

SMPG - Corporate Action

Telephone Conference Minutes

27 June 2013

Final Version v1.0 – August 29, 2013

Table of Contents

[1. Comments / Approval of Frankfurt Meeting Minutes 3](#_Toc361824896)

[2. CA167 - Consent Events MP – CR 2014 (Bernard) 3](#_Toc361824897)

[3. CA210 - Overelection/Subscription MP (Véronique) 4](#_Toc361824898)

[4. CA226 - Disclosure (DSCL) event - Clarify usage / market practice (Bernard) 4](#_Toc361824899)

[5. CA239 – SR2013 Maintenance WG follow up items (Jacques) 4](#_Toc361824900)

[6. CA240 - New CAMV code or Option code for disclosure / certification (Christine) 5](#_Toc361824901)

[7. CA242 – Placement of Interest Shortfall (SHRT) (Sonda) 5](#_Toc361824902)

[8. CA247 – New Date Code when Ex date is not announced (Bernard / Yek Ling) 5](#_Toc361824903)

[9. CA258 - Question - MT567 Rejection Code (Mari) 5](#_Toc361824904)

[10. CA254 - use of MT564 CANC for Elig = 0 (Bernard) 6](#_Toc361824905)

[11. CA 256 – EXOF and CAPG question (Kim) 6](#_Toc361824906)

[12. CA257 - Clarification of the definition DISF – CR (Jacques / Kim / Sonda) 6](#_Toc361824907)

[13. CA259 - Question – INTR and PRED with multi-currencies (Delphine) 6](#_Toc361824908)

[14. Tax sub-group status (Jacques) 7](#_Toc361824909)

[15. Any other business 7](#_Toc361824910)

Attendees

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
|  | AT | Mr. | Stefan | Ribisch | Unicredit |  |
|  | AT | Mrs. | Karin | Wachter | Unicredit |  |
|  | BE | Mrs. | Veronique | Peeters | BNY Mellon | **🗸** |
|  | CH | Mr. | Michael | Blumer | Credit Suisse | **Excused** |
|  | DE | Ms | Pileri | Andreana | Commerzbank AG |  |
|  | DE | Mr. | Schaefer | Daniel | HSBC | **Excused** |
|  | DK | Ms | Ravn | Charlotte | VP Securities A/S | **Excused** |
|  | ES | Mr | Steimann | Thomas | Deutsche Bank SAE |  |
|  | FI | Ms | Rask | Sari | Nordea Bank Plc | **Excused** |
|  | FR | Mrs. | Kimchi | Phungtran | BNP Paribas | **🗸** |
|  | HK | Ms | Yu | Yek Ling | HSBC | **🗸** |
|  | IT | Ms | Deantoni | Paola | SGSS spa |  |
|  | JP | Mr. | Ichiro | Yamamoto | Mizuho Corporate Bank | **🗸** |
|  | JP | Mr | Oga | Yasuo | Mizuho Corporate Bank | **🗸** |
| Co-Chair | LU | Mr. | Bernard | Lenelle | Clearstream | **Excused** |
|  | MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | **Excused** |
|  | MDPUG | Mrs. | Laura | Fuller | Telekurs | **🗸** |
|  | NL | Mr | van der Velpen | Ben | ING Bank N.V. |  |
|  | NO | Mr. | Hans Martin | Aulie | DNB Bank | **🗸** |
|  | NO | Mr. | Alexander | Wathne | Nordea |  |
|  | RU | Mrs | Elena | Solovyeva | NSD | **🗸** |
| Co-Chair | SE | Mrs. | Christine | Strandberg | SEB | **🗸** |
|  | UK & IE | Mrs. | Mariangela | Fumagalli | BNP Paribas | **Excused** |
|  | UK & IE | Mr. | Matthew | Middleton | LSE | **🗸** |
|  | US ISITC | Mrs. | Sonda | Pimental | BBH | **🗸** |
|  | XS | Ms | Haillez | Delphine | Euroclear | **🗸** |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank |  |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | **🗸** |

# Comments / Approval of Frankfurt Meeting Minutes

No comments received. The minutes are approved without any changes.

