SMPG - Corporate Action

Telephone Conference Minutes

27 June 2012

Draft Version v0.1 – July 16, 2012

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Attendees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | CH | Michael | Blumer | Credit Suisse |
|  | DE | Daniel | Schaefer | HSBC |
|  | IT | Paola | De Antoni | Societe Generale |
|  | JP | Ichiro | Yamamoto | Mizuho |
|  | MDPUG | Laura | Fuller | Telekurs |
|  | MDPUG | Peter | Hinds | Interactive Data |
|  | RU | Elena | Solovyeva | NSD (National Settlement Depository) |
| Co-chair | SE | Christine  | Strandberg | SEB |
|  | UK & IE | Mariangela | Fumagalli | BNP Paribas |
|  | US | Sonda | Pimental | BBH |
|  | ZA | Sanjeev | Jayram | First National Bank |
| Facilitator |  | Jacques | Littré | SWIFT |

Apologies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | FI | Sari | Rask | Nordea |
| Co-chair | LU | Bernard  | Lenelle | Clearstream Banking |
|  | NO | Grethe  | Pedersen | DnB NOR Bank |
|  | DE | Andreana | Pileri | Commerzbank |

Meeting Agenda

Approval of May 23 conf Call minutes

Conf Call Schedule – Move/cancel November call (because of Osaka)

CA 203             Yearly GMP /EIG+ / Template Updates

CA167              Consent Events /+ Schemes - Clarify business flows.

CA 202             Funds related Issue

CA 224             MT 56X - New Event Type  INFO & PROC//INFO Indicator

CA 225             MT 565 - Add Option Features, Rates and Narrative & Remove OFFR

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

CA 232             Pagination MP

CA 234             Unknown Proceeds (PRUN) and Option Applicability (CAOS)

CA 235             Third Party Offer (“Junk offers”) vs. a Regular Tender Offer

CA 238             Reporting of Bond Holder Meeting in ISO 15022/20022

Tax Subgroup update

PV Subgroup update

# Approval of May 23 Conf Call

The minutes are approved without comments.

# Conf Call schedule

The November call was cancelled due to conflict with the Osaka meeting. A conf call to discuss the SR2013 CRs was added on July 26, 2-4 PM CET.

# CA 203 – EIG+ & Template Updates (review & follow up NMPG inputs)

Review remaining action items from the Athens meeting (see Athens meeting minutes):

1. CLSA VOLU: REVO period included in template but not in GG. Do we add in GG ?

-> Jacques to remove REVO from the template

**-> Sonda to provide PWAL value for the CLSA template as well as the “terms” paragraph for the event**.

2. DETI MAND: Check if :92a::RATE is needed ? -> Rate is not needed.

3. DRCA MAND: EFFD=Unknown is in template but not in GG. Is it needed ?

-> Jacques to remove EFFD from template

4. LIQU MAND in EIG+ DE column: XDTE[O] missing comments on usage of XDTE.

-> **Daniel/Andreana to provide comments on XDTE usage.**

5. CONS VOLU: INCE rate is M in GG, but not included in template.

-> Change INCE to O in GG. Jacques to email the template to Christine, who will insert INCE.

6. RDTE tracking tab: Input from Belgium and US missing.

 -> **US and BE to provide their input**

# CA 167 – Consent Events /+ Schemes - Clarify business flows

ISITC did not believe there were any other changes to the document, and have adopted it and plan to publish it next week. Bernard has made some changes and will email the updated version to Sonda and Delphine by end of this week. -> Postponed to next conf call.

**Action**: Bernard to send updated document to Sonda and Delphine

# CA 202 – Funds related Issue

Mari will create a list. Andreana and Veronique did not attend the call, and have not sent any lists.

Action: Andreana (covering DE), Mari (covering UK&IE) and Veronique (covering the rest of countries) to create the respective list of pain points for investment funds related events i.e. income distributions, capital reorganisations (fund mergers, de-mergers, closures etc.) and shareholder voting, reinvestment of Fund (REIN) Cash Distribution.

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

Feedback from NMPG’s on when :25D:PROC//INFO is used and for what purpose ?

SE: Used (probably) erroneously by one company for Bankruptcy. Otherwise not used.

CH: Not discussed yet; will revert after the next meeting in early July.

-> Item to be discussed at the September conf call.

