repeatable message elements AcceptedBalance and UnacceptedBalance as defined above in ISO 15022 and as illustrated here below:





## SWIFT Comment

## Working Group Meeting

### Discussion

Most of the MWG members do not agree with the business case and the business need. Nevertheless, HK would welcome a change request in this area since a clear market practice for processing “pro-ration” in events is missing.

XS suggests looking at re-using the existing Affected and Unaffected balances for scenario 1 at least.

DE understands that there is a need for a common, harmonised process but think there are many possible solutions to announce the accepted and unaccepted balances and there seems to be no clear market practice today. Before changing any of the messages, DE thinks that the SMPG should discuss and decide on a market practice for pro-ration Accepted and Unaccepted balances.

As a conclusion, the MWG recognises the need to have clearer MPs for pro-ration events in general. Therefore the MWG recommends addressing this change request to the SMPG for further analysis of the scenarios and of the related messages flows so as to provide a clear

global market practice in this area and see whether new balance types need to be created to cover this case.

**Decision**

**Rejected**

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 2.11 CR 001357: Add Base and Incremental Denomination for Lottery Events

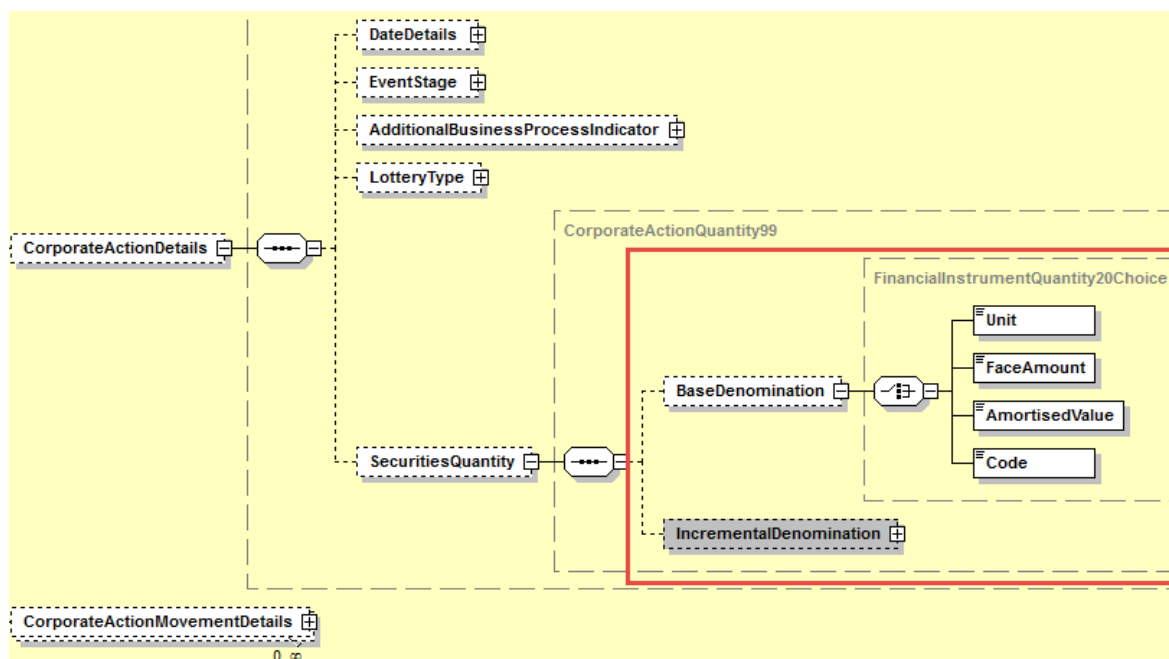
<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
MEDIUM Medium as the fields in question will be optional	
<b>Commitment to implement the change</b>	
Commits to implement and when: ISITC 2018	
<b>Business context</b>	
This request seeks to add the Base Denomination and Incremental Denomination into the CAPA message because the CAPA is the message in which Lottery Results are received for DRAW or PDEF events involving lotteries. While these fields are in the CANO announcement, they pertain to the structure of the lottery and thus should be indicated within this message. Currently, DTCC utilizes a proprietary extension to output these elements and is looking to add these into the ISO20022 CAPA message.	
<b>Nature of change</b>	
ISO 20022 RA ID: CR0663 Add Base Denomination and Incremental Denomination to CAPA message. These fields should be in new Securities Quantity Section within Corporate Action Detail.  <b>Corporate Action Details</b> <b>Securities Quantity (0..1)</b>  <b>Base Denomination (0..1)</b> - Minimum integral amount of securities that each account owner must have remaining after the called amounts are applied.  <b>Incremental Denomination(0..1)</b> - Amount used when the called amount is not met by running the lottery with the base denomination.	
<b>Message type(s) impacted</b>	
seev.035	
<b>Examples</b>	
The below example details a Corporate Action Announcement showing the Base Denomination	

and Incremental Denomination and the CAPA message with the same information added.

## Standards Illustration

### 1. ISO 20022 Illustration

In the **seev.035** (CorporateActionMovementPreliminaryAdvice) message, in the sequence CorporateActionDetails, add a new optional and non-repetitive message element SecuritiesQuantity typed by a Message component containing 2 messages elements BaseDenomination and IncrementalDenomination typed by FinancialInstrumentQuantity20Choice as already defined and designed in the seev.031 in the same CorporateActionDetails sequence and as illustrated below.



### SWIFT Comment

### Working Group Meeting

#### Discussion

Although the ISO SEG CA evaluation team was indecisive on the support of this change for the preliminary advice message, the MWG was rather supportive of the change as it seems to complement the lottery information already present in the CA Details sequence of the preliminary advice message today.

The MWG finally reached a consensus to accept this CR.

**Decision****Accepted****Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 2.12 CR 001361: Add Pagination Function to the Confirmation Message

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW Low as the field in question will be optional.	
<b>Commitment to implement the change</b>	
Commits to implement and when: ISITC 2018	
<b>Business context</b>	
<p>Pagination is a standard data element across the Corporate Action Messaging flow to indicate when there are large messages. Generally, the Corporate Action confirmation message would not have the need for this element as payment details would not exceed 100k. However, with DTCC Reorganization Automation utilizing ISO 20022 messaging, payment messages will now output in the extension details repeating instruction based entitlement information. The standard message would contain the cash and / or securities payment. But for voluntary Reorganization events, repeating detail will show the entitlement at a instruction level. This provides the client transaction references numbers for each instruction along with other key details such as instruction date, Instruction quantity. When transactions reach the 100k limit, pagination would occur. Currently, DTCC will be using the Pagination concept within the CACO extension. This change request is seeking to include the Pagination element within the Core Message as an optional field to be in alignment with the Pagination element across the CANO, CAPA and CAST messages.</p>	
<b>Nature of change</b>	
<p>ISO 20022 RA ID: CR0664</p> <p>DTCC is requesting that the Pagination building block be added into the CACO seev.036 message as to allow DTCC to paginate messages which could exceed the SWIFT 100k limit over the network. Pagination exists in the standard for the Corporate Action Announcement (CANO) seev.031 and the Corporate Action Preliminary Advice (CAPA) seev.035.</p> <p>The Pagination building block as requested would have the same structure as in the above two messages:</p> <p>Pagination XML Tag: Pgntn</p>	

Presence: [0..1]

Definition: Page number of the message and continuation indicator to indicate that the multi-parts preliminary

advice is to continue or that the message is the last page of the multi-parts preliminary advice.

