

SMPG - Corporate Actions

Telephone Conference Minutes

13 December, 2022

FINAL Version 1.0 – January 17, 2022

Table of Contents

[1. Approval of November 2022 Minutes 4](#_Toc122100577)

[2. CA466 CA - MC - Handling MCs in the Cash Penalties and ECMS Context 4](#_Toc122100578)

[3. CA469 CA - Managing CA instructions in scope of CSDR when partial settlement is implemented 4](#_Toc122100579)

[4. CA473 GM - GoR TF GM template review 5](#_Toc122100580)

[5. CA505 CA Tax - Add new Other Type of Income Qualifier in Movements Sequences 5](#_Toc122100581)

[6. CA506 CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork 5](#_Toc122100582)

[7. CA512 CA - Review DRIP CHOS with Interim template 5](#_Toc122100583)

[8. CA513 CA - Reversal / repayment process in ISO 20022 6](#_Toc122100584)

[9. CA519 CA - Handling of Instructions after DTCH event 6](#_Toc122100585)

[10. CA520 CA - CAPS Message Flow Description 7](#_Toc122100586)

[11. CA526 CA - Review GMP1 section 3.14 and 6.11 (movement sequences) 7](#_Toc122100587)

[12. CA530 CA - Interest coupon paying in kind and cash 7](#_Toc122100588)

[13. CA538 SID - Amend definition of AccountOwnershipType5Code 7](#_Toc122100589)

[14. CA540 SID - Reporting of below Threshold Quantity 8](#_Toc122100590)

[15. CA541 CA Tax - Harmonisation of the DSS usage for tax related indicators 8](#_Toc122100591)

[16. CA542 CA – Questions on the CA SCoRE Standards 8](#_Toc122100592)

[17. CA543 CA - Currency Option Usage 8](#_Toc122100593)

[18. CA544 GM - Meeting Event in EIG+ 9](#_Toc122100594)

[19. CA545 CA - Issuer Agent Messages 9](#_Toc122100595)

[20. CA548 CA - Narrative Update Date and Description fields in ISO 20022 9](#_Toc122100596)

[21. CA549 CA - SR2023 EIG+ Global Grid or Country column and templates update 9](#_Toc122100597)

[22. CA550 CA - Usage of Tax Qualifiers & RateType Code & TAXR//0, 9](#_Toc122100598)

[23. AOB 9](#_Toc122100599)

**Attendees List**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NMPG** |  | **First Name** | **Last Name** | **Institution** | **🗸 = Present** |
| AT | Mr. | Guenter | Bauer | Unicredit | Excused |
| AU | Ms.  | Priscilla | Ferri de Barros | ASX | Excused |
| BE | Mr. | Hakim | Akka | BNY Mellon | Excused |
| 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 | Mihaela | Fallourd | BNP Paribas | 🗸 |
| 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 | 🗸 |
| JP | Mr. | Hiroshi | Takahashi | Mizuho Bank | 🗸 |
| LU | Ms. | Catarina | Marques | Clearstream | 🗸 |
| LU | Ms. | Catherine | Falcone | Clearstream | 🗸 |
| MDPUG | Mr. | Peter | Hinds | Interactive Data | Excused |
| MDPUG | Ms. | Laura | Fuller | Telekurs | 🗸 |
| 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 | 🗸 |
| 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 | 🗸 |
|  |  |  |  |  |  |

**Summary of CA WG Meeting Agenda December 2022**

1. Approval of November Minutes
2. CA549   CA - SR2023 EIG+ Global Grid or Country column and templates update (Action: NMPG's)
3. CA466   MC - Handling MCs in the Cash Penalties and ECMS Context (Action: Mari/Christine)
4. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: NMPG's)
5. CA505   CA Tax - Add new Other Type of Income Qualifier in Movements Sequences (Action: ISITC/Steve)
6. CA506   CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (Action:  ISITC/Steve)
7. CA512   CA - Review DRIP CHOS with Interim template (Action: NL NMPG)
8. CA513   CA - Reversal / repayment process in ISO20022 (Action: Mari/Christine/Randi/Jacques)
9. CA519   CA - Handling of Instructions after DTCH event (Action: NMPG's)
10. CA520   CA - CAPS Message Flow Description (Action: NMPG's)
11. CA526   CA - Review GMP1 section 3.14 and 6.11 (movement sequences)(Action: NMPG's/Mike)
12. CA530   CA - Interest coupon paying in kind and cash (Action: NMPG's)
13. CA541   CA Tax - Harmonisation of the DSS usage for tax related indicators (TNDP/ETYP/ITYP/OTYP) (Action: Tax SG / ISITC/Steve)
14. CA542   CA - Questions on SCoRE (Action: NMPG’s)
15. CA543   CA - Currency Option usage (Action: NMPG’s)
16. CA545   CA - Issuer Agent Messages (Action: NMPG’s)
17. CA548   CA - Narrative Update Date and Description fields in ISO 20022 (Action: Mari)
18. CA550   CA - Usage of Tax Qualifiers & RateType Code & TAXR//0, (Mari)
19. CA473   GM - GoR TF GM template review (Action: Jacques)
20. CA544   GM - Meeting Event in EIG+ (Action: Christine)
21. CA538   SID - Amend definition of AccountOwnershipType5Code (Action: NMPG's)
22. CA540   SID - Reporting of below threshold  quantity (Action: Mari/NMPG's)
23. AOB

