

SMPG - Corporate Actions

Telephone Conference Minutes

24 May 2022

FINAL Version 1.0 – June 21, 2022

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Attendees List

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Guenter | Bauer | Unicredit | 🗸 |
| AU | Ms. | Priscilla | Ferri de Barros | ASX | Excused |
| BE | Ms. | Véronique | Peeters | BNY Mellon | Excused |
| CH | Mr. | Mike | Blumer | Credit Suisse | 🗸 |
| DE | Mr | Daniel | Schaefer | HSBC | Excused |
| DE | Mr | Melchior | Hendrik | Clearstream | 🗸 |
| DK | Mr. | Randi Marie | Hattens | VP Securities A/S | 🗸 |
| ES | Mrs | Diego | Garcia | DB | Excused |
| FI | Ms | Rask | Sari | Nordea Bank Plc | Excused |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| FR | Ms. | Stephanie | Clarkfischer | BNP Paribas | Excused |
| HK | Mr. | James | Mullens | Nomura | Excused |
| HU | Mr. | Zoltan | Tkalecz | Citi | Excused |
| HU | Mr. | Gàbor | Szentpéteri | Keler | 🗸 |
| IT | Ms | Paola | Deantoni | SGSS spa | Excused |
| JP | Mr. | Kazunori | Arata | Mizuho Bank | 🗸 |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| MDPUG | Mr. | Peter | Hinds | Interactive Data | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |
| NL | Mr | Ben | van der Velpen | DACSI | Excused |
| NO | Mr. | Alexander | Wathne | Euronext | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | KDPW | Excused |
| PL | MS | Monika | Adamowicz | KDPW | 🗸 |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
| 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 | Excused |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 |
| US ISITC | Mr. | Paul | Fullam | FIS | Excused |
| XS | Mr. | Jean-Paul | Lambotte | Euroclear | 🗸 |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | 🗸 |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Mr. | Didier | Hermans | SWIFT | 🗸 |

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# Summary of CA WG Meeting Agenda

CA Open Items with CR

1. CA470   CA Tax - DVOP - how to best reflect tax and CINL on DVOP (Action: Mari)
2. CA508   CA - DateTime Format Options Consistency and Names Harmonisation (Action: Jacques)
3. CA509   CA - CMH-TF ASEG New Requirements and BJ (Action: Mari)
4. CA510   CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5)(Action: Mari)
5. CA513   CA - Reversal / repayment process in ISO20022 (Action: Mari)
6. CA528   CA - Reversal processing in the context of tax adjustment (contractual payment) (Action: NMPGs)

GM / SID Open Items with CR

1. CA514   GM - seev.004 Linkages (Action: Jacques)
2. CA517   GM - CR on Instructed Quantity in Instructions (Action: Hendrik)
3. CA521   GM - BIC used for the Vote though Network? (Action: Randi & Jean-Pierre & Jean-Paul)
4. CA523   GM - seev.004 & seev.001 pagination MP (Action: Jacques)
5. CA532   GM - Add the resolution item description in Execution Confirmation and results distribution messages (Action: Hendrik)

CA Open Items Priority 1

1. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: Mari)
2. CA501   CA - Amend scope of Tax on Non-Distributed Proceeds Indicator (SR2022 CR 001794) (Action: Jacques)
3. CA507   CA - Add New Protect Balance to Instruction Status (Action: Mari & Christine)
4. CA511   CA - Consistency between 22F::SELL &  69A::TRDP (Action: Christine)
5. CA519   CA - Handling of Instructions after DTCH event (Action: NMPGs)
6. CA520   CA - CAPS Message Flow Description (Action: Mari & Christine)
7. CA522   CA - SR2022 EIG+/Events Templates & MP Updates (Action: Christine)
8. CA526   CA - Review GMP1 section 3.14 and 6.11 (movement sequences) (Action: NMPGs)
9. CA494   GM - Request of a seev.007 outside the original seev.004 (Action: Mari)
10. CA533   GM - Update GM MP for SR2022 (Action: Mari & Jacques)
11. **CA535   GM – seev.004 Legal Person Nationality (New – Jean-Paul)**
12. **CA536   CA - Mandatory Cancellation of a accepted instruction which is no longer valid (New – Steve)**
13. **CA537   GM – Voting with “Board of Directors” for Meeting resolutions (New – Randi)**

