

SMPG - Corporate Action

Telephone Conference Minutes

24 February 2015

FINAL Version v1.0 – March 24, 2015

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Attendees

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
|  | AT | Mr. | Stefan | Ribisch | Unicredit |  |
|  | AT | Ms. | Karin  | Wachter | Unicredit |  |
|   | BE | Ms. | Veronique | Peeters | BNY Mellon | 🗸 |
|  | CH | Mr. | Michael | Blumer | Credit Suisse | 🗸 |
|   | DE | Ms  | Pileri  | Andreana  | Commerzbank AG  |  |
|  | 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 | Ms.  | Kimchi | Phungtran | BNP Paribas |  |
|  | FR | Mr. | Karim | Djenadi | BNP Paribas |  |
|  | GR | Ms. | Angela | Katopodi | Eurobank | 🗸 |
|   | HK | Ms  | Yu  | Yek Ling  | HSBC  | 🗸 |
|   | IT | Ms  | Deantoni  | Paola  | SGSS spa |  |
|   | JP | Mr  | Hideki | Ito | Mizuho Bank | 🗸 |
|  | JP | Mr | Hisashi | Hotta | Mizuho Bank | 🗸 |
| Co-Chair | LU | Mr. | Bernard | Lenelle | Clearstream | 🗸 |
|   | MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | 🗸 |
|  | MDPUG | Ms. | 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 | 🗸 |
|  | RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
|  | RU  | Ms | Sofia | Prokofeva | Rosbank |  |
| Co-Chair | SE | Ms. | Christine | Strandberg | SEB | 🗸 |
|  | SG | Mr. | Jyi-Chen | Chueh | SC | 🗸 |
|   | UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 |
|  | UK & IE | Mr. | Matthew | Middleton | LSE | 🗸 |
|  | US ISITC | Ms. | Sonda | Pimental | BBH | 🗸 |
|   | XS | Ms  | Haillez  | Delphine  | Euroclear  | 🗸 |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
|  | ZA | Mr. | David | Nita | Strate |  |
|  | ZA | Mr. | Kumaran | Pillay | Strate |  |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Approval of January 29 Meeting Minutes

The minutes are approved without any changes or comments.

# May 12 or 21 Conf call – Confirm date

The call in May is confirmed on May 12.

# SMPG Meeting in Singapore

The meeting is confirmed on October 7 (Wednesday) to 9 (Friday) on the week before SIBOS. SGX will host the meeting in its premises.

We will try to come up with a global meeting agenda beginning of June so as to give SMPG members enough time to get travel request approval.

**If it can make a difference for your travel request approval, the SMPG Steering Committee members are ready to write letters to your management to justify/motivate your travel request to Singapore.**

**Please inform Christine or Jacques if you think this could help.**

# CA203 – Yearly MP Updates (Christine/Jacques)

**Review of on-going actions**:

Action 1: MP Document update:

* Jacques has to finalise all GMP Parts and templates before publishing.

**Action 1**: The GMP1 SG will need to validate Part 1 when Jacques has finalised.

Action 2: BONU CHOS and DRIP CHOS using interim securities: Why is the option SECU and not EXER?

* BONU & DRIP have been developed originally with CASH & SECU options. So it is rather a legacy from the past. No change. Keep SECU option.

Action 3: CONS VOLU: INCE is used, but it should be SOFE.

* EIG+ Updates in CONS VOLU are done (template as well).

Action 4: DECR MAND: How is RATE to be used?

It appears that RATE (with format Option A i.e. percentage only), although being mandatory, cannot really be used to express the decrease.

Decision: Remove RATE from DECR in the EIG+ and we need to add a new MP in GMP1 to explain why we are using OFFR without securities move and only cash move.

**Action 4**:

* GMP1 SG to add MP in GMP1 about OFFR usage for DECR.
* Jacques to remove RATE from DECR in EIG+

Action 5 (Sample Updates): Feedback/comments received from LU & ZA.

Still waiting for DE’s input:

**Action 5: DE** to send ASAP input on allocated samples (DVCA MAND & CHOS; RHTS)

Action 6 (MP Change Summary):

Here attached below the SR2015 MP Changes document drafted by Christine:



No comments received from NMPGs.

Action 7: EWXA MAND Template

No input received yet.

**Action 7**: Bernard to produce template needed for EXWA MAND.

# CA268 - Narratives scope/usage (Delphine/GMP1 SG)

**Action 1 review – Narrative MPs on MT 565/566/567:**

Jacques thinks he is still missing the consolidated input for narratives MPs on the MT 565 to be able to complete GMP1.

**Action 1:** Véronique to send consolidated input for the MT565 narrative to Jacques

**Action 3**: NMPGs are requested to investigate and provide further examples on “how to instruct” to be reviewed at the LA Hulpe meeting.

