

SMPG - Corporate Action

Telephone Conference Minutes

4 April 2014

Final Version v0.1 – April 7, 2014

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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 | 🗸 |
|  | DE | Ms | Pileri | Andreana | Commerzbank AG | Excused |
|  | DE | Mr. | Schaefer | Daniel | HSBC | 🗸 |
|  | DK | Ms | Ravn | Charlotte | VP Securities A/S | 🗸 |
|  | ES | Mr | Steimann | Thomas | Deutsche Bank SAE |  |
|  | FI | Ms | Rask | Sari | Nordea Bank Plc | Excused |
|  | FR | Mrs. | Kimchi | Phungtran | BNP Paribas | Excused |
|  | HK | Ms | Yu | Yek Ling | HSBC | 🗸 |
|  | IT | Ms | Deantoni | Paola | SGSS spa |  |
|  | JP | Mr. | Ichiro | Yamamoto | Mizuho Corporate Bank | 🗸 |
|  | JP | Mr | Ito | Hideki | Mizuho Corporate Bank | Excused |
| Co-Chair | LU | Mr. | Bernard | Lenelle | Clearstream | 🗸 |
|  | 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 | Excused |
|  | RU | Mrs | Sofia | Prokofeva | Rosbank |  |
| Co-Chair | SE | Mrs. | Christine | Strandberg | SEB | 🗸 |
|  | SG | Mr. | Jyi-Chen | Chueh | SC | 🗸 |
|  | 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 | Excused |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
|  | ZA | Mr. | David | Nita | Strate | Excused |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Comments on February 27 conf. call minutes

Comments were received earlier from ISITC /US via email and will be integrated into the final February minutes. No other comments received at the call, minutes are therefore approved. The final minutes will be re-published on the web site.

# CA203 - SR2014 MPs Maintenance – Remaining Actions (Jacques)

Review of action items status:

Action 1: Missing BE / NL and DE reviewed samples: Véronique will do this asap and Daniel will have them reviewed by the DE NMPG at next meeting.

**Action**:

* NL, DE and BE to provides their input asap.

Action 9. INFO MAND/VOLU event:

Sonda proposes to remove the INFO VOLU in the MP and to leave only INFO MAND as this is only information being communicated without expecting any response back. All agree that having both might seem also quite confusing and agree to keep rather INFO MAND.

**Action**: Bernard to contact Delphine and confirm at the next meeting.

Action10: EXWA MAND (European Style Warrant) question from MDPUG

Laura has sent the remark that today the European warrant is only indicated as EXWA MAND in the EIG whilst it should also be indicated as EXWA CHOS.

Bernard answers that the confusion is linked to the fact that the CHOS is neither really American nor European and is rather a mix of the two. Therefore, Bernard proposes to modify the EIG+ and replace “*TYPE: "North American Style Warrant Voluntary Ending in Mandatory*"

By

“TYPE: "*Mixed (North American / European) Style Warrant Voluntary Ending in Mandatory*"

All agree with this proposal.

**Action**:

* Jacques to make the change on EXWA CHOS definition column in the EIG+
* Bernard to provide a new EXWA MAND sample for London meeting

# CA210 - Overelection/subscription market practice review (Véronique)

Status: As an outcome of the Johannesburg meeting, the scenario 3 (usage of QINS for oversubscription) that was previously discarded from the input document came back as one of the preferred option as it seems to be best aligned with the current usage although it was not compliant with the current MP. However it is proposed to rather adapt the MP to the current usage in order to mitigate the cost of globally implementing correctly the current MP.

See scenario 3 re-included into the attached document:



NMPG’s feedback on usage of QREC (can it be removed ?) and proposal to use QINS:

* JP, CH, APAC and ZA are all OK to use QINS and OK to remove QREC

Pending questions/impact of the proposed solution:

* Should we keep the oversubscription MP with EXER + QOVE (single option) ? Can we keep the 2 ways to do the same thing ?
* Do we still need to keep QOVE/QREC quantities in MT565 and QREC in MT 567 ?

**Actions:**

1. Remaining NMPGs are requested for the London meeting to:
   1. investigate usage of QREC, from all perspectives and event types, by the April call to see if it could be deleted.
   2. approve/reject the proposal to remove ‘underlying’ from the long definition of QINS so as to use QINS in the 565 to instruct for the oversubscription.
2. All NMPGs to report about the need for keeping QOVE.