# CA 225 – MT 565 - Add Option Features, Rates and Narrative (NMPG Feedback)

NMPG’s Feedback on the 3 questions asked in Athens (Cont’d):

1. Can we create a market practice for validation on other fields/values to find the right option when an instruction does not have a proper CAON ?
2. Can we create a market practice for validation on other fields to identify the right event when an instruction does not have a proper CORP ?
3. Can we support the (not yet ready) US CR to add more data elements (Sonda’s document) in the MT565 ?

JP: Quite difficult for JP to accept the US CR.

LU: feedback via email: Not in favor (issue with implementation impact and the fact that other issues will still remain: maintain special options and deadlines for each providers).

FI: feedback via email. Answers to questions:

1. No 2. No 3. No

The Finnish NMPG believes that when COAF will be widely used it will solve current problems.

UK:

1. Yes, if it increases STP

2. Accept 565 without correct CORP only if COAF included

3. Mari will email the UK comments; the CR is supported only under certain conditions.

RU:

1. Need correct CAON

2. Need CORP (or COAF when implemented)

3. Neutral

CH:

1 and 2: Reported last conf call

3: Implementation impact in Europe is high rather than medium. Do not see the benefits with the inclusion of dates. Addition of OFFO was also questioned, since it is narrative. CH is not in favor.

ISITC meeting feedback (Jacques): The large majority of ISITC participants are very strongly in favor of the CR, and the IM community will implement support for it directly. In reality, many IMs already use the proposed process with “dummy” numbers in CAON.

# CA 226 – Disclosure (DSCL) event  - Clarify Usage / MP

May 2012: CR put "on hold" waiting for the feedback on CAMV code.

NMPG’s feedback on usage of DSCL events:

NO (via email): Seldom used, then voluntary. No need to have new CAMV code and option codes.

JP (via email): For Non systematic / Outside event / Not linked to Threshold / Nominee Level: This event happens irregularly. It happens when issuers request for the "General Shareholders Notification".

UK&IE: Not applicable, therefore no comments

FI: Seldom used, and voluntary if used. No need to have new CAMV code and option codes.

IT: Not used

CH: Will report at next call

US/ISITC: Have not yet discussed; will report at next call

SE: Have not yet discussed; will report at next call

-> Item to be discussed at the September conf call.

# CA 232 – Pagination MP

NMPG feedback on MP:

UK: Approve

SE: Do not anticipate usage, but approve the MP

US/ISITC: Question re the last bullet (about GENR), this was clarified and accepted since GENR can also be uses in this case instead of sending two or more notifications per individual account.

FI (via email): Approve

# CA 234 –Unknown Proceeds (PRUN) and Option Applicability (CAOS)

NMPG feedback on question raised on the MP: Should the following sentence be included in the CAOS MP text ?: "*This does not include a previous and irrevocable choice by the account owner*".

No feedback received from NMPG’s on this.

CAOS MP accepted in the proposed version for GMP1, SR2012 v1.1. If needed, text on the additional issue can be added for SR2013 v1.0.

# CA 235 – Third Party Offer (“Junk offers”) vs. a Regular Tender Offer

Two CRs on this issue – creation of a new event or indicator for Third Party Offer - have been received, from Luxembourg and the US.

Feedback from NMPGs:

CH: N/A

UK: Have them, but not sure how they are processed. No examples found.

SE: N/A

ZA: N/A

FI (via email): N/A

Action: Jacques to close this item as the decision is now in the hands of the MWG.

# CA 238 – Reporting of Bond Holder Meeting in ISO 15022/20022

Jacques reported on his action: bondholder meetings are not included in the ISO 20022 PV messages. Thus, MP for bondholder meetings stay with the CA-WG.

Proposal to create a MP to state that CAEV code CONS is to be used for bondholder meetings.

**Action:** NMPGs are requested to provide feedback on this proposal.

# Tax subgroup update

Since Kim or Bernard did not attend the call, no report was made.

# PV subgroup update

Christine briefly mentioned the email sent last week, and requested those NMPG representatives to the subgroup who had not yet reverted on possible dates beginning of July to do so promptly.

# AOB

Sonda asked the CA-WG for their opinion on an issue recently discussed at ISITC about which option code to use when exchanging a bond against another security and the holders will also receive the accrued interest for the bond – SECU or CASE?

Decision: The WG briefly discussed and favoured the SECU option.

# Next Conference Call

 13 September, 2012 From 2 to 4 CET.

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