PageNumber <PgNb> [1..1]

LastPageIndicator <LastPgInd> [1..1]

The need for this tag arises in DTCC's usage of the CACO within the extension portion of the message to show instruction level detail relating to the Cash or Securities Payment in the message. DTCC as part of the Reorganization ISO20022 automation initiative will be providing the entitlements at an instruction level for voluntary events. One Cash or Securities Movement could have multiple instructions to which the payment is based and the extension detail provides a means of reconciling entitlement payments when proration occurs within the CACO.

#### Message type(s) impacted

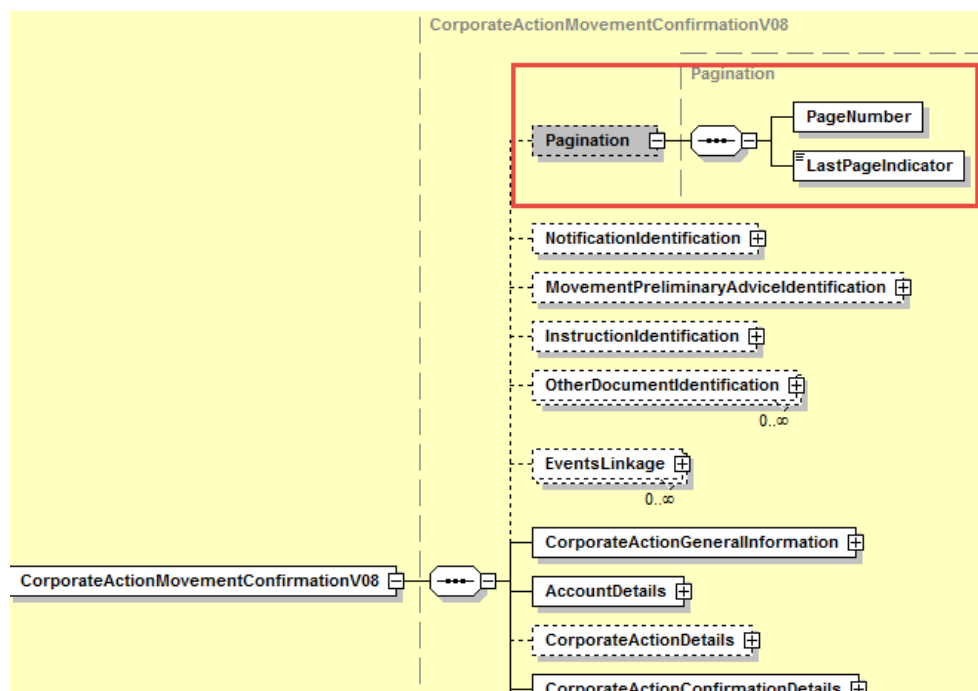
seev.036

#### Examples

## Standards Illustration

### 1. ISO 20022 Illustration

In the **seev.036** (CorporateActionConfirmation) message, add at the top of the message a new optional and non-repetitive *Pagination* message element typed by the *Pagination* MC the same way it is designed in the **seev.031**, **seev.035**, and **seev.042** messages.



## SWIFT Comment

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## Working Group Meeting

### Discussion

The ISO SEG CA Evaluation Team did not initially agree with the business case due to its limitation to the US market, but wishes for MWG to ultimately decide whether Pagination should be implemented in message for consistency purpose.

The MWG finally reached consensus on the business case and on the proposed change in so far as it does not change the existing global market practice for confirmation messages i.e. there is still a single payment message per option and per instruction and in so far as it is not reversed engineered in the MT566.

It is well understood by all that movements information will only be present in the first confirmation message (in the set of linked paginated confirmation messages).

The MWG recommends that the pagination be not used outside of the US and that the SMPG clarify its usage in the MP for the seev.036.

### Decision

Accepted

## Final decision of the Securities SEG regarding ISO 2002 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:



## 2.13 CR 001359: Cancellation Advice Enhancements

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW Medium as the fields in question will be optional	
<b>Commitment to implement the change</b>	
Commits to implement and when: ISITC 2018	
<b>Business context</b>	
<p>The need for the Additional Text attribute in the cancellation message is due to the fact that certain event details are only known once the event is being cancelled and should be on the cancel message. Only ADTX is required as this should be a straight-thru message as such these comments are critical in nature. Currently DTCC uses extension detail to handle this case and would prefer that such comments utilize the standard ADTX tag the Core message so as to conform to market practice.</p> <p>The Additional Business Process Indicator tag with the four values of PPRE, FPRE, CONS and PPUT are being requested so as to provide consistent logic between the CANO and the CACN message regarding event distinctions.</p>	
<b>Nature of change</b>	
<p>ISO 20022 RA ID: CR0665</p> <p>To enhance the CACN message to provide two enhancements</p> <ol style="list-style-type: none"> <li>1. The ability to have an Additional Text element similar in structure to the CANO which would allow for comments with the same structure as in the CANO. This element needs to be repeatable as it is the CANO / MT564. Narrative version will not be required for the CACN as this message should be STP.</li> <li>2. The ability to have the Additional Business Process Indicator in the CACN due to the fact that certain Code values for Partial Prerefunding, Consents, Partial Mandatory Puts and Full Prerefunding are needed to better identity the event when dealing with Event cancellation. The ADDB code along with the Event Code (CAEV) both are needed to fully define event.</li> </ol>	

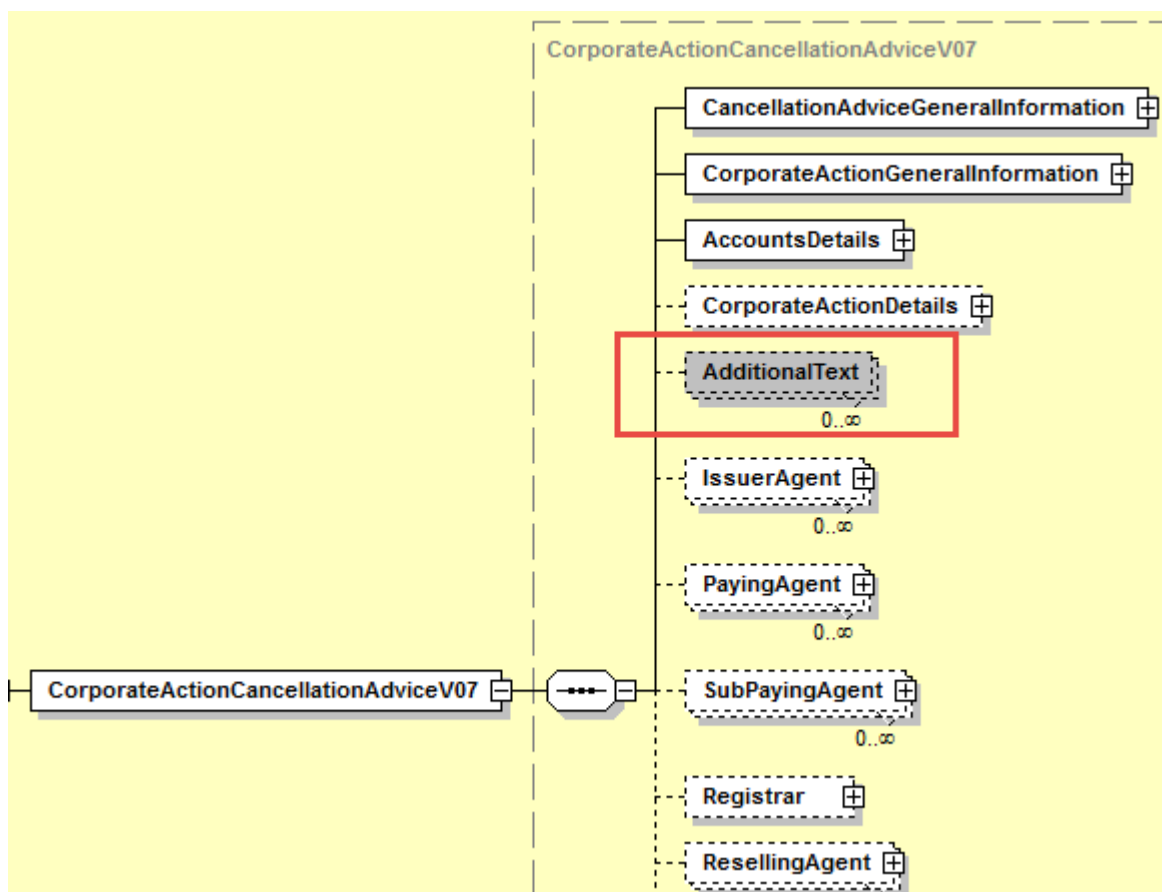
Message type(s) impacted
seev.039
Examples