# Approval of November 2022 Minutes

The minutes of the November meeting are approved without any comments.

NMPG comments provided by email to Jacques before December 6 have been integrated into the November minutes.

# CA466 CA - MC - Handling MCs in the Cash Penalties and ECMS Context

MP input not yet provided.

**Action**:

1. Mari/Christine to put up some MP proposal.

2. Mari to check if UK wants to submit a CR for SR2024 to translate the new ISO 20022 market claims into a MT567.

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

2 inputs from Mari/Christine:





Approved: FR, DK

Not applicable: FI.

ZA Feedback - This would not necessarily be applicable to ZA market because in terms of the CSD’s Directives instructions are required on settled positions as at record date – partial settlement is not allowed. Therefore, bilateral agreements to take into account outstanding trades to process instructions will be between those 2 parties and have no impact on the market process. Trades that do not settle by record date, the claim process will have to be followed.

LU has questions on the flow description in the example and wonder whether one should also report another PEND status on the quantity not yet settled.

**Decision**: The examples should be amended and mention this possibility.

**Action**:

1. Mari/Christine to update the documents
2. NMPG’s to review the 2 MP variant proposals above and provide feedback at next call.

# CA473 GM - GoR TF GM template review

Pending action item.

**Action**: Jacques & Christine to draft email for AFME / EBF / ECSDA (Alessio Sarcinelli, Marcello Toppa,…) to remove the GOR templates from their website or indicate date of SR.

# CA505 CA Tax - Add new Other Type of Income Qualifier in Movements Sequences

Pending ISITC/Steve/Paul’s input. Item carried forward.

**Action**: ISITC/Steve to provide a MP on this ASAP to the tax subgroup.

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

Input required from Steve. Item carried forward.

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

# CA512 CA - Review DRIP CHOS with Interim template

Input:



Discussions on the case are on-going in the Dutch NMPG and DACSI**.**

**Action**: Mari and Huseyin to work on updated templates for next call.

# CA513 CA - Reversal / repayment process in ISO 20022

Updated Input from Christine:



Related CA542 input



The usage of seev.044 (CAPC) is questionable in these scenarios.

Do we need this CAPC message, or alternatively should we have a CAPA REPL with amount at 0 ?

The usage of CAPC to cancel a CAPA REVR being issued by mistake is not something we envisage as it’s very rare, as confirmed by the ICSD.

**Decision**: Christine to update scenario 1 and 3 to add a new step with seev.039 (CACN) to communicate the withdrawal of the event.

Jacques has reviewed the implementation date in the SR2023 draft GMP1 for the new/updated MPs.

**Action**:

1. Christine to update the input document as per the decision with ISO15022 and ISO20022 SR2023 version.
2. Jacques to circulate the updated (SR2023) version of GMP1 to be reviewed by Mari, Christine and Randi by 6 Jan.
3. Randi to review GMP1 section 4 accordingly once the issue with CAPC is solved.
4. Christine/Mari to create a CR for SR2024 to add reversal reasons in the MT564.

# CA519 CA - Handling of Instructions after DTCH event

Updated MP input from Mari:



ZA Feedback – Dutch Auction events are not prevalent in the ZA market however ZA is supportive on the MP.

MP approved by: DK, FR, FI, SE, DE, HK, LU, XS, ZA

**Action**: Remaining NMPGs to review the updated MP and comment for next call, otherwise will be considered as approved by all.

# CA520 CA - CAPS Message Flow Description

Input from Mari:



MP approved by: DK, FR, HK, SE, LU, XS, PL, NL, DE, ZA

**Action**: Remaining NMPGs to review the proposed MP and comment for next call, otherwise will be considered as approved by all.

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

Mike, Jean-Pierre and Mari have suggested some changes in GMP1 section 3.14 and 6.11 as follows:



MP approved by: JP, FR, DK, SE, ZA, HK, DE

**Actions**:

1. Remaining NMPG’s to review the updated MP and revert.
2. Mike to update the example in section 13.3 accordingly.

# CA530 CA - Interest coupon paying in kind and cash

The usage of the various rate qualifiers respectively for INTR and PINK events are as follows:

The two RATEs qualifiers value will sum to 1 / 100%.