CA Open Items Priority 2

1. CA502   CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (Action: Steve)
2. CA504   CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (Action: Steve)
3. CA506   CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (Action: Steve)
4. CA512   CA - Review DRIP CHOS with Interim template (Action: Jean-Paul)
5. CA515   CA - Withdrawal / Change / Revocability MP (Action: NMPGs)
6. CA530   CA - Interest coupon paying in kind and cash (Action: NMPGs)
7. CA493   CA - Repetitive Place of Safekeeping (SAFE) in MT564, MT 535 (Action: Mike)
8. CA473   GM - GoR TF GM template review (Action: Mari & Christine & Jacques)

# Meeting Dates for Q3 / Q4 2022

The Global SMPG Autumn meeting is scheduled from Wednesday October 5 to Friday 7 (the week before SIBOS). The physical location still to be defined.

A host is sought in The Netherlands with the help of DACSI.

The fall-back solution might be SWIFT HQ in BE La Hulpe.

Please do not book flights before the final location is confirmed.

# Approval of April 25 - 28, 2022 Minutes

The minutes of April 25 – 28, 2022 are approved without any comments.

# CA469 CA - Managing CA instructions in scope of CSDR when partial settlement is implemented

New Input from Mari:



Item not covered due to lack of time.

**Action**: NMPGs to review and comment.

# CA470 CA Tax - DVOP - how to best reflect tax and CINL on DVOP (CR)

Input from Mari/Randi/JP:



The WG agrees with the CR contents.

**Action**:

* + - 1. Jacques to finalise and publish new MP on DVOP Tax Breakdown.
      2. Jacques to submit the CR to SWIFT on behalf of SMPG and close item.

# CA473 GM - GoR TF GM template review

Action item not completed. To be rescheduled for next call.

**Action**: Mari, Christine & Jacques to contact the previous co-chair of GOR task force to understand next steps, especially vis-à-vis maintenance of the templates.

# CA493 CA - Repetitive Place of Safekeeping (SAFE) in MT564, MT 535

Input from Mari/Mike:





Item not covered due to lack of time.

**Action**: Mike to put forward an update to the business need/case for distribution to NMPGs to 1) confirm they agree with the business and 2) assess if there is any appetite to make any change

# CA494 GM - Request of a seev.007 outside the original seev.004

Item not covered due to lack of time.

**Actions**:

1. Jacques to update the GM MP document to include already the changes (data element added/removed) in the message structure done in the frame of the SR 2022.
2. Mari to arrange a call in June to review the changes and ensure the MP is updated.

# CA501 CA - Amend scope of Tax on Non-Distributed Proceeds Indicator

Input from Jacques:



Item not covered due to lack of time.

**Action**: NMPGs to review and comment.

# CA502 CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events

No MP update input from Steve received yet.

**Action**: Steve to propose input to GMP1 section 9.30 to document usage of the new First and Last Bid Increment prices and Bid Range Type.

# CA504 CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable

No MP update input from Steve received yet.

**Action**: Steve to propose input to GMP1 section 8.14 to document usage of new ::22F::OFFE//NDIS indicator code.

# CA506 CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (CR?)

No input from Steve received yet.

**Action**: Steve/ISITC to revert whether a reason codes review is needed in the CAST as well for a possible CR for SR2023.

# CA507 CA - Add New Protect Balance to Instruction Status

No input received yet.

**Action**: **Mari & Christine** to propose new MP input in section 3.10. (Balances).

# CA508 CA - DateTime Format Options Consistency and Names Harmonisation (CR)

CR Input from Jacques:





The WG agrees with the CR contents and request to add a sentence in the CR to make the link with the same CR submitted last year and which was postponed so as to be refined.