## Standards Illustration

### 1. ISO 20022 Illustration

#### 1. Add a new AdditionalText message element

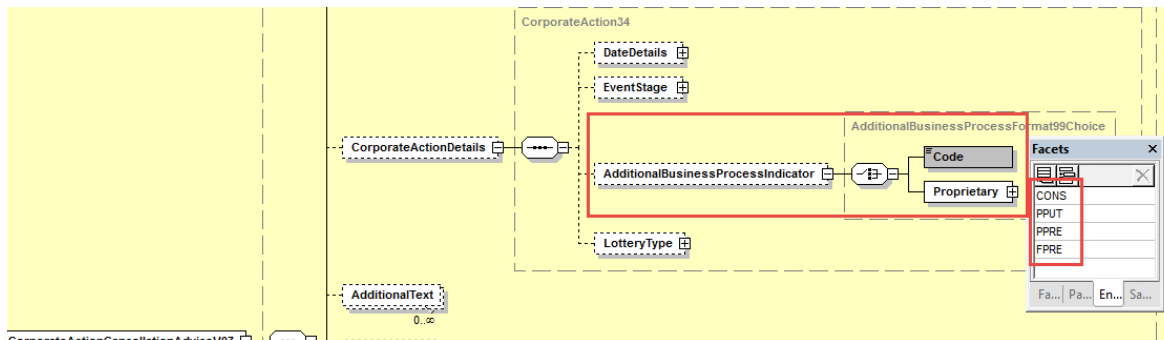
In the **seev.039** (CorporateActionCancellation) message, add a new optional and repetitive *AdditionalText* message element typed by *Max8000Text* data type just after the *CorporateActionDetails* sequence as already defined in the seev.031 and seev.035 messages and as illustrated below:



#### 2. Add a new element *AdditionalBusinessProcessIndicator* in *CorporateActionDetails* sequence

In the **seev.039** (CorporateActionCancellation) message, add a new optional and non-repetitive *AdditionalBusinessProcessIndicator* message element typed by a Choice component with code

value list with the four codes CONS, PPUT, FPPE, PPPE similarly to the same element defined in seev.035 and seev.031 and as illustrated here below.



## SWIFT Comment

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## Working Group Meeting

### Discussion

The MWG unanimously agreed on the business case and solution.

### Decision

**Accepted**

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 2.14 CR 001358: Instruction Statement Report Enhancements for Options Instructions Details

Origin of request	
Requesting Country:	
Requesting Group:	ISITC
Sponsors	
ISITC	
Complies with regulation	
None	
Business impact of this request	
MEDIUM Medium if the optional function is implemented.	
Commitment to implement the change	
Commits to implement and when: ISITC 2018	
Business context	
<p>To provide new capability to the CAST message by expanding both the balance section of the message as well as a new Options Instructions detail section. The Instruction Details section will provide significant value by showing all instruction activity for a client for a given event. It will also recap status changes in one message for instructions by including an instruction status code. For large events with many instructions, this recap statement will now provide a true statement giving both summary balances and detailed instructions. It will allow status messaging of both Corporate Action instructions, Protect Instructions and Cover Protect Instructions for a corporate action event.</p> <p>Currently, the CAST Message (seev.042) primary purpose is for an account servicer to send to an account owner or designated agent to report balances at the safekeeping account level for one or more corporate action events or at the corporate action event level for one or more safekeeping accounts. This message is primarily used for Voluntary or Choice Corporate Action events to display the events' uninstructed balance and the instructed balance at both an event and option level.</p> <p>This request seeks to expand upon the CAST's purpose by adding two main features:</p> <ol style="list-style-type: none"> <li>1. Ability to show <i>Daily Instruction</i> totals at the event and option level</li> <li>2. Ability to show instruction detail with status information within CAST statement. A new <b>Option Instruction</b> section would display corporate action instructions at the option level and would include Protect and Cover Protect Instructions messaging (including Cover Protect Status) within the US Market. .</li> </ol> <p>These expanded features give the message a true statement capability incorporating daily activity with daily instruction balance totals. The Option Instruction Detail capability would have the following mandatory elements: <b>Instruction ID, Instruction Quantity, Instruction Date and Instruction Status</b>. The optional fields include <i>customer reference number, bid</i></p>	

*price, conditional quantity and oversubscription quantity.*

These option instruction fields provide several key capabilities:

- a. **Customer Reconciliation Benefit** – by adding key fields such as Customer Reference, Bid Price or Conditional Quantity, customers will be able to better reconcile complex events with a large number of instructions
- b. **Instruction Status** – would provide a change in status at the instruction level due to instruction cancellation, event withdrawal, message rejection or acceptance. Such status messaging may aid operations in taking necessary action due to a status change.
- c. **Protect / Cover Protect Workflow status** – Option Instruction detail would also add the capability of messaging for Protects and Cover Protect instruction reporting via DTCC in the US market. The CAST message would provide the protect instruction details including Protect Instruction ID, the Protect and Cover Protect Date and the Instruction Status (Covered, Open or Expired).

Please note, these requested changes do not supersede the use of the MT567 (CAIS) at the individual instruction confirmation basis. Instead, they provide a summarized means of viewing instruction activity especially for very active events with numerous instructions.

#### Nature of change

ISO 20022 RA ID: CR0662

#### A. New Balance Fields:

##### Corporate Action Event and Balance Details

##### Total Instructed Balance Details

Daily Total Instructed Balance (0..1) The daily total of all instructions for given day

##### Options Details

##### Option Number

Daily Option Instructed Balance (0..1) The daily total of instructions received for a given option for a particular day.

#### B. Instruction Details New CAST block

The new Instruction section within the CAST message would be optional and would be output per option. The mandatory elements per instruction would include: *Instruction ID*, *Quantity*, *Instruction Status* and *Instruction Date*.

