

SMPG - Corporate Actions

Telephone conference Minutes

31 July, 2018

FINAL Version v1.0 – October 5, 2018

Table of Contents

[1. Approval of June Meeting Minutes 4](#_Toc521324448)

[2. Mariangela Fumagalli elected as SMPG CA WG co-Chair 4](#_Toc521324449)

[3. CA375 SR2018 - GMP Part 1,2,3, Samples 4](#_Toc521324450)

[4. CA378 TNDP MP and TNDP Indicator DSS Usage 4](#_Toc521324451)

[5. CA390 Moratorium Interest in RU 4](#_Toc521324452)

[6. CA391 Identify which line of Multi-listed Securities on a Notification 5](#_Toc521324453)

[7. CA398 GMP1 – Full revamp of section 10 on Market Claim 5](#_Toc521324454)

[8. CA400 Scheme of Arrangement 5](#_Toc521324455)

[9. CA403 Multi-Deposited Securities and COAF / CORP / SAFE in the MT565 6](#_Toc521324456)

[10. CA404 Value Date in the Confirmation 6](#_Toc521324457)

[11. CA405 Flag at movement level indicating that securities will be blocked 6](#_Toc521324458)

[12. CA407 Proxy Voting - How to confirm the payment of an Early Vote Premium? 6](#_Toc521324459)

[13. CA408 Corporate Action on sukuk bonds/certificates (Mike) 6](#_Toc521324460)

[14. AOB 6](#_Toc521324461)

**Attendees**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AU | Ms. | Narelle | Rutter | BNP Paribas | 🗸 |
| BE | Ms. | Véronique | Peeters | BNY Mellon |  |
| CA | Ms. | Ariane | Bienvenu | TMX |  |
| CH | Mr. | Michael | Blumer | Credit Suisse | Excused |
| DE | Mr | Schaefer | Daniel | HSBC |  |
| DE | Mr | Melchior | Hendrik | State Street Bank International | 🗸 |
| DK | Ms | Ravn | Charlotte | VP Securities A/S |  |
| DK | Mr. | Hattens | Randi Marie | VP Securities A/S | Excused |
| ES | Ms. | Cinta | Cristobal | BBVA |  |
| ES | Mrs | Diego | Garcia | DB | 🗸 |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |
| FR | Mr | Jean-Pierre | Klak | Statestreet | Excused |
| GR | Ms. | Angela | Katopodi | Eurobank |  |
| IT | Ms | Deantoni | Paola | SGSS spa |  |
| JP | Mr | Hideki | Ito | Mizuho Bank | 🗸 |
| JP | Mr. | Arata | Kazunori | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | Excused |
| 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. | Alexander | Wathne | Nordea | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | CSD of Poland (KDPW S.A.) |  |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
| 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 | Mr. | Steve | Sloan | DTCC | 🗸 |
| US ISITC | Mr. | Paul | Fullam | Fiserv | 🗸 |
| XS | Mr. | Lambotte | Jean-Paul | Euroclear |  |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
| ZA | Mr. | Dale | VanRayne | First National Bank | 🗸 |
| ZA | Mr. | Faizal | Chopdat | Standard Bank |  |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC |  |
| SWIFT | Ms. | Mabel | LU | SWIFT APAC (representing TW Market) |  |

# Approval of June Meeting Minutes

The attendees table has been updated with the presence of Dale VanRayne for ZA.

Otherwise no comments were provided before or at the call.

The June minutes are approved with the attendees table updated.

# Mariangela Fumagalli elected as SMPG CA WG co-Chair

Mari has been elected by the CA WG as the new CA WG co-Chair earlier in July at the unanimity of the 14 votes received. Mari is succeeding to Bernard Lenelle for a 2 years term.

# CA375 SR2018 - GMP Part 1,2,3, Samples

**PPMT EIG CC for AU:**

Changes for the AU EIG+ column have been implemented by Jacques for the next release of the GMP Part 2.

**PCAL template not compliant with the CAJWG standards**

No progress at this stage on the draft template for PCAL.

Action: Véronique to organise a call with Jean-Paul, Ben, Randi, Christine and Jacques to work together on a draft a template for a partial call event according to CAJWG standards.

# CA378 TNDP MP and TNDP Indicator DSS Usage

Jacques has reviewed the draft TNDP MP document and provided some comments/corrections to Narelle and Steve regarding the examples at the end of the document (for instance remove the specific amount qualifiers which are in a new CR for SR2019 and not yet in the ISO standards for SR2018 and replace them with the DEEM amount).

Jacques will help in the review and validation of the examples in the final MP. Jacques points out that he has already received recently requests from some customers to have a MP published ASAP on this topic.

