

SMPG - Corporate Actions

Telephone Conference Minutes

13 September 2022

FINAL Version 1.0 – October 5, 2022

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Attendees List

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Guenter | Bauer | Unicredit | Excused |
| AU | Ms. | Priscilla | Ferri de Barros | ASX | Excused |
| BE |  |  |  |  |  |
| CH | Mr. | Mike | Blumer | Credit Suisse | 🗸 |
| DE | Mr | Daniel | Schaefer | HSBC | 🗸 |
| DE | Mr | Melchior | Hendrik | Clearstream | Excused |
| DK | Mr. | Randi Marie | Hattens | VP Securities A/S | 🗸 |
| ES | Mrs | Diego | Garcia | DB | Excused |
| FI | Ms | Rask | Sari | Nordea Bank Plc | 🗸 |
| FR | Mr | Jean-Pierre | Klak | Statestreet | 🗸 |
| HK | Mr. | James | Mullens | Nomura | 🗸 |
| HU | Mr. | Zoltan | Tkalecz | Citi | Excused |
| HU | Mr. | Gàbor | Szentpéteri | Keler | 🗸 |
| IT | Ms | Paola | Deantoni | SGSS spa | Excused |
| JP | Ms. | Akiko | Kojima | Mizuho Bank | 🗸 |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | Excused |
| LU | Ms. | Catherine | Falcone | Clearstream | 🗸 |
| MDPUG | Mr. | Peter | Hinds | Interactive Data | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | Excused |
| NL | Mr | Huseyin | Boler | ABN AMRO Clearing | 🗸 |
| NO | Mr. | Alexander | Wathne | Euronext | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | KDPW | 🗸 |
| PL | MS | Monika | Adamowicz | KDPW | Excused |
| 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 | 🗸 |
| Uk & IE | Mr. | Matthew | Middleton | LSE | Excused |
| US ISITC | Mr. | Steve | Sloan | DTCC | Excused |
| 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 for September

1. CA476  - CA events for Funds Presentation (IF WG) – 45’
2. Approval of July 19 minutes

**GM related Items**

1. CA494   GM - Request of a seev.007 outside the original seev.004 (Action: Mari)
2. CA523   GM - seev.004 & seev.001 pagination MP (Action: NMPGs)
3. CA533   GM - Update GM MP for SR2022 (Action: Mari)
4. CA537   GM - Voting with “Board of Directors” for Meeting resolutions (Status: Alexander)
5. CA539   GM - Status for Instructions received before record date? – NEW (Alexander)
6. CA509   CA/GM - CMH-TF ASEG New Meeting Event ? - Status

**CA related Items**

1. CA522   CA - SR2022 EIG+/Events Templates & MP Updates (Action: Jacques)
2. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: NMPGs)
3. CA501   CA - Amend scope of Tax on Non Distributed Proceeds Indicator (SR2022 CR 001794) (Action: NMPGs)
4. CA502   CA - Add new First and Last Bid Increment Price to CA Details and Option Level for TEND and DTCH events (SR2022 CR 001789)          (Action: NMPGs)
5. CA504   CA - Add new OFFE Indicator code when Dissenters Rights are Not Applicable (SR2022 CR 001793) (Action: NMPGs)
6. CA507 CA - Add New Protect Balance to Instruction Status
7. CA511   CA - Consistency between 22F::CAOP//SLLE &  69A::PWAL (Action: NMPGs)
8. CA512   CA - Review DRIP CHOS with Interim template (Action: Jean-Paul)
9. CA513   CA - Reversal / repayment process in ISO20022 - Check if still remaining action ?
10. CA515   CA - Withdrawal / Change / Revocability MP (Action: NMPGs)
11. CA519   CA - Handling of Instructions after DTCH event (Action: NMPGs)
12. CA526   CA - Review GMP1 section 3.14 and 6.11 (movement sequences) (Action: Mike & NMPGs)
13. CA530   CA - Interest coupon paying in kind and cash (Action: NMPGs)
14. AOB

# Approval of July 19, 2022 Minutes

For the open item CA537, Randi confirms that the CR 1128 had been submitted in June to cover this issue in the GM messages. The CR has been approved and the issue is therefore solved.

The minutes of July 19 are approved with the above comments that will be included in the final version.

# CA476  - CA events for Funds Presentation (IF WG)

Caleb Lanfear, Krister Lindgren and Gregory Mesdag from the SMPG IF WG have joined the call to present the set of slides here below which focus on the distribution of income from the fund (open ended funds not traded on exchanges):



The distribution of income is done either in cash or to be re-invested.

These events are managed in a slightly different way in funds because the choice between cash and re-investment is defined at the time of account opening with the transfer agent and it cannot be changed per event.

The “re-investment date”, intended as the date the income is re-invested in the fund should also be looked at in the DVSE scenario where the fund only allow a re-investment option.

Next steps agreed is to further discuss the matter in Amsterdam.

**Action:** NMPGs to check if such events exist in their markets and how they are handled.

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

Input from Mari:



MP approved by: FR, UK

Not yet clear whether the MP should refer to the PEND/PENR balances.

**Action**: Mari to update the MP.

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

Input from Mari: (Not discussed yet at the call)



**Action**: NMPGs to review the input and provide comments.

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

Input from Jacques:



MP approved by: FR, UK, DK

DE mentions that the TNDP indicator is not used in Germany since the local ISIN is enough.