##### Corporate Action Event and Balance

##### Total Instructed Balance Details

##### Option Details

##### Option Number

##### Instructed Balance

Option Instruction Details (0..\*) Instructions received for the given option

<p><i>Instruction ID (1..1)</i>– Identification of the instruction or protect instruction</p> <p><i>Sequence Number (0..1)</i> Sequence number of the instruction</p> <p><i>Quantity (1..1)</i> – Quantity of the instruction</p> <p><i>Oversubscription Quantity (0..1)</i> oversubscription quantity of the instruction</p> <p><i>Instruction Status (1..1)</i> Status for a particular instruction</p> <p>Accepted - Instruction Accepted</p> <p>Pending – Instruction Pending</p> <p>Rejected – Instruction rejected by receiver</p> <p>Canceled – Instruction canceled by client instruction</p> <p>Covered - Protect Instruction has been full covered</p> <p>Expired – Protect instruction has expired</p> <p>Open – Protect instruction has not been fully covered</p> <p>Withdrawn – Instruction withdrawn due to event withdrawal or cancellation or Protect instruction has been withdrawn.</p> <p><i>Instruction Date (1..1)</i>– Date of the instruction</p> <p><i>Protect Date (0..1)</i> – Date of the client protect instruction</p> <p><i>Cover Protect Date (0..1)</i> Date of the Cover Protect Instruction</p> <p><i>Bid Price (0..1)</i>– Bid price of the instruction</p> <p><i>Conditional Quantity (0..1)</i>– Conditional Quantity of the instruction</p> <p><i>Customer Reference (0..1)</i>–Customer related narrative information</p>
<b>Message type(s) impacted</b>
seev.042
<b>Examples</b>
See additional input document:

## Standards Illustration

### 1. ISO 20022 Illustration

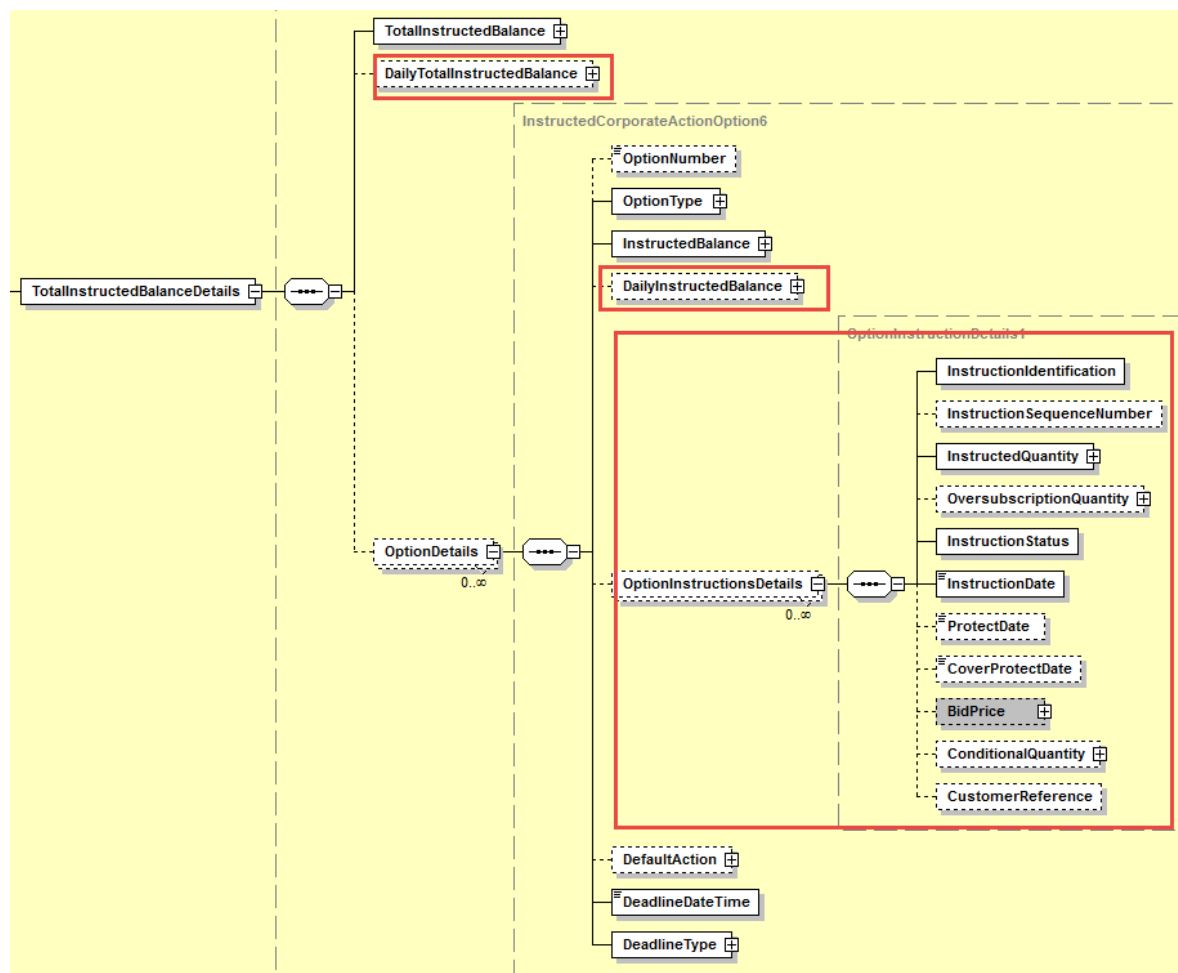
In the **seev.042** (CorporateActionInstructionStatementReport) message, in the sequence *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails*,

- Add an optional non-repetitive message element named *DailyTotalInstructedBalance* as defined above and typed by the data type *BalanceFormat5Choice*,

In the sequence

*AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails/OptionaDetails,*

- Add an optional non-repetitive message element named *DailyInstructedBalance* and as defined above and typed by *BalanceFormat5Choice*,
- Add a new optional and repetitive message element named *OptionInstructionDetails* and typed by a new component defined as a sequence of the following message elements as defined above in the CR:
  - *InstructionIdentification* - Mandatory and non-repetitive typed by *Max15Text*
  - *InstructionSequenceNumber* - Optional and non-repetitive typed by *Max3NumericText*
  - *InstructedQuantity* - Mandatory and non-repetitive typed by *FinancialInstrumentQuantity1Choice*
  - *OversubscriptionQuantity* - Optional and non-repetitive typed by *FinancialInstrumentQuantity1Choice*
  - *InstructionStatus* - Mandatory and non-repetitive typed by *DTCInstructionStatus3Code* with the following code values
    - Accepted - Instruction Accepted
    - Pending – Instruction Pending
    - Rejected – Instruction rejected by receiver
    - Cancelled – Instruction cancelled by client instruction
    - Covered - Protect Instruction has been full covered
    - Expired – Protect instruction has expired
    - Open – Protect instruction has not been fully covered. Will include partial covers.
    - Withdrawn – Client Instruction withdrawn for event with withdrawal privilege.
- *InstructionDate* - Mandatory and non-repetitive typed by *ISODatetime*
- *ProtectDate* - Optional and non-repetitive typed by *ISODatetime*
- *CoverProtectDate* - Optional and non-repetitive typed by *ISODatetime*
- *BidPrice* - Optional and non-repetitive typed by *PriceFormat45Choice*
- *ConditionalQuantity* - Optional and non-repetitive typed by *FinancialInstrumentQuantity1Choice*
- *CustomerReference* - Optional and non-repetitive typed by *Max15Text*



## SWIFT Comment

## Working Group Meeting

### Discussion

The MWG cannot agree on the proposed solution but recognises that it would be worth evaluating further the proposal to carry on detailed instruction information (as proposed by ISITC) in the ISO 20022 solution possibly in a new dedicated message.

The MWG recommends addressing the change request to the SMPG for further analysis of the scenarios and of the related messages flows so as to provide guidance on how to fit the information in line with the Standards and market practices.