Therefore, it would be better to try to finalise it for end of August at the latest.

No other comments received from NMPGs.

**Action**:

1. Narelle/Steve/Jacques to finalise the TNDP MP document asap.
2. Jacques to integrate the MP into GMP1 when finalised and include TNDP sample into the CA Sample document in 15022 and ISO 20022.

# CA390 Moratorium Interest in RU

Elena has not yet received any examples and Jean-Paul is not on the call, therefore the topic is postponed to the next call in September.

Input from Elena (Via email on July 31)

The issuer of bonds is a Russian bank which is under external surveillance as it can’t fulfill his obligations towards his clients due to the lack of capital.

On October 21, 2016 the Central Bank of Russia appointed a temporary administration and the situation is considered as insured event with subsequent payments  of compensation to some categories of bank clients (for limited secured amounts) and a moratorium has been introduced on satisfying customer claims for corporates and some other situations (big deposits of money exceeding secured amounts etc .).

A special procedure is declared by Central Bank of Russia “financial recovery” and special arrangements are made by the issuer with bond holders – maturity date is postponed for 15 years and the rate is changed to 0,51% . Interest amount (moratorium interests) for the whole period will be paid only on maturity date, no other coupon payments will be made.

According the explanation letter of Central Bank such moratorium interests can’t be considered as interest payments but are to be considered as penalty fees, fines and shown in the corresponding balance section Fines, penalties and forfeitures.

The Central Bank do not revoke license from the issuer and the bank still operate in the market.



**Actions**:

1. Elena to provide some specific examples of those events

2. Jean-Paul to check on his (bond instrument) side if they have similar cases.

# CA391 Identify which line of Multi-listed Securities on a Notification

No input yet received from Véronique. The item is postponed to next call.

# CA398 GMP1 – Full revamp of section 10 on Market Claim

No input yet received from Christine. The item is postponed to next call.

Feedback from the ZA NMPG via email:

ZA is in agreement with the proposed changes. However we like some clarification where a claim would result in both cash and security entitlements. Would the MP require 2 separate MT564 & MT566 or 1 MT564 and 2 MT566? It would be prudent for the MP to provide guidance in this scenario.

# CA400 Scheme of Arrangement

Input draft MP from Jean-Paul for new section 9.30 in GMP1:



No feedback on the document has been received via email.

Sanjeev reported that ZA uses scheme of arrangement with MRGR events rather than with EXOF. The proposed text is therefore too restrictive for ZA. Mari and Matthew reported that UK&IE uses EXOF for all scheme of arrangement events as recommended in the current UK&IE MP.

Scheme of arrangement also exists in CA and US.

Christine remarked however that the proposed text is not really compliant with the “Complex event” tab in GMP2 since the EXOF is to be used for events with a single issuer for the underlying security. In that case, the Complex Event tab should be reviewed as well.

Steve mentions that Scheme of Arrangement may also be used with TEND event in the US. Steve will provide more feedback for the next call in September.

**Action**: All NMPGs which have scheme of arrangement events to provide feedback for the next call and/or for Sydney.

# CA403 Multi-Deposited Securities and COAF / CORP / SAFE in the MT565

No input yet received from Véronique. The item is postponed to next call.

# CA404 Value Date in the Confirmation

No GMP1 SG meeting/call has yet been held since last CA WG call. A meeting/call will be held on Monday August 6.

# CA405 Flag at movement level indicating that securities will be blocked

In the absence of Daniel, Hendrik explained that the German NMPG has started to discuss whether to request a flag/indicator in the MT564/CANO to show that securities will be blocked when instructed.

Alternatively, we could also think about having a flag when securities would not be blocked as blocking securities in that case seems a common practice.

To be discussed at next call or in Sydney.

# CA407 Proxy Voting - How to confirm the payment of an Early Vote Premium?

Jacques made some further research on this questions and found out that the generic meeting event “MTNG” was introduced in the CACO / seev.036 message a long time ago already and therefore can be used to confirm the payment of any incentive premium relative to the voting at an AGM.

The item can be closed.

# CA408 Corporate Action on sukuk bonds/certificates (Mike)

Mike has not yet sent an input document.

Mari commented that the UK&IE NMPG in 2015 thought that the volumes were still quit limited and hence OTHR could be used as event code. This may have changed by now.

Christine remarked that there are several NMPGs from majority or minority Muslim countries in APAC; perhaps they have input to provide?

To be discussed at the next call and/or in Sydney.

**Action**: Jacques to check with the SWIFT Standards APAC office if any MPs exist already in APAC.

# AOB

None

**Next Conference Call:** 25 September, 2018 from2:00 to 3H30 PM CET

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