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

Christine still needs to finalise the update on COAF in T2S context, a footnote on multi deposited securities need to be added in GMP1 in COAF section.

**Action**: Christine: to provide input for footnote in COAF section to Jacques.

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

A business case and CR for a new MT message covering the whole market claim lifecycle should be submitted in June by the SMPG. The volume from CREST figures (2200 claims per day) seems significant enough to justify a new MT.

Jacques mentions that the SWIFT procedure for creating a new MT message is heavier than the usual CR. The business case and request need to be first approved by the SWIFT Board and go to country voting. The whole process is about 24 months long. Jacques will provide the document describing the SWIFT process.

The business case should also cover automated buyer protection. It should preferable be ready for review at the SMPG April meeting.

**Action**:

1. Mari,Christine, Véronique and Paola to finalise the draft document before it is send out in March for review by the NMPGs.
2. All NMPGs to collect traffic figures on Market Claims from their respective CSD/Institutions.

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

Reminder of Boston Decision:

• For a decrease of face value, recommend to use PCAL with SECU option

• For an increase of face value, recommend to use PINK with SECU option.

• Use :92A::RATE as the rate for both events provided the rate is announced as a percentage (of increase and decrease).

**Action**: Jacques to add the above MP agreed in Boston to GMP1.

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

*Current Proposal:*

***• 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.*

Greece has no issues with the proposal.

Feedback from APAC will be provided at next conference call.

**Action**: APAC WG to provide their feedback by the next conference call.

# CA285 - FDIV/PDIV usage (Jacques)

Additional feedback was received from UK&IE and DE: both do not use PDIV/FDIV and agree with the proposal for a Rate Status.

Only some FR institutions are using FDIV/PDIV for tax adjustment.

We will discuss at the April meeting the proposed Rate Type Code solution.

**Actions**:

1. To be further discussed at April meeting:

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) ?

# 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.

However we have received the following input on this topic from the RU NMPG (Elena):

*“Currently we do not use INFO for CA in MT564, but we are considering the possibility to use it to transmit information about main (important) facts. According current legislation the issuer is obliged to inform their shareholders about main facts in financial activity of the company.*

*It may be done via Internet and information agencies or via special issuer's Internet pages.*

*Formerly this information is not considered as a CA but it is influencing decisions making of shareholders on investments or this information is important as the shareholder need to know Registrar and the address of this entity (it may change) or web-address of the pages where the issuing company discloses the information on CA and main facts.*

*So important facts may be as follow:*

* *information on Supervisory Board meetings and decisions taken*
* *changes in Supervisory Board membership*
* *changes of Registrar responsible for Registry of the company, about  termination of an agreement with the Registrar or conclusion of new agreement with the Registrar and main conditions of such agreement*
* *about creation or closure of branches or representatives of the issuer*
* *about signature of agreement with the auditing company, special depository,*

*Currently this information may be transmitted to the Central depository or to information agencies as a message in free format*.”

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

# CA295 - New Dividend Type REIT (Sanjeev)



Sanjeev summarises the input paper from South Africa requesting the creation of a new dividend type (GRSS Rate Type Code in E2) REIT (Real Estate Investment Trust) or eventually changing slightly the name of the existing REES Rate Type code (and keep definition).

At this stage, a fully new rate type code for this does not seem really needed since it is very similar to the existing REES code.

**Action**: Sanjeev will advise with the ZA NMPG and revert at next call.

# CA296 - Usage of :25D::PROC//COMP and "UKWN" for DPRP elements

We have received recently the following question from Robin Leary about the criteria to move the 564 PROC Status element from PREC to COMP: *"How much of the EIG+ information is deemed necessary to move from PREC to COMP? For example, if there were ten optional elements for an event on the EIG, is there a specific percentage / number of that where valid information is available that makes it COMP?*

*Or, if 9 of those 10 elements where optional and known but the only mandatory element was still unknown, is that still PREC or would it be considered COMP? Would a certain element, for example pay date, always need to be known before it moves to COMP?"*

**Action**: All NMPGs to provide feedback on the question as to whether it is worth being discussed at La Hulpe meeting and whether we would be able to reach a decision on this.

# CA297 - MT564 & Multiple MT568 linking (Mari)

The following questions in the attached document have been submitted by Mari regarding the way MT564 / MT568 linking should be actually implemented as the current SMPG MPs are not clear enough on that aspect.

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Jacques has provided a first draft illustration on the way 564/568 linking should be implemented. Some initial comments have been provided at the meeting to correct some mistake in the illustration and some more comments have been provided post meeting via email by Elena from RU NMPG.

The following attachment is the resulting draft proposal taking the received comments into accounts.

**Action**: Jacques to consolidate the comments and send them for review to Mari, Christine, Michael and Delphine.

Post Meeting Note: Here attached below, the document updated by Jacques as per the comments received.

**Next Call / meeting**

Tuesday **March 24** from 2 to 4 PM CET.

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