

SMPG - Corporate Action

Telephone Conference Minutes

13 September 2012

Draft Version v0.1 – September 18, 2012

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Attendees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | BE | Veronique | Peeters | BNY Mellon |
|  | CH | Michael | Blumer | Credit Suisse |
|  | JP | Ichiro | Yamamoto | Mizuho |
| Co-chair | LU | Bernard  | Lenelle | Clearstream Banking |
|  | NO | Grethe  | Pedersen | DnB NOR Bank |
|  | RU | Sofia | Prokofeva | Rosbank |
|  | UK & IE | Matthew  | Middleton | LSE |
|  | US | Sonda | Pimental | BBH |
|  | XS | Delphine | Hailliez | Euroclear |
| Facilitator |  | Jacques | Littré | SWIFT |

Apologies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Country** | **First Name** | **Last Name** | **Institution** |
|  | FR | Kimchi | Phungtran | BNP Paribas |
|  | DE | Andreana | Pileri | Commerzbank |
|  | DE | Daniel | Schaefer | HSBC |
|  | MDPUG | Laura | Fuller | Telekurs |
|  | MDPUG | Peter | Hinds | Interactive Data |
|  | RU | Elena | Solovyeva | NSD (National Settlement Depository) |
| Co-chair | SE | Christine  | Strandberg | SEB |
|  | ZA | Sanjeev | Jayram | First National Bank |

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Meeting Agenda

CA 203             Yearly GMP /EIG+ / Template Updates

CA 167              Consent Events /+ Schemes - Clarify business flows.

CA 202             Funds related Issue

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

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

CA 232             Pagination MP follow up – NMPG feedback

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

Tax Subgroup update

PV Subgroup update

# CA 203 – Yearly GMP / EIG+ / Template Updates

At the SR2013 CA MWG meeting end of August, the group has defined some follow up actions to be carried out by the SMPG as an outcome of the discussions on various change requests (whether approved or rejected CRs).

A summary of those follow actions is provided in the sheet named “SR2013 SMPG Actions” in the latest “CA SMPG Open Items” Excel file.



Bernard goes through the list of follow up actions.

**Decision**:

The GMP Part 1 subgroup will review each priority 1 follow up action and come back to the whole group with proposals for solutions. The following CRs# will be reviewed in priority 1: 399 / 406 / 427 / 393 / 421 / 383 / 423 / 411. For 421, UK should come up with a proposal first.

The remaining follow up actions CRs in the list (400 / 418 / 389 / 397 / 439 / 386) are priority 2.

**Actions**:

* Jacques to update the “SR2013 SMPG Actions” sheet indicating country of CRs submitter and adding “but MP necessary” in decision column
* Jacques to distribute the minutes of the CA MWG meeting to the group so that everyone can refer to the CR details and discussions for the follow up.
* Jacques to create a new open item different from CA203 to cover this follow up on SR2013.
* Veronique to set up a conference call for the GMP Part 1 subgroup during first week of October to discuss the follow up items priority 1.
* CA 203 - Remaining action items from the Athens meeting:
* on CLSA VOLU: **Sonda** to provide PWAL value for the CLSA template as well as the “terms” paragraph for the event.
* LIQU MAND in EIG+ DE column: XDTE[O] missing comments on usage of XDTE.: **Daniel / Andreana** to provide comments in EIG on XDTE usage.
* RDTE tracking tab: **Sonda and Veronique** to provide their respective US and BE input.

Remaining questions on the EIG+ (post meeting comments from Delphine) to be addressed in future calls:

* CONS: not all consent events have consent fees, hence PAYD should be optional
* CONS: for XS not all consents have a record date, therefore the record should be optional in the XS column
* EXOF VOLU and EXOF CHOS: following comment should be added "NEWO or / and OFFR (either one or the other or both must be present)" like in EXOF MAND
* BIDS VOLU: why is RDTE mandatory while it is not in a TEND VOLU ?

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

Bernard has made some changes last June in the document and it still need to be reviewed with Sonda and Delphine.

The document should also be updated to be aligned with SR2013 decisions namely on SOFE/INCE definitions.

**Action**: Bernard to send updated Consent document to Sonda and Delphine for review and integrate also SR2013 related changes.

# CA 202 – Funds related Issue

The list of funds related pain points and issues still need to be created by Mari, Andreana and Veronique.

Actions:

* **Andreana** (covering DE), **Mari** (covering UK&IE) and **Véronique** (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.
* **Jacques** to organise conference call with the concerned persons to speed up the creation of this list.

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

Decision: This item is now covered by the follow up on the SR2013 CR# 406.

Action: Jacques to close CA 224.

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

No new country feedback received during the summer since the last conference call. No new feedback at the call either.

Bernard proposes to put on hold the CA 226 (on the scope of the DSCL event) until we have solved the question on the new CAMV code - creation of a mandatory with disclosure/certification and/or the creation of a new option codes for ‘disclose/certify and receive entitlement’ and ‘do not disclose/certify and forfeit entitlement’. Bernard proposes to create a new open item for this issue in the open item list.