### Decision



**Rejected**

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

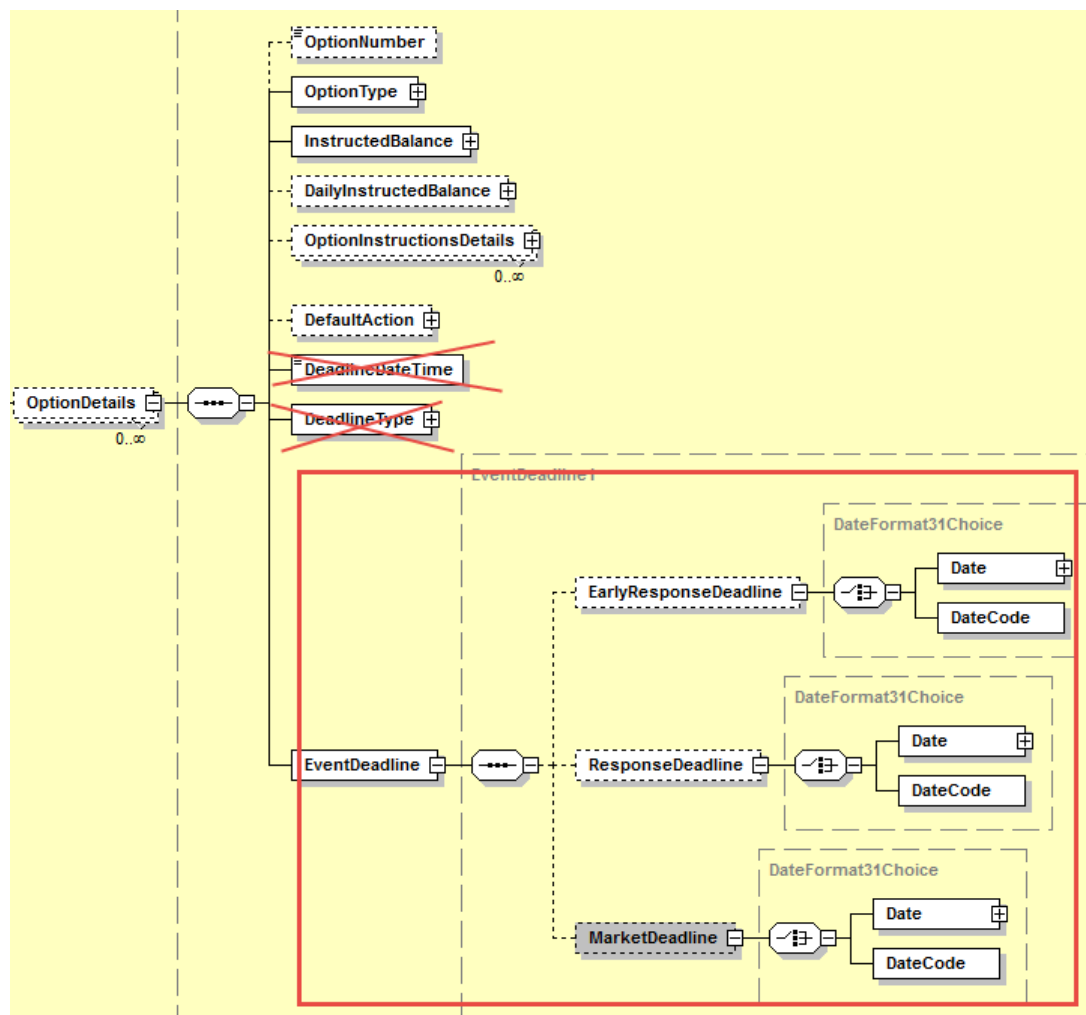
## 2.15 CR 001360: Instruction Statement Report Enhancements for Deadlines

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	ISITC
<b>Sponsors</b>	
ISITC	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
MEDIUM Medium if the optional function is implemented.	
<b>Commitment to implement the change</b>	
Commits to implement and when: ISITC 2018	
<b>Business context</b>	
<p>To align the CAST with the CANO to provide the ability to have both an Early Response Deadline (EARD) and a Response Deadline date within the same option so that both can be displayed if applicable to the same option.</p> <p>DTCC will be outputting both the Early Response Deadline and the Response Deadline Date within the same option and therefore the only way to do this in the current format is to only show the Early date until it has expired and then show the response deadline date.</p> <p>Please note there is no Date code associated with these dates as we wish to also include an "Unknown" qualifier similar to how the CANO / MT564 utilizes Response Deadline Date.</p>	
<b>Nature of change</b>	
<p>ISO 20022 RA ID: CR0661</p> <p>Within CAST message in the Total Instructed Balance Section / Option Details, currently Deadline Date and Deadline Type exists within the standard as mandatory elements. This provides the sender the ability to indicate that a deadline is either an Early Response Deadline, a Market Deadline or a Response Deadline. The change request seeks to have the ability to output more than one deadline date at the option level so that Early Response Deadline and the Response Deadline can both be output.</p> <p>Second, for Response Deadline Date, we are requesting the ability to have an Unknown (UKWN) date code for this qualifier. Normally there will be an Instruction Deadline for an event to which there is an instruction. However, there are cases whereby DTC does take instructions for Convertible Securities whereby the underlying CUSIP is an Equity (not debt) and the expiration date is not known until the Issuer / Agent sends a notice of Full Call. Once the Full Call is announced, there will be no deadline date.</p>	
<b>Message type(s) impacted</b>	

seev.042

**Examples****Standards Illustration****1. ISO 20022 Illustration**

In the **seev.042** (CorporateActionInstructionStatementReport) message, in the sequence *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails/OptionDetails*, replace the message elements *DeadlineDateTime* and *DeadlineType* by a new mandatory message element named *EventDeadline* and typed by a new message component containing 3 optional non-repetitive message elements *EarlyResponseDeadline*, and *MarketDeadline* typed by the *DateFormat31Choice* component and *ResponseDeadline* typed by *DateFormat32Choice* as illustrated here below.

**SWIFT Comment**

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## Working Group Meeting

### Discussion

The MWG agreed on the business case with the exception of Germany which commented that “Early and Late Deadlines should be different options, since it makes a difference which of the two has been accepted and needs to be confirmed and processed back to the client.”

Nevertheless DTC confirms that this “OptionDetails” information within the “TotalInstructedBalanceDetails” sequence of the CAST message need to be used in the US market to also confirm all deadlines (if an early deadline is applicable) for an option and not only to play back the deadline that was applied. The new design does not prevent either to play back only the deadline that was applied.

The MWG finally agrees with the proposed solution.

### Decision

Accepted

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## 3 Overview of SWIFT Change requests

### 3.1 CR 001293: Limit Repeatability of Stock Lending Deadline (BORD)

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	SWIFT
<b>Sponsors</b>	
SMPG	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
Low	
<b>Commitment to implement the change</b>	
Commits to implement and when: SMPG, 2018	
<b>Business context</b>	
<p>The way the SR 2015 corporate action CR 000776 (Create New Stock Lending Instruction Deadline Format Option Enabling Party Id) has been implemented in the SR 2016 is not fully aligned between ISO 15022 and ISO 20022 implementations.</p> <p>Indeed, in ISO 15022, in the MT 564, the multiplicity on the :92a::BORD (Stock Lending Deadline) qualifiers applies on all format options whilst this should not be the case as a repetition on the format options A,B,C,E is inconsistent.</p> <p>Looking at ISO 20022, two message elements have been created to correspond to the BORD qualifier in 15022, one is non repeatable, which corresponds to the ISO 15022 :92a: format options A,B,C,E, and the other one is repeatable and corresponds to the :92a: format options J and K.</p>	
<b>Nature of change</b>	
<p>Create a network validation rule for BORD qualifier in sequence E in the MT 564 in order to prevent repetition of the format options A,B,C and E as follows:</p> <p>“In each occurrence of sequence E, field :98A::BORD, field :98B::BORD, field :98C::BORD and field :98E::BORD cannot appear more than once and only one of the fields :98A::BORD, :98B::BORD, :98C::BORD and :98E::BORD may be present.</p> <p>In each occurrence of sequence E, if field :98J::BORD is present more than once, then for each occurrence of :98J::BORD, the Identifier Code must be different.</p> <p>In each occurrence of sequence E, if field :98K::BORD is present more than once, then for each occurrence of :98K::BORD, the Proprietary Code must be different.”</p>	
<b>Message type(s) impacted</b>	

