

SMPG - Corporate Actions

Telephone conference Minutes

21 January, 2020

Final Version v1.0 – February 10, 2020

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**Attendees List**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Gunter | Bauer | Unicredit | Excused |
| AU | Ms. | Narelle | Rutter | ASX | 🗸 |
| BE | Ms. | Véronique | Peeters | BNY Mellon | 🗸 |
| CH | Mr. | Mike | Blumer | Credit Suisse | Excused |
| DE | Mr | Schaefer | Daniel | HSBC | Excused |
| DE | Mr | Melchior | Hendrik | State Street Bank International | Excused |
| DK | Ms | Ravn | Charlotte | VP Securities A/S | Excused |
| DK | Mr. | Hattens | Randi Marie | VP Securities A/S | Excused |
| ES | Ms. | Cinta | Cristobal | BBVA | Excused |
| ES | Mrs | Diego | Garcia | DB | 🗸 |
| FI | Ms | Rask | Sari | Nordea Bank Plc | Excused |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| GR | Ms. | Angela | Katopodi | Eurobank | Excused |
| HK | Mr. | John | Michael |  | 🗸 |
| HK | Mr. | James | Mullens | Nomura | Excused |
| IT | Ms | Deantoni | Paola | SGSS spa | Excused |
| JP | Mr | Hideki | Ito | Mizuho Bank | 🗸 |
| JP | Mr. | Arata | Kazunori | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| MDPUG | Mr. | Peter | Hinds | MDPUG / Interactive Data | 🗸 |
| MDPUG | Mr. | Aidan | Devaney | ICE | 🗸 |
| 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.) | Excused |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | Excused |
| SE | Ms. | Christine | Strandberg | SEB | Excused |
| SG | Mr. | Jyi-Chen | Chueh | SC | Excused |
| SL | Mr. | Rok | Sketa | KDD | Excused |
| UK & IE | Ms. | Mariangela | Fumagalli | BNP Paribas | 🗸 |
| UK & IE | Mr. | Matthew | Middleton | LSE | Excused |
| US ISITC | Mr. | Steve | Sloan | DTCC | Excused |
| US ISITC | Mr. | Paul | Fullam | Fiserv | 🗸 |
| XS | Mr. | Lambotte | Jean-Paul | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC | Excused |

# Approval of December Meeting Minutes

The written feedback from FR on the CA444 open item had been recorded in the November 2019 minutes and in the open items file. In the December minutes, only the comments given during the call have been included.

Meeting minutes of December are approved without any comments.

# CA405 New flag for Securities Being Blocked

DE Input:

****

BE has filled in the spreadsheet as per Germany’s input and will send it to Jacques.

FI has provided feedback for each event along the same lines.

Each NMPG to review the consolidated spreadsheet that will be prepared by Jacques and comment on it.

**Action**:

1. Jacques to consolidate inputs from DE, FI and BE and distribute.
2. Each NMPG to provide input on the events requiring securities blocking in their market on the consolidated input file.

# CA418 SR2019 GMP1-3 updates – TNDP input

It seems the event has been used with a more granular detail by the issuer. Narelle has provided the following feedback via email:

*“There are no concerns with the current fields available for the processing of the TNDP events or the fact that new fields are optional. Based on what we have seen to date AMITs will have a variation of tax components, hence you will not necessarily include all of the new component qualifiers in a TNDP event. Ultimately the event type itself is what defines that the event is a deemed distribution and you may end up using a variation of component qualifiers.”*

**TNDP input from AU/Narelle:**

**

**Actions:**

1. Narelle to provide an example of a TNDP event showing all key elements like GRSS or DEEM rates.
2. ISITC/Steve/Paul to justify why GRSS and NETT are present.

# CA419 Definition of Instructed and Uninstructed Balances



NMPGs feedback: DE, ES, FI, FR, CH, JP, LU, SE, UK, ZA NMPGs approve the proposed definitions.

However, the ICSDS have a concern in case the account servicer accepts instructions on the pending balance as this could result in a negative balance.

Therefore, we need to review the MP and be more precise and provide examples to describe the different scenarios in the MP text:

* Instructions can only be provided on the settled position (some CSDs)
* Instructions on eligible position with PENRs accepted (PACK) and so balance reported as INBA
* Instructions on eligible position with PENRs kept on hold (PEND) and so balance reported as UNBA

Mike will put together a proposal to reflect the above.

**Action**: Remaining NMPG’s to review and revert with feedback before next call.

# CA422 SRD2 ISO Messages and MP TF Progress Update

ECSDA had a call last week on SRDII readiness of their members and it came out that some ECSDA members would still like to have an alternative ISO 15022 solution for SI and GM.

ECSDA will likely put together an ISO 15022 proposal for using structured narratives (for general meetings and shareholder identification).