The question is raised as to whether we should try to harmonise the usage of DSS for tax related indicators like ETYP, ITYP, OTYP and TNDP ?

For TNDP, the MP recommend the usage of the “SMPG” for the DSS whilst for ETY/ITYP, specific DSS is used like “IRSX” for the US.

It is proposed that the Tax SG look at that question.

**Action**:

1. Remaining NMPGs to review and comment for next call.
2. Jacques to create new Open Item to look at the harmonisation of the DSS for tax related indicators

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

MP proposal from Steve:

“*For Bid Tender or Dutch Auction events, the* ***First Bid Increment******Price*** *helps to define what the first allowable bid price will be after the minimum price when there are irregular bid ranges. The* ***Last Bid Increment Price*** *is the last allowable bid price before the maximum price. For example, event had a minimum bid price of 10.22 and a maximum bid price of 10.62 and the* ***Bid Interval******Rate*** *is .10. In this event, the allowable bid prices are (10.22, 10.30, 10.40, 10.50 10.60 and 10.62). The* ***First Bid Increment Price*** *would be 10.30 . In the same example the last bid increment price would be 10.60.*

*Please note that both the First and Last Bid Increment price should be supplied on all Bid Tender or Dutch Auction events whenever possible*. “

MP Approved by: UK

The current MP does not seem to be clear enough for some NMPGs since usually one option is sent per bid price. This MP seems to be very much US specific. Should we recommend rather to have an US/ISITC local MP and not include a MP in the GMP document ?

To be further discussed in Amsterdam…

**Action**: NMPGs to review and comment for next call

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

MP proposal from Steve:

**“***Dissenters Rights Not Applicable (NDIS) Offer Type Code defines when a particular event (eg. Mergers, Reverse Splits) has no dissenter rights privilege. This tag should only be populated when conveyed within the offering materials.*”

MP Approved by: UK

**Action**: NMPGs to review and comment for next call.

# CA507 CA - Add New Protect Balance to Instruction Status

Input from Mari/Christine:



**Action**: NMPGs to review and comment for next call.

# CA509 CA - CA/GM - CMH-TF ASEG New Requirements

The change request for the creation of a new CA Event for the Payment of Meeting Events' Incentive Fees (CR1847) has been rejected at the CA Maintenance WG meeting. Therefore the AMI SeCo SCoRE Standards #12 must be amended accordingly.

**Action**: Mari to write to Gary/Benjamin at the ECB to inform them about this rejection so that the SCoRE Standard can be amended.

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

Updated input from Christine:



MP approved by: SE, FR, JP (although not applicable in JP).

No additional feedback received.

**Action**: Remaining NMPGs to review the updated MP and comment for next call.

# CA512 CA - Review DRIP CHOS with Interim template



Jean-Paul has discussed this with Euroclear NL. The issue will be escalated to DACSI which should provide a MP.

No further input. Carried forward.

**Action**:

1. Jean-Paul to Follow Up with DACSI.
2. Jacques to update the DRIP CHOS with interim template when finalised

# CA513 CA - Reversal / repayment process in ISO20022

The reversal reason codes entered in the ISO 20022/MX messages are not (yet?) reversed engineered in ISO 15022. Do we need to keep them in synch ?

**Action**:

1. Christine to check if any amendment to GMP1 is needed to reflect what agreed on this topic.
2. NMPGs to provide feedback on the question

# CA515 CA - Withdrawal / Change / Revocability Period MP

No further NMPG input provided.

This is now a fact-finding exercise: in markets where there is revocability, is there different deadlines/periods for cancellation of a submitted instruction versus  change (of option/outturn) of a submitted instruction, hence possibly requiring a CR for an additional period?

**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.

# CA519 CA - Handling of Instructions after DTCH event

Updated MP input from UK/Mari:



MP proposal approved by: SE

**Action**: Remaining NMPGs to review the proposed MP and comment for next call.

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

Input from Jacques:



The MP Update summary for SR2022 has been published on the SMPG web site.

**Actions**: close item

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

Updated input from Jacques –Pagination MP



MP for seev.001 approved by: DE, DK, FR.

No further NMPG comments.

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

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

MP approved by: SE, DK, FR.

Mike suggested some changes in GMP1 section 3.14 as follows:



**Actions**: Remaining NMPGs to review and comment on the proposed updated market practice and examples for next call.

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

Item not covered.

UK: event not covered.

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

# CA533 GM - Update GM MP for SR2022

Input: GM Final Draft MP for SR2022:



**Actions**:

1) Mari to arrange another call to discuss CR1032 (Account Servicer Support for Participation Method and Associated Deadline).

2) Mari check that the latest version to ensure all feedback has been included.

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

It is not clear in the MP how to technically vote for new resolutions introduced at the GM.

**Action**: Mari/alexander to update the MP to recommend to use “VoteInstructionForMeetingResolution” to vote on resolutions raised at the meeting.

# CA539 GM - Status for Instructions received before record date?

Not discussed. Carried forward to next call.

**Action**:.

**Next CA WG meeting:** October 5 to 7, 2022 in Amsterdam during the SMPG Global meeting.

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