MT 564

**Examples****Standards Illustration****1. ISO 15022 Illustration**

In the MT564 message, in sequence E, in field :98a: Date/Time, add a new NVR attached to the Stock Lending Deadline Date/Time BORD qualifier so as to prevent the repetition of the format options A, B, C, E as illustrated below:

**MT 564 Field Specifications**

## 62. Field 98a: Date/Time

**FORMAT**

Option A	:4!c//8!n	(Qualifier)(Date)
Option B	:4!c/[8c]/4!c	(Qualifier)(Data Source Scheme)(Date Code)
Option C	:4!c//8!n6!n	(Qualifier)(Date)(Time)
Option E	:4!c//8!n6!n[,3n][/[N]2!n[2!n]]	(Qualifier)(Date)(Time)(Decimals)(UTC Indicator)
Option F	:4!c/[8c]/4!c6!n	(Qualifier)(Data Source Scheme)(Date Code)(Time)
Option J	:4!c//8!n6!n/4!a2!a2!c[3!c]	(Qualifier)(Date)(Time)(Identifier Code)
Option K	:4!c/8c/8!n6!n/34x	(Qualifier)(Data Source Scheme)(Date)(Time)(Proprietary Code)

**PRESENCE**

Optional in optional sequence E

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	DVCP	N		A, B, or C	Depository Cover Expiration Date/Time
2	O	EARD	N		A, B, C, or E	Early Response Deadline Date/Time
3	O	EXPI	N		A, B, or C	Expiry Date/Time
4	O	MKDT	N		A, B, C, or E	Market Deadline Date/Time
5	O	PODT	N		A, B, C, or E	Protect Date/Time

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
6	O	SUBS	N		A, B, or C	Subscription Cost Debit Date/Time
7	O	RDDT	N		A, B, C, E, or F	Response Deadline Date/Time
8	O	CVPR	N		A, B, C, or E	Cover Expiration Date/Time
9	O	BORD	R	<a href="#">C21</a> , <a href="#">C22</a>	A, B, C, E, J, or K	Stock Lending Deadline Date/Time

## MT 564 Network Validated Rules

### C21

In each occurrence of sequence E, field :98A::BORD cannot appear more than once, field :98B::BORD cannot appear more than once, field :98C::BORD cannot appear more than once and field :98E::BORD cannot appear more than once and only one of the fields :98A::BORD, :98B::BORD, :98C::BORD and :98E::BORD may be present. (Error code(s) : E77)

### C22

In each occurrence of sequence E, if field :98J::BORD is present more than once, then for each occurrence of :98J::BORD, the Identifier Code must be different.

In each occurrence of sequence E, if field :98K::BORD is present more than once, then for each occurrence of :98K::BORD, the Proprietary Code must be different. Error code(s) : E78).

## SWIFT Comment

## Working Group Meeting

### Discussion

The MWG unanimously agreed on the business case and solution.

**Decision**

**Accepted**

**Final decision of the Securities SEG regarding ISO 20022 messages:**

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:



## 3.2 CR 001294: Limit Repeatability of TAXR and WITL Rates

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	SWIFT
<b>Sponsors</b>	
NA	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
Low	
<b>Commitment to implement the change</b>	
Commits to implement and when: 2018	
<b>Business context</b>	
<p>The Withholding Tax Rate (TAXR) and the Second Level Tax (WITL) rates are repeatable elements in sequence E and sub-sequence E2 of the MT 564 and in sequence D and sub-sequence D2 of the MT 566.</p> <p>However the repetition of those rates is only valid when used with the format option R and with a different Rate Type Code in each repetition similarly to the GRSS and NETT rates in the same sequences and sub-sequences and similarly to TAXC in sub-sequences E1 and E2.</p> <p>For GRSS, NETT and TAXC rates, the limitation of the repetitions is enforced via NVR C7 and C8 in the MT 564 and C3 and C4 in the MT 566.</p> <p>The limitation of repetitions should be enforced the same way for TAXR and WITL so that usage of the repeatability is consistent across all rates.</p>	
<b>Nature of change</b>	
<p>Extend the NVR C7 and C8 in the MT 564 with the following:</p> <p>C7</p> <p>In each occurrence of sequence E and subsequence E2:</p> <ul style="list-style-type: none"> <li>•field :92A::TAXR cannot appear more than once, and field :92F::TAXR cannot appear more than once, and field :92K::TAXR cannot appear more than once and only one of the fields :92A::TAXR, :92F::TAXR and :92K::TAXR may be present.</li> <li>•field :92A::WITL cannot appear more than once, and field :92F::WITL cannot appear more than once, and field :92K::WITL cannot appear more than once and only one of the fields :92A::WITL, :92F::WITL and :92K::WITL may be present. (Error code(s): E77).</li> </ul> <p>C8</p> <p>In each occurrence of sequence E and subsequence E2:</p> <ul style="list-style-type: none"> <li>•if field :92R::TAXR is present more than once, then for each occurrence of field :92R::TAXR,</li> </ul>	

the Rate Type Code must be different.

- if field :92R::WITL is present more than once, then for each occurrence of field :92R::WITL, the Rate Type Code must be different. (Error code(s): E78).

Extend the NVR C3 and C4 in the MT 566 with the following:

C3

In sequence D and in each occurrence of subsequence D2:

- field :92A::TAXR cannot appear more than once and field :92F::TAXR cannot appear more than once and only one of the fields :92A::TAXR and :92F::TAXR may be present.
- field :92A::WITL cannot appear more than once and field :92F::WITL cannot appear more than once and only one of the fields :92A::WITL and :92F::WITL may be present.

C4

In sequence D and in each occurrence of subsequence D2:

- if field :92R::TAXR is present more than once, then for each occurrence of field :92R::TAXR, the Rate Type Code must be different.
- if field:92R::TAXR is present more than once, then for each occurrence of field :92R::TAXR, the Rate Type Code must be different.

#### Message type(s) impacted

seev.031, seev.035, seev.036, MT 564, MT 566

#### Examples

## Standards Illustration

### 1. ISO 15022 Illustration

1. In the MT564 message, in sequence E and E2, assign the NVR rules C7 and C8 to the TAXR and WITL rates as described here below.

## MT 564 Field Specifications

#### 64. Field 92a: Rate FORMAT

Option A	:4!c/[N]15d	(Qualifier)(Sign)(Rate)
Option B	:4!c/[3!a/3!a/15d	(Qualifier)(First Currency Code)(Second Currency Code)(Rate)
Option F	:4!c/[3!a15d	(Qualifier)(Currency Code)(Amount)
Option H	:4!c/[3!a15d/4!c	(Qualifier)(Currency Code)(Amount)(Rate Status)
Option J	:4!c/[8c]/4!c/3!a15d/[4!c]	(Qualifier)(Data Source Scheme)(Rate Type)

Option K :4!c//4!c Code)(Currency Code)(Amount)(Rate Status)  
 Option R :4!c/[8c]/4!c/15d (Qualifier)(Rate Type Code)  
 (Qualifier)(Data Source Scheme)(Rate Type  
 Code)(Rate)

**PRESENCE**

Optional in optional sequence E

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	GRSS	R	C7, C8	F, H, J, or K	Gross Dividend Rate
2	O	TAXR	R	<u>C7,</u> <u>C8,</u> C19	A, F, K, or R	Withholding Tax Rate
3	O	ATAX	N		A, F, or K	Additional Tax
4	O	INDX	N		A, F, or K	Index Factor
5	O	OVEP	N		A or K	Maximum Allowed Oversubscription Rate
6	O	PROR	N		A or K	Pro-Ration Rate
7	O	INTP	R		A, F, J, or K	Interest Rate Used for Payment
8	O	TDMT	R		J	Taxable Income Per Dividend/Share
9	O	NETT	R	C7, C8	F, H, J, or K	Net Dividend Rate
10	O	IDFX	N		B	Issuer Declared Exchange Rate
11	O	TXIN	N		A, F, or K	Tax on Income
12	O	WITL	R	<u>C7,</u> <u>C8</u>	A, F, K, or R	Second Level Tax

2. In the MT564 message, in the Network Validated Rule section, add the following rules in C7 and C8 NVRs as described here below.