In that case, the SMPG would like to review the proposed solution and provide feedback.

The market practice document for the SI messages progress very well. The next call is on January 24 and we will try to finalise it. A first draft GM MP will be for later in February.

Action:

1. Jean-Paul to share the ECSDA proposal on reusing ISO 15022 for GM and SI.
2. Christine to ask Edwin for a steering group call before end of year to discuss the delay for SRDII compliance.

# CA425 Usage of Index Factor for INT and Redemptions



NMPGs feedback: AU, FR, XS, DE, ES, FI, JP, SE, UK, ZA agree with the MP.

RU approves but does not have these types of event.

**Decision**: The MP is therefore approved and GMP1 will need to be updated accordingly. The question from Alexander should be moved in an new open item.

**Action**:

1. Jacques to update GMP1
2. Jacques to create new open item for Alex’s question (Should we not move the index factor to CADETL, since it is not directly used in the payment calculation?).

# CA437 Auto-FX - Update of GMP1 Section 8.6

Véronique (BE) input received:

Proposal for the GMP1 update, to replace the current section 8.6.

Question: How to report a forex in a confirmation of payment message?

The FX rate should be indicated in the confirmation of payment message (MT566/seev.xxx).

The MT566 should contain the following information :

* Original amount and CCY  (19B GRSS and/or NETT or iso20022 equivalent)
* Exchange rate (92B EXCH//original currency/resulting currency/rate)
* Posting amount with new CCY and amount (19B POST)

For the review at SMPG level, here is an example (that should not be included in GMP1):

:16R:CASHMOVE

:22H::CRDB//CRED

:97A::CASH//XXXXXXXXXXXXXXX

:19B::PSTA//GBPXXXXX,

:19B::RESU//GBPXXXXX,

:19B::TAXR//KRWXXXXX,

:19B::GRSS//KRWXXXXX,

:19B::NETT//KRWXXXXX,

:98A::POST//20181123

:98A::VALU//20181123

:98A::PAYD//20181123

:92F::GRSS//KRWXXXX,

:92B::EXCH//KRW/GBP/XXXXXX

:92A::TAXR//22,

:16S:CASHMOVE

**Action**: NMPG’s to review and revert.

# CA439 ISIN in Second Event after RHDI



NMPGs feedback: AU, CH, DE, ES, FR, FI, JP, SE, UK, XS, ZA agree.

RU approves but has no rights and therefore no RHDI events.

**Decision**: The MP is approved.

**Action**: Jacques to include in GMP1 and close.

# CA444 Usage of QINS as Requested Quantity

No additional feedback received at the call.

**Action**: Remaining NMPGs are requested to provide input from similar event in their markets when meaning of QINS might not be clear.

# CA448 Have repeatable WEBB URL addresses in MT564 and add URL Associated to all Narratives (SR2020 - CR1529 from HK)

AU, DE, FR, ES: There are situations where this may be good, but not enough to justify the investment. Today, the same field is used for several URL if needed.

SE, XS, FI, LU, JP, UK: do not see any business cases for repeatable URL fields.

**Action**: Remaining NMPG’s (CH and US) to review and revert on whether it believes there is a business case for repeatable URLs in CA messages.

# CA450 Usage of TBSP and UNSP for DTCH events (SR2020 - CR1533)

No input received from ISITC NMPG.

**Action**: ISITC is requested to provide the SMPG CA-WG with the US market practice for DTCH events, in case it has already solved the problem.

# CA451 Create CR for MITI in Confirmation (SR2020 - CR1517)

DE proposal to be circulated for discussion:



**Action**: NMPG’s to review and revert.

# CA453 Key Data for TEND with Early Tender Premium



No input received from the US.

**Action**: Paul will ask Steve to find out about what DTCC is sending for this type of event.

# CA454 SR2020 MP Updates

The goal is to have draft SR2020 versions published no later than early February.

**Actions:**

1. EIG+: All NMPGs to review their country column in the EIG+ (and other tabs in GMP2) and send the changes, or confirmation that there are no changes, to Jacques as soon as possible.
2. Event Templates: Everyone to review the event templates for which they are responsible (see the Open Items File in the tab “CA Event Templates List”) and send the changes, or confirmation that there are no changes, to Jacques as soon as possible.
3. Jacques to check if SR2020 impact on GMP1 MPs

# AOB

* SRDII Fast Track CR for flag: a market practice should be written for the meeting at Johannesburg. – see new open item CA459
* Section 8.17 of GMP1 on usage of UTC time: should also put forward the change in GMP1 for UTC (as exchanged via email). – see new open items CA457 and CA458.

**Next Conference Call:**  February 18, 2020 from2:00 to 3:30 PM CET

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