# CA226 - Disclosure (DSCL) event (Bernard)

Following up on Elena’s comment at the last call to extend the usage of the DSCL event to CSD, it is proposed to amend the text as follows:

*“The usage of disclosure events (DSCL) is limited to* ***(****I****)****CSD only, for ad hoc request* ***typically*** *in the XS* ***and RU*** *market. If a disclosure is required in the context of a corporate action event, then the disclosure request should be announced within that event.”*

**Action**: NMPGs to provide their approval at the London Meeting.

# CA263 - Bond Holder Meeting (BMET) event MP (Christine)

The action is still pending.

**Action**: Jacques to reach out to the PV subgroup on this topic.

# CA264 - Lottery Events MP (Sonda)

ISITC formed a Redemption Sub Group that has been meeting since January to discuss the lottery market practice and the SR2014 changes. The outcome will be communicated after the June ISITC meeting.

# CA265 - Stock Lending Deadline MP (Mari/Véronique)

Véronique has sent a first proposal for the new BORD deadline to the GMP Part 1 subgroup for review.

Sonda mentions that ISITC has a lot of concerns with that deadline since it may imply to manage lots of different borrower deadlines per account/client.

Jyi-Chen mentions possible impacts also on the payment of taxes.

Véronique reminds that the idea at the maintenance was to accommodate in an optional structured field today what is communicated via phone or email today and that it should not impact the rest of the processes.

**Action**:

1. Sonda to send the list of ISITC concerns to GMP Part 1 so that the issues can be tackled.
2. Véronique to organise a call with a specific group (Mari, Christine, Delphine, Sonda, Jyi-Chen, Bernard) to tackle this question.

# CA267 - New Format for MAXP/MINP/OFFR/BIDI (Sonda, Mari, Delphine, Bernard)

**Action**: Sonda, to make a first draft proposal for an MP.

# CA268 - Narratives scope/usage (Delphine)

1. NMPGs feedback on what is the best narrative qualifier to provide narrative information on “how to instruct”:

Options are:

1. leave in ADTX
2. in TXNR
3. in CETI
4. in TAXE
5. in new narrative qualifier

Remaining NMPG’s feedback:

LU and UK supports the creation of a specific new narrative for it.

CH: Not really in favor of new narrative qualifier as it may add to the confusion of which one to use. Bernard argues however that this is one of the way to clean up the mess within ADTX itself.

JP will discuss it at their next NMPG meeting.

**Actions**:

* Mariangela / Matthew (and other NMPGs if any) to provide examples of such narrative on how to instruct for London meeting.
* NMPG’s to provide final feedback at London meeting.

1. The GMP Part 1 subgroup still needs to provide a text on CETI to include into GMP Part 1 section 3.15.15.

**Action**: Véronique to reconvene the GMP Part 1 subgroup and make a draft text proposal.

# CA 276 – INTR with SECU Option (Delphine)

The issue raised by Delphine is as follows:

There are some cases of issuer option on INTR where issuer should choose between CASH and SECU and ends up choosing CASE. A Client argues that PINK should be sent instead of INTR since there is a SECU option. What should be the best CAEV to use in this case ?

NO (Alexander) feedback: those cases occur quite a lot in Norway and that is probably the source of the cases found by Delphine at Euroclear. The ratio for the securities is provided with ADEX even though ADEX is for bonds.

**Actions**:

1. Alexander to send a couple of examples for the London meeting.
2. All NMPGs to check whether they have also seen similar cases other than those coming from NO.

# CA 278 – Sample for usage of PRFC / NWFC in INT and Redemptions (Elena)

**Action**: Sonda to send the ISITC examples illustrating the usage of PRFC/ NWFC in their MP document.

# CA 281 – Interest Period Inclusive/exclusive end dates ? (Delphine)

The issue raised by Delphine is as follows:

Should an interest period be reported from inclusive to exclusive or inclusive to inclusive? Majority of the markets EB is working with report interest period from inclusive to exclusive except Germany, Austria, Canada, US and Turkey who reflect periods as from inclusive to inclusive following their market practices.

Feedback: It seems to Bernard that this is more system specific rather than country specific.

In ZA, end dates are inclusive too.

Bernard recommends to look at this more globally for all period qualifiers in the CA messages and see what applies in terms of inclusive/exclusive dates for the “end date” (no impact on “start date” normally always inclusive).

**Actions**:

1. Jacques to build an Excel table with all CA period qualifiers to be reviewed at the London meeting as to whether end dates are inclusive or exclusive.
2. NMPGs to check whether end dates for interest period qualifiers are inclusive / exclusive.

# Tax Subgroup Update (Jyi-Chen)

Jyi-Chen reminds the contents of the Tax Withholding recommendations proposal (TAXR, WITF, WITL) as well as the recommendation for the Unfranked and Fully Franked rates as Rate Type Codes only that are both prepared by the Tax Subgroup for review at the London meeting.

# AOB

None

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