

SMPG - Corporate Action

Telephone Conference Minutes

23 October 2014

Draft Version v0.1 – Nov. 3, 2014

Table of Contents

[1. Approval of Boston Meeting Minutes 3](#_Toc402797125)

[2. CA268 - Narratives scope/usage (GMP1 SG) 4](#_Toc402797126)

[3. CA277 - COAF Assignment Body Registration & Governance Questions (Christine) 4](#_Toc402797127)

[4. CA278 - Sample for usage of PRFC / NWFC in INT and redemption (Elena) 4](#_Toc402797128)

[5. CA279 - Market practice for Claims and Transformations in the T2S context (GMP1 SG) 4](#_Toc402797129)

[6. CA282 - Write-downs / write-ups on Bonds (Delphine) 5](#_Toc402797130)

[7. CA284 - MP for Amounts Larger than 15d (GMP1 SG) 5](#_Toc402797131)

[8. CA285 - FDIV/PDIV usage (Jacques) 6](#_Toc402797132)

[9. CA286 - Events Withdrawal and MT 567 (Mari) 6](#_Toc402797133)

[10. CA288 - Information (INFO) Event Types (Andreana, Daniel) 6](#_Toc402797134)

[11. CA289 - MAND event with Required Owner Action (Christine) 6](#_Toc402797135)

[12. CA290 - New Date in MT567 for "Ongoing" / "Au fil de l'eau" events (Delphine) 6](#_Toc402797136)

[13. Tax Subgroup report  (Jean-Pierre / Jyi-Chen / Bernard) 6](#_Toc402797137)

[14. AOB 7](#_Toc402797138)

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 | Excused |
|  | DK | Ms | Ravn | Charlotte | VP Securities A/S |  |
|  | ES | Mr | Steimann | Thomas | Deutsche Bank SAE |  |
|  | FI | Ms | Rask | Sari | Nordea Bank Plc |  |
|  | FR | Mrs. | Kimchi | Phungtran | BNP Paribas |  |
|  | FR | Mr. | Karim | Djenadi | BNP Paribas |  |
|  | HK | Ms | Yu | Yek Ling | HSBC | 🗸 |
|  | IT | Ms | Deantoni | Paola | SGSS spa |  |
|  | JP | Mr | Ito | Hideki | 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. | Excused |
|  | NO | Mr. | Hans Martin | Aulie | DNB Bank | Excused |
|  | NO | Mr. | Alexander | Wathne | Nordea | Excused |
|  | 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 | 🗸 |
|  | 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 | Excused |
|  | ZA | Mr. | David | Nita | Strate |  |
|  | ZA | Mr. | Kumaran | Pillay | Strate |  |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Approval of Boston Meeting Minutes

The following comments have been received and the minutes updated accordingly:

* CA268: Action items questions for NMPG’s on CETI / DECL have been clarified;
* CA282: In the “Decisions” paragraph, replace “Decrease/Increase of face value” by ”Securities Debit/Credit”;
* CA285: Remove the erroneous comments on the Japanese market using PDIV as PDIV is not used in JP.

# CA268 - Narratives scope/usage (GMP1 SG)

1. Scope and Rationalisation of Narratives



The GMP1 SG has started to work on drafting the text but still need to complete it.

**Action:** 1. GMP1 SG to draft MPs for all remaining narrative qualifiers, for all message types, in GMP1 and send the document to NMPGs for review together with the proposed changes in narrative table in the enclosed document.

1. “How to Instruct” Narrative Document

Only three NMPGs were able to provide feedback. JP, SE and RU all reported that they do not use CETI or DECL narratives. SE is usually using COMP.

Since Mari made a comment to the actions in the Boston minutes, the actions have been updated to be more specific. Remaining NMPGs are requested to provide feedback at the next conference call.

**Actions:**

* Remaining NMPGs to provide feedback on the following question:
  + CETI vs DECL; Is there any duplication ? Could these be combined into CETI ?
  + Can CETI be used to record all narratives related to “how to instruct”, or should a new qualifier be created ?
* GMP1 SG to review the MP of REGI

1. How to Indicate Updates in Narratives

A new open item CA291 has been created for this.

# CA277 - COAF Assignment Body Registration & Governance Questions (Christine)

The German NMPG has not reverted on the issue, despite reminders, and did not attend the conference call. The item is postponed to the next conference call.

**Actions:**

1. Daniel / Andreana to provide comments of the latest COAF proposal at the next meeting.

2. NMPGs approval of updated COAF section in GMP1 requested once action item 1 is completed.

# CA278 - Sample for usage of PRFC / NWFC in INT and redemption (Elena)

Bernard did not attend the conference call, and has not provided any feedback in writing. The item is postponed to the next conference call.

**Action:** Bernard to document what his concerns with the US MP are and send it to the CA-WG for further discussions.

# CA279 - Market practice for Claims and Transformations in the T2S context (GMP1 SG)

Regarding action 1, the GMP1 SG has started to discuss the issue, based on previous SMPG discussions as well as the original UK&IE CR III.78 from SR2006. In addition, the UK&IE NMPG will review the original CR at its next meeting on Nov. 6 to ensure it remains valid and complete.

Regarding action 2, Jacques reported on the process for the development of a new MT message. A market analysis with a business case, is required as the first step. The second step is to create a board paper for the approval of the MT creation. The whole process should take around 2 years.

