

SMPG - Corporate Actions

Telephone Conference Minutes

14 March, 2023

FINAL Version 1.0 – March 16, 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 | 🗸 |
| DE | Mr | Daniel | Schaefer | HSBC | Excused |
| 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 | 🗸 |
| 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. | Yuka | Asano | 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 | Excused |
| US ISITC | Mr. | Steve | Sloan | DTCC | 🗸 |
| US ISITC | Mr. | Paul | Fullam | FIS | Excused |
| XS | Mr. | Jean-Paul | Lambotte | Euroclear | Excused |
| 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 February 2023 Minutes
2. CA544   GM - Meeting Event in EIG+ (Action: Christine)
3. CA551   GM - Issue with Repetition of Resolutions fields (Action: NMPGs)
4. CA558   GM - Update MP for SR2023 (Mari)
5. CA538   SID - Amend definition of AccountOwnershipType5Code (Action: NMPGs)
6. CA540   SID – MP Update SR2023 & Reporting of below threshold quantity (Action: NMPGs)
7. CA555   SID - MP Updates for SR2023 – new elements (Mari)
8. CA469   CA - Managing CA instructions in scope of CSDR when partial settlement are implemented (Action: NMPGs)
9. CA506   CA - Add new Status Reason Code for Rejections by Agent and Invalid Paperwork (Action: Steve/Jacques)
10. CA512   CA - Review DRIP CHOS with Interim template (Action: NMPGs)
11. CA513   CA - Reversal / repayment process in ISO20022 (Action: NMPGs, Christine/Randi/Mari/Jacques)
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: Christine/NMPGs)
14. CA542   CA - Questions on SCoRE (Action: Mari)
15. CA543   CA - Currency Option usage (Action: NMPGs)
16. CA548   CA - Narrative Update Date and Description fields in ISO 20022 (Action: NMPGs)
17. CA553   CA - Should we recommend usage of 13A in the templates ? (Christine) - NEW
18. CA554  CA - Templates Cleaning (EARL, CAEP, ENTL, ADDB//CAPA) (Mari/Christine) - NEW
19. CA556   CA - Add new instruction processing statuses (Mari) - NEW
20. CA557   CA - Reinstate Time in Posting Date ? (NMPGs) - NEW
21. AOB

# Approval of February 2023 Minutes

The minutes of the February meeting are approved without comments.

# 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, FI, ZA and ES( keeping both reason codes).  
ZA indicates that partial settlement is not allowed though.

UK uses PEND/PENR only (and not LACK).

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

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

Jacques has reviewed the instruction statuses provided in the Instruction Statement message (seev.042) and has compared them to the statuses in the status message (seev.034) and there is indeed a difference for the instruction “Pending” statuses. The seev.042 does not provided any reason code for the Pending status (in path: *“AccountAndStatementDetails / CorporateActionEventAndBalance / Balance / TotalInstructedBalanceDetails / OptionDetails / OptionInstructionDetails / InstructionStatus / Pending”).*

A CR is required to realign the reason codes between both messages.

**Action**: Jacques to draft CR for pending status reason codes alignment in CAST (seev.042) messages.

# 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.

NL NMPG will provide feedback for next meeting.

FR agrees with the proposal and the addition of sequence D in the template of the MT 564.

**Actions**:

* + - 1. Mari to add sequence D in template.

2. Remaining NMPGs to review template and comment for next call.

# CA513 CA - Reversal / repayment process in ISO 20022

Updated Input:



**Action**:

1. Christine to add a 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. Jacques to illustrate the agreed flow with message flow diagram
3. Remaining NMPGs to review the detailed Reversal message flows in ISO 15022 & 20022 and comment.
4. Randi to review GMP1 section 4 accordingly once the issue with CAPC is solved.
5. Christine/Mari to create a CR for SR2024 to add reversal reasons in the MT564.

# 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, ES, NL.

**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, NO.

The MP will be approved in Oslo if no further comments are provided.

**Actions**:

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

# 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, DK, DE, UK.

The WG agrees to create a CR for the definition change.

**Action**: Jacques to draft the CR for review.

# 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, ES.

Carried forward for Oslo to get further approvals.

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

# CA542 CA – Questions on the CA SCoRE Standards – CAPC Usage?

Updated 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) ?

Two questions have been added in the input document by Mari so as to clarify the scope of the request.

Mari will provide more input for Oslo.

**Actions**:

1. Mari to review the wording of the input document to clarify what we are asking the NMPGs to provide feedback on.
2. NMPGs to review and revert

# 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 further 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.

Different options are discussed as adding a note saying that the EIG+ for meeting events are “N/A” for ISO 20022 or create a separate dedicated EIG+ tab for ISO 20022 meetings.

We also need to agree on the structure of GM and SID MP documents. Should they stay separate documents or integrated into the CA GMP as part 4 and 5 ?

Pending action, carried forward.

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

# 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 feedback: Keep the “Update Date” but remove the “Description” field.

**Action**: Remaining 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.*

FI and RU agree also that the size of the resolution field should be increased.

The WG agrees with the proposal to stop the fact finding exercise and to submit a change request to increase the size of the field.

**Action**: Jean-Paul to draft the CR for review.

# CA553   CA - Should we recommend usage of 13::LINK in the Templates ? – NEW

**Decision**: Amend template to remove 13A::LINK

**Action**: Jacques to remove in SMPG Templates

# CA554  CA - Templates Cleaning (EARL, CAEP, ENTL, ADDB//CAPA) (Mari/Christine) – NEW

The proposal is:

1. 98a::EARL to be removed from templates
2. 22F::CAEP to be removed from templates
3. 19B::ENTL to be removed from templates of non-REPE ADDB//CAPA messages

**Action**: NMPG’s to comment and revert.

# CA555 SID MP Updates for SR2023 – new elements

Hendrik Melchior has provided a first draft of the SID MP for SR2023 to Mari, Christine and Jacques.

A meeting is planned with Hendrik end of this week to finalise the version to be reviewed in Oslo.

**Action**: Mari/Hendrik to provide SID MP document for review in Oslo.

# CA556   CA - Add new instruction processing statuses (Mari) – NEW

To be discussed in Oslo.

# CA557   CA - Reinstate Time in Posting Date ? (NMPGs) – NEW

To be discussed in Oslo.

# CA558 GM – Update MP for SR2023

**Action**: Mari to prepare the draft for review for Oslo meeting.

# AOB

Oslo: A joint session will be organised with S&R for Open Item CA493 (Repetitive Place Of Safekeeping) and with the Investment Funds WG for CA476 (CA Events for Funds).

It is still time to register for the Oslo meeting !

Registration Form and agenda are available [here](https://www.smpg.info/index.php?id=12&tx_news_pi1%5Bnews%5D=22&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=41de8c0280108f413c0df7df008fa476).

**Next CA WG meeting:** Global SMPG Meeting in Oslo **-** April 18 - 20, 2023

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