

SMPG - Corporate Action

Telephone Conference Minutes

21 May 2015

FINAL Version v1.0 – June 23, 2015

Table of Contents

[1. Approval of April Meeting Minutes 3](#_Toc421095973)

[2. Tax Subgroup - Withholding Tax Change Request Review 3](#_Toc421095974)

[3. CA297 MT564 & Multiple MT568 linking 4](#_Toc421095975)

[4. CA299 Definitions of MIEX MILT MINO quantities 4](#_Toc421095976)

[5. CA300 Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP 4](#_Toc421095977)

[6. CA279 Claims and Transformations in the T2S context 5](#_Toc421095978)

[7. CA268 Narratives scope/usage and indicate updates 5](#_Toc421095979)

[8. CA291 New Date And Time for Narratives 6](#_Toc421095980)

[9. CA285 FDIV / PDIV usage 6](#_Toc421095981)

[10. CA293 Add Interest Period Inclusive or exclusive indicator ? 7](#_Toc421095982)

[11. CA298 Capital Gain - cash distribution components 7](#_Toc421095983)

[12. CA278 Sample for usage of PRFC / NWFC in INT and redemption 7](#_Toc421095984)

[13. CA301 SOFF Change Definition for "Distribution in kind of " or "Divestment" and add new MP 7](#_Toc421095985)

[14. CA302 Questions on Redemption events in Poland 7](#_Toc421095986)

[15. CA305 MT567 for Late and Accepted Instructions 7](#_Toc421095987)

[16. CA306 Which Event for Redemptions on ELN without any payments 7](#_Toc421095988)

[17. MDPUG Question (Laura Fuller) 7](#_Toc421095989)

[18. ZA Questions (David Nita) 7](#_Toc421095990)

[19. A0B 8](#_Toc421095991)

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  | Excused |
|   | FI | Ms  | Rask  | Sari | Nordea Bank Plc  |  |
|  | FR | Mr | Jean-Pierre | Klack | Statestreet | 🗸 |
|  | GR | Ms. | Angela | Katopodi | Eurobank | Excused |
|   | HK | Ms  | Yu  | Yek Ling  | HSBC  | Excused |
|   | 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 | Excused |
|   | MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | 🗸 |
|  | MDPUG | Ms. | Laura | Fuller | Telekurs |  |
|  | NL | Mr  | van der Velpen  | Ben  | ING Bank N.V. |  |
|  | NO | Mr. | Hans Martin | Aulie | DNB Bank | Excused |
|  | NO | Mr.  | Alexander | Wathne | Nordea | 🗸 |
|  | PL | Mr. | Michal | Krystkiewicz | CSD Of Poland (KDPW S.A.) | 🗸 |
|  | RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
|  | RU  | Ms | Sofia | Prokofeva | Rosbank |  |
| Co-Chair | SE | Ms. | Christine | Strandberg | SEB | 🗸 |
|  | SG | Mr. | Jyi-Chen | Chueh | SC | 🗸 |
|  | SP | Ms. | Cinta | Cristobal | BBVA | 🗸 |
|   | UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 |
|  | UK & IE | Mr. | Matthew | Middleton | LSE | Excused |
|  | US ISITC | Ms. | Sonda | Pimental | BBH |  |
|   | XS | Ms  | Haillez  | Delphine  | Euroclear  | Excused |
|  | ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
|  | ZA | Mr. | Nita | David | Strate | 🗸 |
|  | ZA | Mr.  | Ridhwaan  | Williams | Strate | 🗸 |
|  | ZA | Mr.  | Brian | White | Stanlib | 🗸 |
| Facilitator | SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |

# Approval of April Meeting Minutes

Minutes are approved without any changes.

# Tax Subgroup - Withholding Tax Change Request Review

NMPG feedback on action 1 (NMPG need for “Source of Income“ in SECMOVE, and if so, if they will implement it in their MP ?):

Need for “Source of Income” in SECMOVE: UK&IE (and US To be confirmed))

No need: SE, SP, ZA, CH, DE, SG, BE, RU, JP, PL

Decision: Add Source of Income in the SEC MOVE sequence (of MT564/566)

**Action:** Jean-Pierre / Jyi-Chen to update the CR accordingly and submit to SWIFT.

# CA297 MT564 & Multiple MT568 linking

Jacques presents the updated scenario 2 including a third paginated MT564 linked via a PREV to the previous MT564 in the chain as illustrated here in version 3 of the CA297 input document:



**Decision:** All agree with the proposal.

**Action:** Jacques to draft a text to explain the pictures and add to GMP1

# CA299 Definitions of MIEX MILT MINO quantities

Jacques mentions that our MP (in Part 2) recommends not to use MIEX/MILT in sequence D of the MT564. Therefore the draft CR should eventually take that into account and also request the removal of MIEX/MILT in the seq. D.

**

**Decision**: UK do not know and all other NMPGs approves. This can still be discussed at the MWG meeting anyway.

Post meeting note from UK: *“we are fine with the changes. However, we would like to raise the fact that for some type of instruments (especially for funds) the MINO can be expressed in cash and not quantity. As a result, there may be the need for a new format.“*

**Actions:** Jacques to update the CR accordingly (including UK feedback) and submit.

# CA300 Usage of :92a::INTR for Variable/Floating Rate Bonds/Notes and :92F::INTP



1. NMPG feedback on last month proposed decision regarding the usage conditions of INTR (i.e. NOT to be used for floating rate notes)

The MDPUG, DE and NO do not agree with the decision taken at the April meeting since the interest rate for a given interest period for Floating Rate Notes is calculated based on a “faked” annual interest rate provided in :92a::INTR in the notification and which is modified for every given period.