The SWIFT specific criteria for the creation of a new MT message are:

* There is no MX equivalent for the message.
* The message completes a suite of messages in a particular business area.
* The message meets a particular business need which is not covered by any other MT message.

The full process is detailed in the attached document in section 4.



The business case was discussed, and it was agreed that we should ask the large CSDs in Europe plus DTCC for their market claim volumes.

**Actions:**

1. Mari together with Paola, Veronique and Christine to check first the original CR from the UK for SR2006 and start the process to create a business justification for a new MT and MX message, combining the CA details in an MT567 with the settlement and reference details of an MT548. And check the T2S implications of the above.
2. Mari, Veronique, Sonda (and other NMPGs) to search for traffic figures on Market Claims from their respective CSD/Institutions

# CA282 - Write-downs / write-ups on Bonds (Delphine)

Delphine and Bernard do not attend the conference call. However, Delphine emailed Jacques and Christine to report that ICSMA is also considering usage of pool factors for CoCo bonds.

This however might well be a separate case/process than the one discussed so far, leading to an additional market practice rather than changing the proposal from Boston.

Action 2: Completed (adding RATE [O] to the existing PINK line in EIG+, since we discovered that it is not currently included).

**Action**: Delphine/Bernard to communicate the proposal to the ICMSA WG and revert the outcome.

# CA284 - MP for Amounts Larger than 15d (GMP1 SG)

Véronique presented the proposal from the GMP1 SG:

* Case 1: Amounts/rates/prices where the 15d character limitation means that not all decimals can be provided in a formatted field:
  + In this case, include as many decimals as the field length allows PLUS include the complete amount/rate/price in 70E ADTX in sequence E.
* Case 2: Amounts/rates/prices where the 15d character limitation means that not all integers can be provided in a formatted field:
  + In this case, do not include the formatted field; ONLY include the complete amount/rate/price in 70E ADTX in sequence E.

Jacques noted that the too many integers problem exists for payment messages also, and their practice is to agree on a bilateral basis how to truncate the amount. Christine commented that this might be linked to the fact that an amount is a required field in a payment message.

**Action**: NMPGs are requested to review the proposal and revert by the next conference call.

# CA285 - FDIV/PDIV usage (Jacques)

Regarding action 1, only the Swedish NMPG provided feedback on the item. The Swedish market reported no usage of PDIV; no concrete view on a new rate status; and no usage of FDIV.

JP states also that PDIV/FDIV are not used in the Japanese market contrarily to what was indicated into the Boston meeting minutes (this has been amended into the Boston final minutes).

**Actions**:

1. All NMPGs to provide feedback on the three following questions:

a. Do you use PDIV, and if so, do they follow up with FDIV for the final rate?

b. Would it be acceptable to add a new “Rate Status” to some format option to send GRSS (or NETT, if applicable) as indicative, without using a “Rate Type Code” (this would necessitate a standards change) ?

c. Do you use FDIV as a stand-alone code (i.e. without using PDIV)?

# CA286 - Events Withdrawal and MT 567 (Mari)

Regarding action 1, the Swedish NMPG approved the proposal.

The remaining NMPGs are requested to revert at the next conference call.

Regarding actions 2 and 3: This is dependent on action 1.

**Actions:** NMPGs to approve the proposal to state that MT564 WITH is required, MT567 in addition is optional and up to SLA.

# CA288 - Information (INFO) Event Types (Andreana, Daniel)

The German NMPG has not reverted on the issue following up from the SR2015 CR000769, and did not attend the conference call. The item was postponed to the next conference call.

**Action**: DE NMPG to provide more information on the reasons to use an INFO event rather than the appropriate corresponding event code for Investment Funds.

# CA289 - MAND event with Required Owner Action (Christine)

Christine has not yet drafted the market practice. The item was postponed to the next conference call.

**Action**: Christine to draft new MP.

# CA290 - New Date in MT567 for "Ongoing" / "Au fil de l'eau" events (Delphine)

Delphine has not yet proposed a solution. The item was postponed to the next conference call.

**Action**: Delphine to propose new solution.

# Tax Subgroup report  (Jean-Pierre / Jyi-Chen / Bernard)

Jacques reported on the status of the Tax SG.

The Tax SG has started to discuss the two rejected CRs i.e. the withholding tax CR and the Canadian NMPG. No common solution has been found at this stage, and it may be that the problems – or the business needs – are so dissimilar it is not possible to find one. The CA CR depends on repetitive CASHMOVE sequences; the Tax SG CR on repetitive rates in one CASHMOVE sequence. The Tax SG has asked the CA NMPG to discuss usage of TAXR with country code.

The second item under discussion is the tax certification process; this is progressing well.

# AOB

Jacques mentions that he had received information from a colleague about a new message related to the Shareholder Transparency Directive.

Clearstream has submitted successfully a business justification to ISO 20022 end of 2013 so as to develop an ISO 20022 message for transparency of holdings for investment funds.

Might it be something that could be used for securities, and specifically for corporate actions-related transparency?

The SMPG members who are also members of the ISO Securities SEG are encouraged to investigate this possibility when the draft message will be available for review.

Jacques will pass on the information about when the message will be reviewed by the SEG.

**Next meeting**

November 20, 2014 from 2 to 4 pm CET.

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