

SMPG - Corporate Actions

Telephone Conference Minutes

10 January, 2023

FINAL Version 1.0 – February 20, 2023

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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 | Mr. | Hakim | Akka | BNY Mellon | Excused |
| CH | Mr. | Mike | Blumer | Credit Suisse | Excused |
| 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 | Mr  | Tero  | Tollikko | Danske Bank | 🗸 |
| 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 | Excused |
| NL | Mr  | Huseyin | Boler | ABN AMRO Clearing | 🗸 |
| NO | Mr. | Alexander | Wathne | Euronext | Excused |
| 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 | 🗸 |
| US ISITC | Mr. | Paul | Fullam | FIS | 🗸 |
| XS | Mr.  | Jean-Paul  | Lambotte | Euroclear  | Excused |
| ZA | Mr. | Sanjeev | Jayram | First National Bank | Excused |
| SWIFT | Mr. | Jacques | Littré | SWIFT | 🗸 |
| SWIFT | Mr. | Didier | Hermans | SWIFT | Excused |
|  |  |  |  |  |  |

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

1. Approval of December 2022 Minutes
2. CA549   SR2023 EIG+ Global Grid or Country column and templates update (Action: NMPGs)
3. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: Mari/Christine/NMPGs)
4. CA506   CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (Action: Steve/ISITC)
5. CA512   CA - Review DRIP CHOS with Interim template (Action: Mari/Huseyin)
6. CA513   CA - Reversal / repayment process in ISO20022 (Action: Jacques/Christine/Randi/Mari)
7. CA519   CA - Handling of Instructions after DTCH event (Action: NMPGs)
8. CA520   CA - CAPS Message Flow Description (Action: NMPGs)
9. CA526   CA - Review GMP1 section 3.14 and 6.11 (movement sequences) (Action: Mike/NMPGs)
10. CA530   CA - Interest coupon paying in kind and cash (Action: Christine/NMPGs)
11. CA542   CA - Questions on SCoRE (Action: NMPGs)
12. CA543   CA - Currency Option usage (Action: NMPGs)
13. CA545   CA - Issuer Agent Messages (Action: NMPGs)
14. CA548   CA - Narrative Update Date and Description fields in ISO 20022 (Action: Mari)
15. CA473   GM - GoR TF GM template review (Action: Jacques/Christine)
16. CA544   GM - Meeting Event in EIG+ (Action: Christine)
17. CA551   GM - Issue with Repetition of Resolutions fields
18. CA538   SID - Amend definition of AccountOwnershipType5Code (Action: NMPGs)
19. CA540   SID - Reporting of below threshold quantity (Action: Mari/NMPGs)
20. AOB

# Approval of December 2022 Minutes

The minutes of the December meeting are approved with comments from SE on open item CA543.

# 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

No NMPG comments this time.

**Action**:

1. Mari/Christine to consolidate the 2 documents in one and update the examples to show the possibility to also report another PEND on the quantity not yet settled.
2. Remaining NMPG’s to review 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.

# 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 SR2024.

# CA512 CA - Review DRIP CHOS with Interim template

Input:



Pending action Item.

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

# CA513 CA - Reversal / repayment process in ISO 20022

Updated Input:



See also related Open Items CA542.



Christine presented the ISO20022 changes, both in SR2022 and SR2023 versions.

We will carry on documenting this change, also including the MT version.

**Action**:

1. Christine to update the CA 513 input document as per the decision with ISO15022 and ISO20022 SR2023 versions of the Standards.
2. Randi to review GMP1 section 4 accordingly once the issue with CAPC is solved.
3. 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:



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

**Action**:

1. Steve/ISITC to review the proposed MP for next call so as to check whether in line with US MP or integrate US input if necessary.
2. Remaining NMPGs to review the updated MP and comment for next call.

# CA520 CA - CAPS Message Flow Description

Input from Mari:



FI approves the MP.

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

The MP is approved and open item can be closed.

**Action**: Jacques to input in GMP1.

# 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:



FI approves the MP.

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

UK: The wording is approved but we would like to see the updated templates before we give the final approval.

**Actions**:

1. Remaining NMPG’s to review the updated MP and revert for next call.
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.) |  |  |

DK approves the MP.

MP approved by: FI, SE, ZA, DK, UK, FR.

**Actions**:

1. Remaining 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.”*

DK & DE approves the MP.

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

**Action**: Remaining NMPG’s to review and revert for next call. Will be approved as is if no additional feedback is provided.

# 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.

DK, PL approve the MP.

Approved by: FR, FI, SE, DE, DK, PL.

**Action**:

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

# CA542 CA – Questions on the CA SCoRE Standards

Updated Input from Mari:



Comments from FR (Mihaela):

Point 1 : France agrees on a DEBT cash movement

Point 2 :

     Bullet point 1 : France agrees with the 2nd solution : map the CAPC to a “564 REPE + ADDB//CAPA

     Bullet point 2 : France agrees to review the mapping of the CAPA and CAPC.

     Bullet point 3 : In which case an ENTL (Entitlement) is cancelled? Could we have a detailed example?

Table “ISO 20022 versus ISO 15022 Messages Mapping” - Alternative for Next year:



France is wondering if here we have a REPL or a REPE instead ? Maybe this needs to be revised ?

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 (seev.009 to seev.030)

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

DTCC is seriously thinking about developing a messaging solution for the Issuer agent notifications and is currently analysing the options i.e. in the form of an extension of the CANO or by reusing some of the Issuer Agent messages or creating brand new ISO 20022 messages.

Steve/ISITC will present something on that while in OSLO in April either in the CA WG or in the plenary session.

**Actions**:

1. NMPG’s to comment & revert.
2. Steve to prepare presentation for OSLO

# 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.

Input from Mari:



UK agree in recommending the usage of the “Update Date”. However, we have questions on the “Update Description”. How should it be used? Why is it only “Max 140 characters”. If we do not recommend it to be used, should we have a CR to remove it?

**Action**: NMPG’s to review the proposed MP amendments and revert.

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

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

**Action**: Remaining NMPGs to provide input/changes to Jacques before end of January 2023 on the EIG and Event Templates.

# CA551 GM - messages – Issue with Repetition of Resolutions fields

*Context Description (Jean-Paul): 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.*

A fact finding exercise is required to analyse the situation and see whether it is necessary to increase the length.

UK: no feedback as most member outsource to proxy providers

**Action**: NMPGs to collect information on current usage.

**Next CA WG meeting:** February 7, 2023 from 2:00 to 4:00 PM CET

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