

SMPG - Corporate Actions

Telephone Conference Minutes

June 20, 2023

Final Version 1.0 – July 10, 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 | Excused |
| HU | Mr. | Zoltan | Tkalecz | Citi | Excused |
| HU | Mr. | Gàbor | Szentpéteri | Keler | Excused |
| IT | Ms  | Paola  | Deantoni  | SGSS spa | Excused |
| JP | Ms. | Akiko | Kojima | Mizuho Bank | Excused |
| JP | Mr. | Yoshihito | Suzuki | Mizuho Bank | Excused |
| JP | Mr. | Fusahiko  | Abe | Mizuho Bank | Excused |
| 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 | 🗸 (partly) |
| NO | Mr. | Alexander | Wathne | Euronext | 🗸 |
| PL | Mr. | