

SMPG - Corporate Action

Telephone Conference Minutes

30 November 2011

Final Version v1.1 – December 20, 2011

Table of Contents

[1. CA 203 - Yearly GMP updates as per SR2012 4](#_Toc311553730)

[2. CA172 - "Usage for the new  Affected Balance and Unaffected Balance" (ISITC) 5](#_Toc311553731)

[3. CA 194/CA202 - Reinvestment of Fund Cash Distribution (REIN) Code (UK&IE) 5](#_Toc311553732)

[4. CA214 - MT567 definition of IPRC//PACK vs PEND - NMPG Feedback 5](#_Toc311553733)

[5. CA 218 - Long-term and short-term capital gain in one event (ISITC) 6](#_Toc311553734)

[6. CA 222 - MT 56X - New Event Type  for Cash Distribution from Sale of Non-Eligible Securities 6](#_Toc311553735)

[7. CA 224 - MT 56X - New Event Type  INFO & new INFO Indicator 6](#_Toc311553736)

[8. CA 226 - Disclosure (DSCL) event - Clarify usage / market practice 6](#_Toc311553737)

[9. Tax Subgroup Update 6](#_Toc311553738)

[10. PV Subgroup Update 6](#_Toc311553739)

[11. Other 7](#_Toc311553740)

[12. Next Meeting 7](#_Toc311553741)

Attendees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | BE | Veronique | Peeters | BNY Mellon |
|  | CA | Cairbre | Cowin | RBC Dexia Investor Services |
|  | DE | Daniel | Schaefer | HSBC |
|  | FR | Kimchi | Phungtran | BNP Paribas |
|  | JP | Ichiro | Yamamoto | Mizuho |
| Co-chair | LU | Bernard | Lenelle | Clearstream Banking |
|  | MDPUG | Peter | Hinds | Interactive Data |
|  | NO | Grethe | Pedersen | DnB NOR Bank |
|  | UK & IE | Matthew | Middleton | LSE |
| Co-chair | SE | Christine | Strandberg | SEB |
|  | US | Sonda | Pimental | BBH |
| Facilitator | - | Jacques | Littré | SWIFT Standards |

Apologies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | AT | Karin | Wachter | Unicredit |
|  | MDPUG | Laura | Fuller | Telekurs |
|  | UK & IE | Mariangela | Fumagalli | BNP Paribas |
|  | XS | Delphine | Haillez | Euroclear |
|  | ZA | Sanjeev | Jayram | FNB |

Meeting Agenda

1. CA 203      Yearly GMP Part 1,2,3 and samples alignment as per  SR2012 and yearly summary of changes to MPs - STATUS

2. CA 172       Usage for the new  Affected Balance and Unaffected Balance - Sonda

3. CA 194/CA202   Reinvestment of Fund Cash Distribution (REIN) Code / Funds related Issues – Mariangela/Matthew

4. CA 214       MT567 definition of PACK vs PEND - NMPG Feedback

5. CA 218      Long-term and short-term capital gain in one event - Sonda

6. CA 222      MT 56X - New Event Type  for Cash Distribution from Sale of Non-Eligible Securities – Bernard/Sonda

7. CA 224      MT 56X - New Event Type  INFO & new INFO Indicator – NMPG Feedback

8. CA 226      Disclosure (DSCL) event - Clarify usage / market practice – Bernard/Delphine/Sonda

9. Tax Subgroup Update

10. PV Subgroup Update

# CA 203 - Yearly GMP updates as per SR2012

**1.A – GMP Part 1**

Several inputs requested for GMP Part 1 (as per the document “GMPPart1\_SR2012\_MPs Impacts\_v2.xlsx” discussed in La Hulpe) have been consolidated in a first SR2012 draft GMP Part1 and sent out for review on November 24.

**Action**: NMPGs review feedback to be sent to Jacques before end of year.

**1.B – Templates**

Status (30 Nov.): 30 templates (on a total of 69) received to date. (Status 50/66 on Dec13)

|  |  |  |
| --- | --- | --- |
| Who | Status | Post meeting Status Dec12 |
| Ben | Samples for next week. | Completed |
| Bernard | Nine out of ten completed. Cannot find a real-life example of CONV MAND. Peter will look for it. | Completed and CONV MAND dropped |
| Veronique | Has sent almost all. ICSDs have a number of PPMT VOLU events, but not MAND or CHOS. Will update CHOS template from last year. | Completed except PLAC MAND (needed ?) |
| Christine | Completed | - |
| Charlotte | PCAL no update necessary | - |
| Daniel | Completed | - |
| Delphine | Will send before end of week. CREV to be sent by Delphine to Bernard for verification. | Completed |
| Kim | Will send before end of week. | Still pending |
| Lena | Completed | - |
| Mari/Matthew: | Completed | - |
| Peter | Completed – MRGR CHOS: cash options taken out | - |
| Sanjeev | Has sent three out of six. Will send remaining soon | Still pending |
| Sari | Completed | - |
| Sonda | Will send all but one this week. DRCA to be sent later next week after ISITC review. PDEF MAND will possibly send a template, but the event type does not happen often. | Still pending |
| Matthew | CHAN VOLU: Matthew was to check, but have not found – event dropped | - |

.

**Action**:

* Christine to contact Sari.
* Sonda, Sari, Kim, Sanjeev to provide pending inputs.