## MT 564 Network Validated Rules

**C7**

In each occurrence of sequence E and subsequence E2:

- field :92F::GRSS cannot appear more than once, and field :92H::GRSS cannot appear more than once, and field :92K::GRSS cannot appear more than once and only one of the fields :92F::GRSS, :92H::GRSS and :92K::GRSS may be present.
- field :92F::NETT cannot appear more than once, and field :92H::NETT cannot appear more than once, and field :92K::NETT cannot appear more than once and only one of the fields :92F::NETT, :92H::NETT and :92K::NETT may be present.
- field :92A::TAXR cannot appear more than once, and field :92F::TAXR cannot appear more than once, and field :92K::TAXR cannot appear more than once and only one of the fields :92A::TAXR, :92F::TAXR and :92K::TAXR may be present.
- field :92A::WITL cannot appear more than once, and field :92F::WITL cannot appear more than once, and field :92K::WITL cannot appear more than once and only one of the fields :92A::WITL, :92F::WITL and :92K::WITL may be present.

In each occurrence of subsequence E1 and subsequence E2, field :92A::TAXC cannot appear more than once and field :92F::TAXC cannot appear more than once, and field :92K::TAXC cannot appear more than once and only one of the fields :92A::TAXC, :92F::TAXC and :92K::TAXC may be present (Error code(s): E77).

## C8

In each occurrence of sequence E and subsequence E2:

- if field :92J::GRSS is present more than once, then for each occurrence of field :92J::GRSS, the Rate Type Code must be different.
- if field :92J::NETT is present more than once, then for each occurrence of field :92J::NETT, the Rate Type Code must be different.
- if field :92R::TAXR is present more than once, then for each occurrence of field :92R::TAXR, the Rate Type Code must be different.
- if field :92R::WITL is present more than once, then for each occurrence of field :92R::WITL, the Rate Type Code must be different.

In each occurrence of subsequence E1 and subsequence E2, if field :92J::TAXC is present more than once, then for each occurrence of field :92J::TAXC, the Rate Type Code must be different (Error code(s): E78).

3. In the MT566 message, in sequence D and D2, assign the NVR rules C3 and C4 to the TAXR and WITL rates as described here below:

## MT 566 Field Specifications

### 45. Field 92a: Rate FORMAT

Option A	:4!c/[N]15d	(Qualifier)(Sign)(Rate)
Option F	:4!c/3!a15d	(Qualifier)(Currency Code)(Amount)
Option H	:4!c/3!a15d/4!c	(Qualifier)(Currency Code)(Amount)(Rate Status)
Option J	:4!c/[8c]/4!c/3!a15d[/4!c]	(Qualifier)(Data Source Scheme)(Rate Type Code)(Currency Code)(Amount)(Rate Status)
Option R	:4!c/[8c]/4!c/15d	(Qualifier)(Data Source Scheme)(Rate Type Code)(Rate)

### PRESENCE

Optional in mandatory sequence D

**QUALIFIER**

(Error code(s): T89)

Order	M/O	Qualifier	R/N	CR	Options	Qualifier Description
1	O	GRSS	R	C3, C4	F, H, or J	Gross Dividend Rate
2	O	TAXR	R	<a href="#">C3</a> , <a href="#">C4</a> , C8	A, F, or R	Withholding Tax Rate
3	O	INDX	N		A or F	Index Factor
4	O	ATAX	N		A or F	Additional Tax
5	O	OVEP	N		A	Maximum Allowed Oversubscription Rate
6	O	PROR	N		A	Pro-Ration Rate
7	O	INTP	R		A, F, or J	Interest Rate Used for Payment
8	O	TDMT	R		J	Taxable Income Per Dividend/Share
9	O	NETT	R	C3, C4	F, H, or J	Net Dividend Rate
10	O	WITL	R	<a href="#">C3</a> , <a href="#">C4</a>	A, F, or R	Second Level Tax

4. In the MT566 message, in the Network Validated Rule section, add the following rules in C3 and C4 NVRs as described here below.

## MT 566 Network Validated Rules

### C3

In sequence D and in each occurrence of subsequence D2:

- field :92F::GRSS cannot appear more than once and field :92H::GRSS cannot appear more than once and only one of the fields :92F::GRSS and 92H::GRSS may be present.
- field :92F::NETT cannot appear more than once and field :92H::NETT cannot appear more than once and only one of the fields :92F::NETT and 92H::NETT may be present.
- [field :92A::TAXR cannot appear more than once and field :92F::TAXR cannot appear more than once and only one of the fields :92A::TAXR and 92F::TAXR may be present.](#)
- [field :92A::WITL cannot appear more than once and field :92F::WITL cannot appear more than once and only one of the fields :92A::WITL and 92F::WITL may be present.](#)

In each occurrence of subsequence D1 and subsequence D2, field :92A::TAXC cannot appear more than once and field :92F::TAXC cannot appear more than once and only one of the fields :92A::TAXC and :92F::TAXC may be present(Error code(s): E77).

## C4

In sequence D and in each occurrence of subsequence D2:

- if field :92J::GRSS is present more than once, then for each occurrence of field :92J::GRSS, the Rate Type Code must be different.
- if field:92J::NETT is present more than once, then for each occurrence of field :92J::NETT, the Rate Type Code must be different.
- if field :92R::TAXR is present more than once, then for each occurrence of field :92R::TAXR, the Rate Type Code must be different.
- if field:92R::WITL is present more than once, then for each occurrence of field :92R::WITL, the Rate Type Code must be different.

In each occurrence of subsequence D1 and subsequence D2, if field :92J::TAXC is present more than once, then for each occurrence of field :92J::TAXC, the Rate Type Code must be different (Error code(s): E78).