Sofia indicates that in Russia disclosure events are becoming more and more important due to recent amendments in the Russian legislation and that it will have a significant impact on all intermediaries who work in the Russian market (i.e. with Russian securities) or deal with Depositary Receipts issued on Russian shares.

A one–pager document would be necessary on the DSCL case to summarize what are the issues and questions as well as a decision tree (like the one for the INFO event) so as to clarify the scope of DSCL.

Actions:

* Jacques to create new open item to cover the issue on the new code for CAMV.
* Jacques to distribute the spreadsheet updated in Athens regarding the DSCL discussion.



Post meeting comments from Sofia (Russia)

There are global amendments in the Russian legislation and a disclosure will have a significant impact on all intermediaries who work in the Russian market (i.e. with Russian securities) or deal with Depositary Receipts issued on Russian shares.
Now, foreign nominees are allowed to the Russian market and become involved in mandatory disclosure of end owners. Moreover, since the next year, the Russian market will require a disclosure of end owners of DRs issued on Russian shares. These are mandatory disclosures and they will be done for GMs, Dividends and some other CAs as well as upon issuers’ requests made at least once a quarter to issuers of DRs and from time to time to other nominees.
So, it seems that a lot of non-Russian companies will be involved in disclosure and consequently it would be really better not to postpone this item.

If you agree not put off the item, I’d like to pay attention to the following suggestions and problems:

1.  CAEV code for Disclosure must be separate from other CA’s codes, because sometimes, mandatory disclosure is requested under an issuer’s requirement and doesn’t correspond to a CA. So, disclosure in some cases is an independent event.

It may be linked to the corresponding CA (with another CAEV). It’s necessary to bear in mind, that disclosure may not require any actions from end owners but only from nominee holders. So, if disclosure is necessary for participation in CA, it is an issue for nominee holders only. So end owners receive a message on CA only but nominee holders receive both messages - on CA and DSCL.
But it would be a good idea to add a special qualifier to indicate a reason for disclosure.

2.  For CAEV//DSCL in MT564, in sequence CAOPTN, field 22F::CAOP may be used only with code OTHR as there are no suitable codes for disclosure. On the other hand, if MT564 is sent without any options, MT565 will include 13A::CAON//UNS. But it means that MT565 is sent not in response to MT564.
3.        Sequence BENODET in MT565 doesn’t include necessary fields’ codes to transmit details of owners in fully structured form (such as: registration data, legal and post addresses, type of ownership – trustee, owner and so on, information on any encumbrances).

# CA 232 – Pagination MP

Additional feedback received from NO which approves the MP but will likely not use the pagination.

Decision: the market practice is approved.

Action: Jacques to add the new MP in the GMP Part 1.

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

The Norwegian market use XMET for Bondholders meetings, but do not have an objection to use  CONS for notification for a Bondholders meeting.

Bond holder meetings (BHM) are normally not considered as physical / actual meeting. The group sees nevertheless 2 options to support BHM:

* use MEET event and update its definition so that it encompasses BHMs
* use CONS event.

It is proposed to ask feedback from the PV subgroup co-chairs Elizabeth Maiellano (Broadridge) and Les Turner (ISS) on this item and report at the next conference call.

**Action:**

Jacques to forward the question to ISS and Broadridge about how BHM are considered in PV.

NMPG’s: provide feedback on usage of BHM

# Tax subgroup update

The review of tax qualifiers has not progressed much due to lack of feedback from countries. Feedback was received from DE, UK, NO only. The review of the tax certification process is still ongoing. Kimchi proposes that the co-chairs of the group get together with Bernard and Sonda to see how to progress in the following couple of months. (From Kimchi via email)

Bernard also proposes to ask Jyi-Chen Chueh, Standards Chartered in Singapore and expert in CA taxes, to participate to the tax subgroup calls. Jyi-Chen has participated end of August to the SR2013 CA Maintenance WG meeting as the Singapore representative.

Actions:

* Bernard to contact Jyi-Chen
* Tax subgroup Co-chairs to organise a call with Bernard and Sonda to schedule 2012 conf call meetings.

# PV subgroup update

The PV subgroup had a second call on July 25 with 13 attendees. The scope and usage of the ISO 20022 meeting notification message was reviewed and the group started to define market practice by walking through the message structure.

Conference calls have been scheduled every 2 weeks.

# AOB

**CA 210**: Over election/subscription market practice review.

There has been some users questions lately to clarify the oversubscription process with QOVE and QREC in the instruction. This open item is already in our list but pending further analysis by the GMP Part 1 subgroup.

Bernard suggests to have a look at the CR created a few years ago for the creation of QREC (believed to have been created for DRIP events on funds only). There is also an existing ISITC MP on that topic which would be worth looking at to clarify the SMPG MP.

Action: The GMP Part 1 subgroup to look at the item and come back with clarifications and look at the old CR for the creation of QREC.

**CA233:** Action: Jacques to close CA233 open item which has been covered within a SR2013 CR.

# Next Conference Call

 October 11, 2012 From 2 to 4 CET.

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