The question is therefore: do we need to add in the notification/confirmation messages a new floating annual interest rate besides INTR (i.e. separate ones) or do we need the same INTR for both and expand the definition ?

Decision: Use the same INTR for both fixed income and floating rate instruments and update the INTR definition accordingly.

**Actions:**

1. Peter to write the business case and send it to Jacques
2. Jacques to compose the CR with Peter’s input and submit to SWIFT.

# CA279 Claims and Transformations in the T2S context

Christine, Véronique, Mari, Delphine and Paola have well progressed on the business case for the market claims messages and on the initial draft structure and contents of the 2 new MTs (a market Claim status and a market claim instruction message). All critical elements have been identified.

It is also agreed that the plan B is to have the existing MTs cannibalized with the new MC elements, but in ISO 20222, we need anyway new MX messages (i.e. do not pollute the existing MX with additional market claims elements).

Véronique will forward the business case to the T2S CASG for review and endorsement.

Jacques recommends that we also join a business flow to the change request to illustrate the business choreography.

**Action**:

1. Christine, Mari, Veronique, to finalise the change request (business case & flows, basic messages structures and contents).
2. Christine, Bernard, Mari, Veronique, Paola and all others concerned to start lobbying in their institution in favour of the new CA MT messages.
3. Jacques to see if a meeting with SWIFT Standards is needed before the SWIFT board meeting.

# CA268 Narratives scope/usage and indicate updates



Collect NMPGs feedback on the 3 following questions raised:

*Q1: OK to aggregate DECL and CETI? Preference on which qualifier to keep?*

*Q2: OK to remove 70E from sequence D in MT565? Please note that this means a move of COMP, DLVR and FXIN to sequence E.*

*Q3: Should we have both ADTX and INST, or should we remove one? If so, which one?*

**NMPGs Answers provided:**

Q1. Merge and keep CETI: **CH, DE, UK&IE, FR, BE, NL**

Q1. Merge and no preference: **SP, SE, JP, PL, RU, MDPUG, XS, ZA, ISITC, SG**

Q1: Merge and keep DECL: -

Q2: Remove 70E in seq. D and move to seq. E: **CH, DE, SP, SE, PL, FR, BE, RU, UK&IE, XS, ISITC, SG, NL**

Q2: Keep 70E in seq. D: **JP**

Q3. Keep INST only: **CH, DE, UK&IE, FR, XS, ZA, NL**

Q3. Keep one, no preference: **SP, SE, PL, BE, ISITC, SG**

Q3. Keep ADTX only: **-**

Q3. Keep Both: **JP, RU**

**Other comments:**

**JP** would like to keep TXNR in **the MT566 in sequence E**

**SG, NO** will send feedback later.

**Actions:**

1. Jacques to draft the CR and send to Christine for review and submit
2. GMP1 SG to add text regarding “how to instruct” (which can be disregarded) to be put in TXNR

# CA291 New Date And Time for Narratives

Jacques presents the draft CR and the technical proposed solution to include a date and a description into the narratives similar to the ISO 20022 solution.



Christine confirms that we can keep 10 lines for the narrative part for each qualifier in the new format option :70H:

The group agrees with the proposal.

**Action**: Jacques to finalise and submit the CR.

# CA285 FDIV / PDIV usage

Adding a “Rate Status” to GRSS / NETT / INTP (without a Rate Type Code)

Jacques presents briefly the draft CR with the 3 alternative and recommended technical solution.



The group agrees with the proposal.

**Actions:**

1. The FR NMPG is kindly requested to document in detail the process for their usage of FDIV for the benefit of the SMPG/MWG discussion.
2. GMP1 SG to try to come up with an alternative solution to FDIV in the FR scenario, without a standards change, by the next conference call. If not successful, keep the FDIV qualifiers in the standard but create global MP in GMP1 to clearly state that these are only to be used in the French scenario. If a workaround can be found, the FDIV / PDIV could be requested to be deleted in the CR.
3. GMP1 SG to add a new MP on PDIV to GMP1.
4. Jacques to finalise and submit the CR

# CA293 Add Interest Period Inclusive or exclusive indicator ?

Input received from:

BE, UK&IE: End date is Exclusive

DE, PL: End date is Inclusive

**Action:** DK, CA, GR, KR, NL, SP, US NMPGs are reminded to provide their input to the INPE tab in GMP2

# CA298 Capital Gain - cash distribution components

Laura mentions that the current updated MP text in section 9.22 is still not clear and does not correspond to the ISITC US MP.

**Action:** GMP1 SG to find back the last email sent by Sonda on this topic and draft a new 9.22 section text in line with the US market practice.

# CA278 Sample for usage of PRFC / NWFC in INT and redemption

Not addressed due to lack of time. Postponed to next call.

# CA301 SOFF Change Definition for "Distribution in kind of " or "Divestment" and add new MP

A draft CR has been prepared by Jacques:



**Action**: Jacques to submit the CR.

# CA302 Questions on Redemption events in Poland

Not addressed due to lack of time. Postponed to next call.

# CA305 MT567 for Late and Accepted Instructions

Not addressed due to lack of time. Postponed to next call.

# CA306 Which Event for Redemptions on ELN without any payments

Not addressed due to lack of time. Postponed to next call.

# MDPUG Question (Laura Fuller)

Not addressed due to lack of time. Postponed to next call.

# ZA Questions (David Nita)

Not addressed due to lack of time. Postponed to next call.

# A0B

Andreana Pileri, the SMPG representative from the DE NMPG, will leave the financial industry in the next couple of months and therefore will no longer attend the SMPG meetings.

The whole group thanks Andreana for her contribution to the SMPG CA WG and wish her the best for her future plans (moving to Sardinia amongst other things).

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