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## 2. ISO 20022 Illustration

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In the **seev.031** (CorporateActionNotification) message, in the sequences  
*CorporateActionOptionDetails/RateAndAmountDetails/, and*  
*CorporateActionOptionDetails/CashMovementDetails/RateAndAmountDetails/,*

and in the **seev.035** (CorporateActionMovementPreliminaryAdvice) message in the sequence  
*CorporateActionMovementDetails/RateAndAmountDetails/,*  
*CorporateActionMovementDetails/CashMovementDetails/RateAndAmountDetails/,*

and in the **seev.036** (CorporateActionMovementConfirmation) message in the sequence  
*CorporateActionConfirmationDetails/RateAndAmountDetails/,*  
*CorporateActionConfirmationDetails/CashMovementDetails/RateAndAmountDetails/,*

add the following 4 Textual Rules:

- **WithholdingTaxRate1Rule:**  
*If WithholdingTaxRate is repeated, then*  
*WithholdingTaxRate/RateTypeAndRate/RateType/Code values must all be different in each*  
*occurrence of WithholdingTaxRate. (MT 564 NVR C8).*
- **WithholdingTaxRate2Rule:**  
*Only a single occurrence of either WithholdingTaxRate/Amount or WithholdingTaxRate/Rate or*  
*WithholdingTaxRate/NotSpecifiedRate may be present, only one of those elements may be*  
*present. (MT 564 NVR C7)*
- **SecondLevelTax1Rule:**  
*If SecondLevelTax is repeated, then SecondLevelTax/RateTypeAndRate/RateType/Code*  
*values must all be different in each occurrence of SecondLevelTax. (MT 564 NVR C8).*
- **SecondLevelTax2Rule:**  
*Only a single occurrence of either SecondLevelTax/Amount or SecondLevelTax/Rate or*  
*SecondLevelTax/NotSpecifiedRate may be present, only one of those elements may be*  
*present. (MT 564 NVR C7)*

## SWIFT Comment

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## Working Group Meeting

### Discussion

SWIFT confirms that this is an alignment of the NVR rules for WITL and TAXR with what is already done for GRSS and NETT since the conditions for the repetition in format option R for WITL/TAXR are identical to format option J for GRSS and NETT. This prevents inconsistent repetition of those rates when used with format options A, F, K.

The MWG unanimously agreed on the business case and solution.

### Decision

Accepted

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

### 3.3 CR 001362: Align Naming of Interest Rate elements

<b>Origin of request</b>	
Requesting Country:	
Requesting Group:	SWIFT
<b>Sponsors</b>	
<b>Complies with regulation</b>	
None	
<b>Business impact of this request</b>	
LOW - Element name change only	
<b>Commitment to implement the change</b>	
Commits to implement and when:	
<b>Business context</b>	
<p>The change of definition of the InterestRate message element in the CA messages was done in the previous maintenance cycle (SR2017), however one change was forgotten in the seev.031 as the name of the element was "Interest" i.e. slightly different from the name "InterestRate" used in all other CA seev messages.</p> <p>It is therefore proposed to also align the name of the elements with all the other "Interest Rate" elements in the CA MX messages.</p>	
<b>Nature of change</b>	
<p>ISO 20022 RA ID: CR0660</p> <p>In the seev.031, in the sequence CorporateActionDetails/RateAndAmountDetails, rename the element "Interest" as "Interest Rate" and amend the definition of this element as requested in the CR 0001126 for the 2016/2017 maintenance cycle as follows:</p> <p>"Annualised interest rate of a financial instrument used to calculate the actual interest rate of the coupon or the accrued interest" instead of "Annual rate of a financial instrument"</p>	
<b>Message type(s) impacted</b>	
seev.031	
<b>Examples</b>	

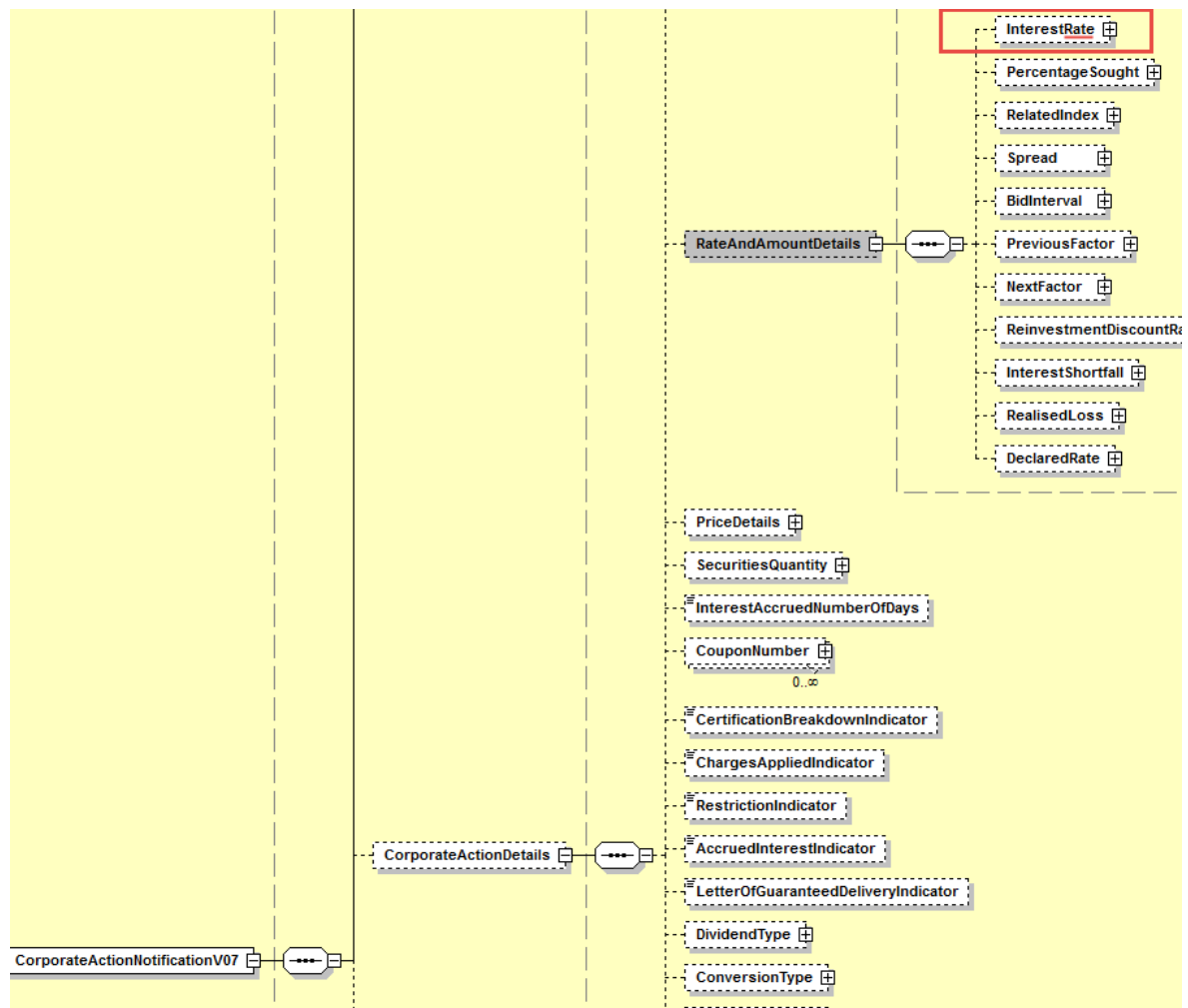


## Standards Illustration

### 1. ISO 20022 Illustration

In the **seev.031** (CorporateActionNotification) message, in sequence *CorporateActionDetails/RateAndAmountDetails*, rename the message element “Interest” as “InterestRate” and changed the definition by the new definition:

*“Annualised interest rate of a financial instrument used to calculate the actual interest rate of the coupon or the accrued interest”.*



### SWIFT Comment

## Working Group Meeting

### Discussion

ISITC/US is concerned by the huge impact this change may have in their market since it implies re-testing this heavily used seev.031 message with DTCC whilst there is no real business benefit in the CR.

Nevertheless the MWG agrees to implement this change for the seev.031 message in SR2018 as there are other important changes having a business value in this release and impacting this same seev.031 message so that re-testing is anyway required for the seev.031.

### Decision

**Accepted**

## Final decision of the Securities SEG regarding ISO 20022 messages:

Approve the MWG decision	
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Comments:

Reject the MWG decision	
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Reason for rejection:

## End of document