**Action**: Jacques to submit CR to SWIFT on behalf of the SMPG and close item.

# CA509 CA/GM - CMH-TF ASEG New Requirements (CR)

CR Input from Mari:



As per Germany, the suggested solution doesn’t solve the challenges for intermediaries and Global Proxy providers. Germany doesn’t support the SWIFT 15022 CR to introduce a new CA event type, because this doesn’t solve the challenge for intermediaries to identify relevant meeting events. If the requirement from issuers and markets/issuer-CSDs is it to announce these events as a meeting, a new meeting event type is required as well. There should be only one new meeting event (Meeting with Payment) and a description that allows the usage of this qualifier for all types of assets (e.g. Bonds, Equities) and all meeting types like (regular, extraordinary or special meetings). When this event type is used, a payment with the new CA event type will be processed for eligible investors and the CR for new 15022 event types could be accepted. In this case the new CA event types can be used to process payments that are related to meeting events with the new meeting event type.  We have several other event types that are rarely used, but this solution must be understood from issuers and their markets, and it can only be fixed when the event can be separated with a new event type.

Decision: the whole WG agrees to submit the CR to SWIFT and Germany will submit on its side a CR on GM for the creation of a new meeting event “Meting with payment”. The issue and the solution to it should be discussed during the summer by a joint CA and GM SEG ET meeting.

**Action**:

1. Jacques to submit the CR to SWIFT on behalf of the SMPG.
2. Steve and Jacques to organise a joint CA & GM SEG ET meeting during the summer.

# CA510 CA - Review REPL/REPE MP in MT/MX (GMP1 section 3.2.5) (CR)

New updated input from Mari:



The WG agrees to submit the ISO 20022 CR.

**Action**: Jacques to submit on behalf of the SMPG and close item.

# CA511 CA - Consistency between 22F::CAOP//SLLE & 69A::PWAL

Updated input from Christine:



Item not covered due to lack of time.

**Action**: NMPGs to review the updated MP and comment.

# CA512 CA - Review DRIP CHOS with Interim template



Item not covered due to lack of time.

**Action**:

1. Jean-Paul to check this with Euroclear NL to understand the best forum in NL to address this matter
2. Jacques to update the DRIP CHOS with interim template when finalised

# CA513 CA - Reversal / repayment process in ISO20022 (CR)

CR input from Mari:



The CR request to amend the name and definition of the IRED code to “Incorrect Entitlement Date” so that it can be applied both in a scenario of incorrect record date or incorrect ex-date.

**Action**: Jacques to submit to ISO RA.

# CA514 GM - seev.004 Linkages (CR)

CR input from Jacques:



The CR has already been submitted by Jacques.

Feedback from DE:

*The technical need for this change was understood, but the consequence is much more complicated. Some recipients may define that they will not accept multiple instructions within one message. This will lead in situations where the sender must be able to decide if individual messages or just one message with multiple instructions should be sent. An intermediary has several connections. The current limitation requires a full cancellation of the message that includes multiple instructions. Does this require additional changes to the seev.006? E.g. when just one instruction cannot be processed, the entire message needs to be rejected*.

**Action**: Item can be closed.

# CA515 CA - Withdrawal / Change / Revocability Period MP

Item not covered due to lack of time.

**Action**: The NMPGs to review the proposed MP and check number of cases for which different action periods are needed for both changes and withdrawals.

# CA517 GM - CR on Instructed Quantity in Instructions (CR)

CR Input from Hendrik:



The CR has been submitted by Hendrik.

**Action**: Item can be closed.

# CA519 CA - Handling of Instructions after DTCH event

Updated input from Mari:



Item not covered due to lack of time.

**Action**: All NMPGs to review the proposed MP and comment.

# CA520 CA - CAPS Message Flow Description

Input from Michal:



Item not covered due to lack of time.

**Action**: Mari / Christine to draft some wording to be added to GMP1 to cover scenario A.

# CA521 GM - BIC used for the Vote though Network? (CR)

NMPGs feedback:

FR: the BIC is used today by FR. It cannot be removed.

LU: Would prefer the BIC to stay as well.

DE: A yes/no indicator doesn’t make sense. What would be the result No is set? If Vote Through Network is not possible, the vote method shouldn’t be used. This CR would mean that all meeting instructions MUST be sent through the chain of custody and it will not be possible for intermediaries (or SWIFT based beneficial owners) to send instructions directly to the issuer/issuer agent anymore. With a proof of holding and a SID disclosure this could be possible in future processes.  In Germany the most CBF participants sending their instructions to the agent and not to the CSD.

