

SMPG - Corporate Actions

Telephone Conference Minutes

10 February, 2023

Final Version 1.0 – February 21, 2023

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**Attendees List**

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| --- | --- | --- | --- | --- | --- |
| **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 | 🗸 |
| 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 | 🗸 |
| FI | Mr  | Tero  | Tollikko | Danske Bank | 🗸 |
| FR | Mr | Mihaela | Fallourd | BNP Paribas | 🗸 |
| 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 | Ms. | Akiko | Kojima | Mizuho Bank | 🗸 |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | 🗸 |
| JP | Mr. | Hiroshi | Takahashi | 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 | 🗸 |
| 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 | 🗸 |
| 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 | 🗸 |
| 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 January 2023 Minutes
2. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: Mari/Christine/NMPGs)
3. CA506   CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (Action: Steve/ISITC)
4. CA512   CA - Review DRIP CHOS with Interim template (Action: Mari/Huseyin)
5. CA513   CA - Reversal / repayment process in ISO20022 (Action: Christine/Randi/Mari)
6. CA519   CA - Handling of Instructions after DTCH event (Action: Steve/ISITC/NMPGs)
7. CA526   CA - Review GMP1 section 3.14 and 6.11 (movement sequences) (Action: Mike/NMPGs)
8. CA530   CA - Interest coupon paying in kind and cash (Action: Christine/NMPGs)
9. CA542   CA - Questions on SCoRE (Action: NMPGs)
10. CA543   CA - Currency Option usage (Action: NMPGs)
11. CA545   CA - Issuer Agent Messages (Action: NMPGs)
12. CA548   CA - Narrative Update Date and Description fields in ISO 20022 (Action: NMPGs)
13. CA473   GM - GoR TF GM template review (Action: Jacques/Christine)
14. CA544   GM - Meeting Event in EIG+ (Action: Christine)
15. CA551   GM - Issue with Repetition of Resolutions fields (Action: NMPGs)
16. CA538   SID - Amend definition of AccountOwnershipType5Code (Action: NMPGs)
17. CA540   SID - Reporting of below threshold quantity (Action: Mari/NMPGs)
18. AOB

# Approval of January 2023 Minutes

The minutes of January meeting are approved with comments from UK and FR (see track changes in document below).

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

Consolidated input from Mari/Christine:



SE and DK approved the new version, keeping both reason codes PENR and LACK for PEND.  Once approved, the MP will be published compliant with ISO 15022 & 20022 terms.

Approved MP: FR, DK, SE

Not applicable: FI, ZA

No NMPG comments this time.

**Action**: NMPGs to provide feedback on the new consolidated text.

# 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

Not covered. Carried forward.

**Action**: Steve and Jacques to review status reason codes alignment with CAST messages and see if a change request is required in SR2024.

# CA512 CA - Review DRIP CHOS with Interim template

Input:



Main changes in the document are the reporting of the price of execution (PRPP), the price at which fractions will be paid (CINL) and the commissions (CHAR) in the dedicated formatted qualifiers.

Should we add sequence D in the event 2 examples ?

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

# CA513 CA - Reversal / repayment process in ISO 20022

Updated Input:



Question from PL (Michal): Does the event notification for event B need to be sent prior to the withdrawal of event A?

Answer: No, the two messages can be sent in the reverse order. A note will be included in the text when it is added to GMP1.

**Action**:

1. Christine/Jacques to add note in the message flow MP about the numbering of the flow steps which is not significant between the withdrawal of event A and notification of event B.
2. All NMPGs to review the detailed Reversal message flows in ISO 15022 & 20022 and comment.
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

MP input from Mari:



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

The MP practice is approved by the WG and can be added to GMP1 and item closed.

**Action**:

1. Jacques: to add MP to GMP1.
2. Jacques to open a new item to assess the appetite to have in CA new statuses to indicate the processing of the instruction by the issuer agent, similarly to what happens in general meetings.

# 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, FI, UK.

**Actions**:

1. Mike to update the example by next call to illustrate the case when all rates are in the same cash movement.
2. Remaining NMPG’s to review the updated MP and revert for next call.

# 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, DK, UK, FR, CH, DE, ES.

**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.

No further comments.

**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.

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

Item not covered.

**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 – CAPC Usage?

Input from Mari:



The cancellation of a CAPA REVR does not seem to be a realistic scenario. If this is confirmed, the CAPC message (seev.044) could be obsolete as it could be replaced by a CAPA (seev.035) REPL. If the scenario is kept, we need to figure out how it should be mapped to ISO 15022 (MT 564 CAPA with movements set to 0) ?

However, the scope of this MP needs first to be clarified for the NMPGs to be able to provide consistent feedback.

**Action**: Mari to review the wording of the input document to clarify what we are asking the NMPGs to provide feedback on.

# 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.

No other input received this time. To be discussed in Oslo.

**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 no 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 (seev.009 & seev.011) 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.

No NMPGs feedback at this stage.

**Actions**: 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:



Long discussion on the possible usage of the Update Description element. No conclusions. To be further discussed.

FR would like to see some examples of the usage of this field.

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

# 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.

FR is confronted to that issue indeed and support the need to revise the size of the resolution “Description” field .

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

# AOB

DTCC has an issue with the date and period format change CR. Is there an appetite to bring back the date/time format for posting date and original posting date?

The US realised that posting date had the “Time” part removed at the last SR2023 maintenance exercise whilst time is actually used by DTCC. The US would like a CR in SR2024 to bring the “time” component back in PostingDate (and OriginalPostingDate in ISO 20022).

**Next CA WG meeting:** March 14, 2023 from 2:00 to 4:00 PM CET

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