The PINK event must link back to the INTR event.

|  |  |
| --- | --- |
| **INTR event (first)** | **PINK event (second)** |
| INTR | Original/annual rate | ADEX |  |
| RATE | Equal to the percentage the issuer will pay in cash | RATE | Equal to the percentage the issuer will pay in securities |
| INTP | Equal to INTR\*RATE (and period, etc.) |  |  |

MP approved by: FI, SE, ZA.

**Action**:

1. NMPGs to review and revert at next call.
2. Christine to beef up the text of the MP.

# CA538 SID - Amend definition of AccountOwnershipType5Code

The definition of the code value “Usufructuary” (USUF) in the seev.047 disclosure response should be completed. Proposed definition:

“*Person having the temporary right to use and derive income or benefit from someone else's property.”*

Approved by: FR, FI, LU, HK, SE, NL, XS, ZA.

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

# CA540 SID - Reporting of below Threshold Quantity

Input from Michal:



**Decision**: In the SID MP in the seev.047 section, move the “Non-Disclosed Shareholding Quantity” and “Below Threshold Shareholding Quantity” from the optional to the mandatory part of the MP and make them conditional.

Approved by: FR, FI, SE, DE

**Action**:

1. 1. Mari to update the SID MP.
2. 2. Remaining NMPG’s to review the decision and revert.

# CA541 CA Tax - Harmonisation of the DSS usage for tax related indicators

Item owned by the tax subgroup.

Input not yet provided.

**Action**: The Tax Subgroup to go ahead with the analysis and revert.

# CA542 CA – Questions on the CA SCoRE Standards

Updated Input from Mari:



MP approved by: HK, FI, SE

MP Not approved: JP

**Action**: Remaining NMPG’s to review and revert for next call.

# CA543 CA - Currency Option Usage

The usage in the MP is not aligned to what is reported in the SMPG templates.

Should we now also use it for other events that are not income related (DVCA or INTR) ?

In that case, a CR will be required to amend the definition of OPTN in the standards.

UK feedback: OPTN only reported for dividend event if the price/dividend rate is unknown

JP, SE, NO, PL: OPTN also used for redemption events e.g. REDM, PCAL, MCAL

CH & FR: used for events INTR and DVCA today with currency options when the price is unknown. Could potentially appear in tender offers or subscriptions.

FI: OPTN not applicable in FI.

ZA: OPTN is only reported when a dividend/distribution is announced in one currency and paid in another currency, e.g. announced in GBP but paid ZAR.

**Action**: Remaining NMPG’s to provide examples of events other than INTR and DVCA where OPTN is used.

# CA544 GM - Meeting Event in EIG+

With ISO 20022 GM messages, EIG+ contents for meeting events is longer aligned.

Pending action, carried forward.

**Action**: Christine to review the global grid and add additional explanation on the Corporate Actions numbering.

# CA545 CA - Issuer Agent Messages

Is there an appetite to review them so that they could be used in the US or other countries?

UK will check.

No input yet.

**Action**: NMPG’s to revert.

# CA548 CA - Narrative Update Date and Description fields in ISO 20022

The second paragraph of section 3.15 in GMP1 is worth being reviewed so as to align the MPs between ISO 15022 and 20022.

No input yet.

**Action**: Mari to propose an update to Section 3.15.

# CA549 CA - SR2023 EIG+ Global Grid or Country column and templates update

Input on EIG+ / templates provided by JP, FI, FR, CH.

**Action**: Remaining NMPGs to provide input/changes to Jacques before end of year on the EIG and Event Templates.

# CA550 CA - Usage of Tax Qualifiers & RateType Code & TAXR//0,

To be further discussed in the tax sub-group.

# AOB

**GM messages – Issue with Resolutions - Jean-Paul Lambotte**

Context: We have noticed that we sometimes receive multiple occurrences of the description of a resolution for the same language. It seems to be used to provide long descriptions of resolutions. I think this a misuse (as I think we made the resolution description repetitive to support multiple languages and not to support long texts). Shouldn’t we clarify market practice for that and potentially submit a CR to increase resolution description size if really needed? This might create issues and propagate bad habits.

**Action**: Add a new Open Item.

**Sari Rask (FI representative ) leaving the SMPG CA WG**

A new chair of the FI NMPG has been elected recently to replace Sari although Sari will continue to sit in the FI NMPG.

Therefore, Sari is leaving the SMPG CA WG and will be replaced by **Tero Petteri (**Danske Bank**)**, new FI NMPG Chair, as of next year.

The CA WG co-chairs, members and facilitator thank Sari for her great and active contribution to the CA WG for so many years!

Thank you and good-bye Sari !!

**Next CA WG meeting:** January 10, 2023 from 2:00 to 4:00 PM CET

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