# CA167 - Consent Events MP – CR 2014 (Bernard)

There are still two small comments from Korea in the text that needed to be discussed with Korea regarding the paragraph 1.d and the Korean line in the table. Jacques has performed a clarification of the text and updated the table as agreed with Korea. Waiting now for Bernard’s final approval.

The amended text is here below:



**Actions**:

* Bernard to review the amended text and approve.
* Jacques to add the document to GMP Part 1

# CA210 - Overelection/Subscription MP (Véronique)

The document was discussed already in Frankfurt and at the May conference call.

It was already agreed by then that the 3rd scenario of the EXRI example should be removed. The discussion now concerned the 2nd scenario. The issue with the scenario 2 is that the MT 567 cannot play back the quantities to subscribe and to oversubscribe (provided in a single MT 565) because of the NVR C3 rule.

Decision: The group recommends using scenario 1 and not scenario 2 due to the issues with the MT567. The scenario 2 might nevertheless be used in some countries due to local specificities. For the first scenario, for specific instances, some form of linking between the EXER and OVER instructions may be required and the two MT 565 might need to be sent at the same time. There is also a necessity to have two M T567 sent.

Action:

* Véronique to finalise the document with the above remarks and distribute final version.(done)



* NMPGs to review/comment on the above document for July 19 at the latest. Comments to be sent to Veronique / Christine / Jacques.

# CA226 - Disclosure (DSCL) event - Clarify usage / market practice (Bernard)

Postponed since Bernard does not attend the call.

# CA239 – SR2013 Maintenance WG follow up items (Jacques)

Status of the remaining action items following up SR2013 MWG:

*1. CR393 - FRAQ - Sonda to ensure that the ISITC MP is updated to document the differences regarding usage of CONB / ELIG / Affected Balances (AFFB) in lottery events (DRAW) in the MT566*.

-> The US NMPG will discuss its market practice changes during the summer and will revert at the next call.

Action: Sonda to revert at the next call.

*2. CR421 - Mari to send ACCU MP to the group as soon as available*.

The UK NMPG ACCU MP is not yet finalized. It will be distributed as soon as possible.

Action: Mari/Matthew to revert at the next call.

*3. CR 383 - Sonda’s ISITC to reach out to the Canadian NMPG for the Letter of Guarantee indicator MP*

Sonda has been in contact with Cairbre (from the CA NMPG) who was to revert with their feedback. Sonda will check with Cairbre and Stephen Nagy on their progress.

Action: Sonda to revert at the next call.

*4. CR 411 - DE to report at next meeting about their MP on the new Rate Type Code For Real Estate Property Income.*

Postponed, no one from DE present.

Action: DE to revert at the next call.

*5. CR 386 - Sonda to reach out to the Canadian NMPG for their rejected CR regarding special warrants.*

Sonda has been in contact with Cairbre (from the CA NMPG) who was to revert with their feedback. Sonda will check with Cairbre and Stephen Nagy on their progress.

Action: Sonda to revert at the next call.

*6. CR 439 Mari/Matthew to revert on an alternative solution to their rejected CR regarding capital returns.*

The UK NMPG has not yet had a meeting to discuss this.

Action: Mari/Matthew to revert at the next call.

*7. GMP Part 1 - Corrections to be done in GMP Part 1 by Jacques/Bernard*

Bernard and Jacques have not had the time to discuss this yet.

Action: Jacques / Bernard to revert at the next call.

# CA240 - New CAMV code or Option code for disclosure / certification (Christine)

Michael and Sanjeev were collaborating on the issue to provide input on the proposed alternative solution. They have been in contact but have not yet sent anything to the CA-WG nor are they present today.

The item is postponed to the next call.

**Actions:**

* Christine to contact Sanjeev and Michael to remind them of their action.
* Michael and Sanjeev to revert at next call.

# CA242 – Placement of Interest Shortfall (SHRT) (Sonda)

ISITC has decided to not submit a CR for this issue.