It seems that there are a lot of different business cases to consider amongst the different countries. There are 3 scenarios to consider: instructions sent via the chain of intermediaries, sent to a third party or to the common depository.

**Decision**: the CR requesting to remove the BIC and to replace it with a flag is not approved. The WG agrees to submit a CR to cover the three business needs/scenarios for the element and submit the CR, leaving the actual solution design to the ISO process.

**Action**: Christine/Randi to rewrite the CR and submit it to SWIFT.

CR submitted by Christine:



# CA522 CA - SR2022 EIG+/Events Templates & MP Updates

Item not covered due to lack of time.

**Actions**: Christine to draft the SR2022 MPs Update Summary.

# CA523 GM - seev.004 & seev.001 pagination MP & CR (CR)

Input from Jacques – new pagination MP



DE feedback:

*Is it possible to mention a value in message 2 that was not mentioned in message 1, except the sections that have been split? See point 2 of the MP descriptions “… the following paginated meeting notifications, fill in only the other mandatory sequences (and mandatory elements in these sequences) …”  Does it mean that the pagination 2,3,4 or 5 messages never include a non-repetitive information? Example seev.001, the most relevant reason for the pagination will be the resolution items with multiple languages. The message has several other fields like the Additional Information that are behind the resolution. Does the first message should include ie Vote, Power Of Attorney Requirements, Additional Information and split security or resolution items?*

Input from Jacques – New pagination CR for seev.004



The new pagination CR has been submitted by Jacques.

**Action**: Remaining NMPG’s to review the pagination MP for the seev.001

# CA526 CA - Review GMP1 section 3.14 and 6.11 (movement sequences)

Input from Mari / Jean-Pierre:



Item not covered due to lack of time.

**Action**: All NMPGs to review and comment on the proposed updated market practice.

# CA528 CA - Reversal processing in the context of tax adjustment (contractual payment) (CR?)

No strong appetite to date for submitting a CR for SR2023.

**Action**: Close item.

# CA530 CA - Interest coupon paying in kind and cash (New)

Item not covered due to lack of time.

**Action**: NMPGs to review the topic for next call.

# CA532 GM - Add the resolution item description in Execution Confirmation and results distribution messages (New) (CR)

Updated CR input from Hendrik:



The CR is approved.

**Action**: Hendrick to submit the CR on behalf of the SMPG and close item.

# CA533 GM - Update GM MP for SR2022

Item not covered due to lack of time.

# CA534 CA - message version in the ECMS Context

Final Letter sent to the ECB on May 13:



# CA535 GM - seev.004 Legal person nationality

CR Input Jean-Paul:



The WG agrees with the CR but the “Nationality” element should be renamed “Country Of Incorporation”.

**Action**: Euroclear to submit the change request on its behalf.

# CA536 CA - Mandatory Cancellation of an accepted instruction which is no longer valid

Input from Steve:



WG initial feedback: Cancellation is always as per SLA in that case. The proposal is likely in conflict with existing global market practice in GMP1.

**Action**: Remaining NMPG’s feedback requested for next call.

# CA537 GM - Voting with “Board of Directors” for Meeting resolutions

Randi provides the context:

*If a shareholder wishes to vote for an item, it is possible to fill out a form (physical reply form) This form has a note stating that if a resolution changes or new resolutions arise at the actual meeting, the shareholder can appoint/will appoint the board of directors to vote on their behalf.*

*This is not currently a possibility in the seev.001 – to indicate, that it is possible for board of directors to act on behalf of a shareholders who has submitted his vote through ISO message, but the resolution changes or a new resolution arises at the meeting.*

*This means that at a general meeting where 6000 shareholders (of maybe 100000 shareholders) attend the physical meeting /or have cast their vote via the physical form, will have a clear advantage compared to the ones who are not there. What could we do in terms of a change request ?*

Initial NMPG feedback:

CH: the change of a resolution at the meeting itself is not really possible.

**Action**: Business case to be further discussed at next call.

**Next CA WG call:** June 21, 2022 from 2:00 to 4:00 PM CET.

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