

SMPG - Corporate Actions

Telephone conference Minutes

18 February, 2020

Final Version v1.0 – February 24, 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 | Excused |
| CA | Mr. | Cairbre | Cowin | RBC | 🗸 |
| CH | Mr. | Mike | Blumer | Credit Suisse | Excused |
| DE | Mr | Schaefer | Daniel | HSBC | 🗸 |
| 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 | 🗸 |
| ES | Ms. | Cinta | Cristobal | BBVA | Excused |
| ES | Mrs | Diego | Garcia | DB | 🗸 |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| GR | Ms. | Angela | Katopodi | Eurobank | Excused |
| HK | Mr. | John | Michael |  | Excused |
| HK | Mr. | James | Mullens | Nomura | 🗸 |
| IT | Ms | Deantoni | Paola | SGSS spa | Excused |
| 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 | Mr. | Aidan | Devaney | ICE | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |
| NL | Mr | van der Velpen | Ben | ING Bank N.V. | Excused |
| NO | Mr. | Alexander | Wathne | Nordea | Excused |
| PL | Mr. | Michal | Krystkiewicz | CSD of Poland (KDPW S.A.) | Excused |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | Excused |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 |
| 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 | 🗸 |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 |
| US ISITC | Mr. | Paul | Fullam | Fiserv | Excused |
| XS | Mr. | Lambotte | Jean-Paul | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Ms. | Mieko | Morioka | SWIFT APAC | Excused |

# Approval of January Meeting Minutes

Meeting minutes of January are approved without any comments.

# CA405 New flag for Securities Being Blocked

Input file: Consolidated NMPG input with DE, FI and ES inputs



The remaining NMPGs are requested to provide a market “common” feedback, not taking into account specificities of particular actor or what is covered by SLAs. Mari suggests to add a disclaimer in the document to warn about that.

**Action**:

1. 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

Input from AU (Narelle)



Input from DE (Daniel)



Narelle provided feedback and the AU NMPG confirmed the messages are used according to market practice, although the usage is very limited. Some of the elements in the message example provided by AU are not clear (consistency with the usage of TAXR and DEEM rates). Christine will send some questions to Narelle.

Steve to check with the US market whether the usage is aligned to market practice.

Daniel has provided the DE input in the TNDP draft MP. However Daniel thinks that the document becomes a bit difficult and that we should give a better structure with tables for the different market variations.

Daniel, Narelle and Steve to agree how to integrate the German remarks in the TNPD market practice.

Actions:

1. Daniel, Narelle and Steve to agree how to integrate the German remarks in the TNPD market practice and adapt its structure to be easier to integrate country specificities.
2. ISITC/Steve/Paul to justify why GRSS and NETT are present.

# CA419 Definition of Instructed and Uninstructed Balances



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

However, the ICSDS have still 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

Mari will put together a proposal to reflect the above.

*Post meeting note from DK: DK approves the proposed definitions, but as stated by ICSDS examples can be useful. Especially to define different parties, CSD vs custody. As a CSD we could accept an instruction provided position is in place on record date. But we will await and see possible new version as per agreement on conf. call 18.2.20*

**Action**:

1. Mari will review the wording of the MP.
2. Remaining NMPG’s to review and revert with feedback before next meeting.

# CA422 SRD2 ISO Messages and MP TF Progress Update

Input: Draft market Standard for Shareholder Identification Disclosure



The above document from SRDII SI Task Force is still under review for endorsement by the SRD II Steering Group.

General Meeting

SRDII imposes an obligation on issuers to announce an event in both local language and English.

The GOR taskforce asked SMPG to provide a solution on how the information in both languages should be passed on along the chain.

The preferred solution should be to send only one message with narratives/resolutions in both languages with an ISO code to identify the language.

SRD II supported by ISO 15022

Input from Jean-Paul: Proposal made to ECSDA to support SRD II SI and GM information flow with ISO 15022:



Action: Mari to formulate a proposal in the GM market practice to support multi-lingual announcements.

# CA437 Auto-FX - Update of GMP1 Section 8.6

*Not covered during this call by lack of time.*

*Post meeting note from DK: propose the following rewording if we are not totally rewriting this sections.*

***“8.6 Multiple Currencies with a Non-Convertible Currency****1*

*Background:*

*This is the case where a CA event is declared in a specific currency (let's say MYR or KRW). However this currency is not accepted by an entity or is not convertible~~. So,~~ hence the local agent or depository automatically does an FX into a pre-defined acceptable currency (e.g. USD). ~~Bu~~t The end customer however, ~~does have~~  has a base currency account or a standing instruction to repatriate funds into another currency (e.g. EUR).”*

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 PSTA)

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.

# CA444 Usage of QINS as Requested Quantity

*Not covered during this call by lack of time.*

**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)

*Not covered during this call by lack of time.*

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)

*Not covered during this call by lack of time.*

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)

*Not covered during this call by lack of time.*

DE proposal to be circulated for discussion:



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

# CA453 Key Data for TEND with Early Tender Premium

*Not covered during this call by lack of time.*



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

*Not covered during this call by lack of time.*

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

# CA457 GMP1 Section 8.17 on Usage of DateTime with Format Option E (UTC)

*Not covered during this call by lack of time.*

# CA458 Add Format Option E (UTC) for ANOU date and ECPD, ECRD Deadlines ?

*Not covered during this call by lack of time.*

# CA459 ShareholderRightsDirective flag market practice (Fast Track CR 1616)

*Not covered during this call by lack of time.*

# CA460 Move of Index Factor for INT and Redemptions to CADTL (Alexander)

*Not covered during this call by lack of time.*

**Next Meeting:**  March 10 - 12, 2020 – Johannesburg, South-Africa

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