**1.C – GMP Part 2**

EIG Global Grid: Discussion regarding optional, recommended and mandatory in the EIG and templates. Deadlines for VOLU events should be put as “Mandatory” and not [O].

Please remember the delta statement for country column changes!

Actions:

NMPGs to provide for Jan. 13, 2012 to Jacques:

* EIG+ Global Grid review feedback + review all “Optional” and see which ones should become “Mandatory”
* Country Column updates and Delta info with SR2011
* RDTE usage input in the “Record Date Tracking” table.

Jacques:

* to add new CAEV in EIG based on Sonda’s DRCA template and replace EXER with PRPP
* to ensure final review for cross-consistency between the EIG+ Global Grid and the templates

# CA172 - "Usage for the new  Affected Balance and Unaffected Balance" (ISITC)

1. Use of affected and unaffected balance. Should this be reflected in the global documents, not just the US MP document ? Sonda will illustrate this into the DRAW template.

2. Discussions regarding the drawing results “publication date”: US and DTCC have agreed to use “Record date”.

Action:.

* Sonda will illustrate the usage of affected and unaffected balances in the DRAW template by providing an MT 564 announcement and entitlement (result) message templates.
* Sonda will forward the ISITC MP about the Record date and then the item can be closed.

# CA 194/CA202 - Reinvestment of Fund Cash Distribution (REIN) Code (UK&IE)

No call has been arranged yet by UK due to scheduling difficulties.

Action: Jacques postpone this item to January conf call.

# CA214 - MT567 definition of IPRC//PACK vs PEND - NMPG Feedback

Feedback is provided verbally by US, ZA, SE, FR, and DE; sometime different feedback specifically about the usage of ADEA reason code with either PACK or PEND.

The ensuing discussion shows that the actual semantic of IPRC//PACK and PEND statuses may vary in function of the asset servicer role in the processing chain (CSD or sub-custodian,..) or in function of the operational message flow for the MT 567 (ie. when the status message is sent - immediately after instruction received or later when the instruction is accepted and forwarded for further processing). Feedback shows that for some, IPRC//PEND means that account owner reaction is required, for others not.

As there is no easy consensus on the above, it is decided to postpone the discussion to the April meeting with a written detailed proposal as basis on which NMPGs can provide feeedback for the meeting discussion.

Post meeting comments from NO

The Norwegian NMPG supports the name/definition of  IPRC//PACK  change:  “PACK - Accepted for Further Processing – Instruction has been accepted.

For your info only/ Comment from DnB : Our system will automatically produce code PACK as confirmation that the instruction has been accepted for further processing. However, if the instruction requires further action we will provide a new MT567 with applicable codes like e.g. LATE etc.

**Action**: Co-chairs/Jacques to submit more detailed proposal for April meeting.

# CA 218 - Long-term and short-term capital gain in one event (ISITC)

The ISITC proposal is to have the capital distribution with Long Term and Short Term Capital Gain (LTCG / STCG) clearly separated out from the dividend event (DVCA) even if the dates etc. are the same for both events.

There was no NMPG feedback at the conf. call. If no negative feedback is provided by the January 25th conf. call, a specific section will be added within the GMP Part 1 document for this new MP.

Action: Sonda to provide copy of the ISITC MP to Jacques who will include in GMP Part 1 if approved at January call.

# CA 222 - MT 56X - New Event Type  for Cash Distribution from Sale of Non-Eligible Securities

Action:

* Sonda will provide the new DRCA template to Jacques.
* Jacques to add a new event line in the EIG.

# CA 224 - MT 56X - New Event Type  INFO & new INFO Indicator

NMPG’s feedback provided at the meeting:

* SE, DE: No business need for this and do not want to become market data providers.
* ICSDs: If the SMPG rejects a new INFO event, the ICSDs will likely proceed with a company “Conference Call” CR.
* UK: Neutral to positive, in favor of “conf calls” CR but did not see a need for other INFO events.
* ISITC: See business need for conf call, but also think that other possible uses could appear later and thus propose a “company info” (not a CA) code to avoid needing to add more CAEV codes.

Action: the other NMPGs are requested to provide their feedback for next conference call December 20.

# CA 226 - Disclosure (DSCL) event - Clarify usage / market practice

Postponed due to time constraints.

ICSDs believe consent events (CA 167) have a higher priority and would like to do that before CA 226.

Action: Jacques to schedule CA167 discussion for December 20 conf call.

# Tax Subgroup Update

Jean-Pierre Klak has accepted the offer to co-chair with Kimchi the tax subgroup.

Action: Jean-Pierre and Kimchi to schedule the tax subgroup conf calls for 2012.

# PV Subgroup Update

The UK NMPG has proposed George Harris (JPM) who is not a member of the UK NMPG. A conf. call will be arranged between the co-chairs and Georges to discuss how to organise this.

ISS has accepted to join the group. SWIFT will contact Broadridge to ask them to join the group.

Action: Jacques to organise conf Call with Georges Harris and co-chairs.

# Other

MDPUG questions:

* Data providers are told that they no adhere to local Indian MPs, but IN market is not included in the EIG.

Action: Jacques will check with AP colleagues when India will be ready to publish their MPs as it was initially announced for mid-November.

* Dutch auction:

Action: Sonda to investigate and revert

# Next Meeting

December 20, 2011 from 2 to 4 PM CET.

**------------------------ End of the Meeting Minutes -----------------**