**Decision:** Close the open item.

# CA247 – New Date Code when Ex date is not announced (Bernard)

LU has not yet updated their Ex-Date country columns in the Record Date table.

Action: LU to revert with input.

# CA258 - Question - MT567 Rejection Code (Mari)

The decision taken in May was to use OPTY as a reason code to reject an MT 565 for an option classified OPTF//NOSE.

Action: Mari was to provide a “Comment” input text for GMP Part 3 into the MT 567 Detailed Grid table.

# CA254 - use of MT564 CANC for Elig = 0 (Bernard)

Postponed since Bernard is still waiting for a document from the LU NMPG.

# CA 256 – EXOF and CAPG question (Kim)

The FR NMPG has decided to use EXOF in the first case and CAPG in the second.

**Decision:** Close the item.

# CA257 - Clarification of the definition DISF – CR (Jacques / Kim / Sonda)

Status of the remaining action items:

*2. Kim to investigate if French MP specifies use of RDUP instead of BUYU.*

-> FR NMPG has not reached conclusion yet.

Action: Kim will revert at next call.

*3. JP NMPG (Yasuo) to discuss the incorrect usage of RDDN instead of CINL.*

-> The JP NMPG is still discussing the issue.

Action: Yasuo will revert at next call.

*4. Sonda to check use of voluntary RDUP; could addition of a TBSP code (account owner to specify how much to round up, in other words give a breakdown) be useful?*

-> There are US events where this is possible. These are handled manually. DTCC are looking at possible automation, but Sonda is unsure if TBSP would be of assistance.

**Kim:** The FR NMPG has had a discussion of the French optional dividend with dividend reinvestment; should it be RDUP or BUYU when the cash amount is not sufficient to buy whole shares?

Decision: BUYU should be used

# CA259 - Question – INTR and PRED with multi-currencies (Delphine)

The ICSDs have seen a few mandatory INTR and PRED events with only one option, but paying out part of the cash in one currency and part in another. How should this be notified, since OPTN is present only at the option level?

The CA-WG discussed the problem, but made no decision. Due to the very limited number of events, there was a preference for having the information in narrative rather than trying to fully automate the event.

# Tax sub-group status (Jacques)

Jacques gives a status report from the tax sub-group:

The tax subgroup met on June 20 with DE, FR, IT LU, US, ZA representatives attending. Two main items were on the agenda:

1. Tax table: first feedbacks from NMPGs + SWIFT statistics

So far, Norway and Germany have provided detailed feedback on the tax rate usage in the table and SWIFT has completed the traffic figures for them too.

1. Tax processing flow Feedback and “Account Set-up” & “Notification” phases.

Both phases were addressed and action items defined to further progress on those.

The next call will be scheduled around end of August (tentatively August 26 TBC) or beginning of September.

# Any other business

* Elena informed the CA-WG that a Russian application for NSD to become an issuer of COAF will soon be sent.
* Yek Ling asked if there is any coordination between the tax sub-group and the APAC SMPG. Jacques and Christine responded that the tax sub-group is open to representatives from all NMPGs, but there is no other coordination with APAC.
* Christine informed the CA-WG that she would not be able to attend the next call on August 29, but provided Bernard would be able to attend, the call should not be moved.
* **Yek Ling (HK) question about Board Lot:** In Malaysia, mandatory stock distributions may include odd lots due to the usage of board lots:

Assuming board lot is 100; Entitlement is 240 shares (eligible holding x ratio); the resulting benefit from the issuer is:

* in stock : 200 shares (in board lot unit) to be credited to shareholder's account
* in cash : (for 40 odd lot unit), issuer will sell and pay cash to the shareholder

How should this be handled?

The CA-WG discussed this but had no input. Board lots larger than 1 share are rare in Europe and US.

**Action:** Bernard, Christine, Jacques to discuss the issue off-line and see if they can provide any guidance to the HK NMPG.

**Next Conference Call: August 29 from 2 to 4 PM.**

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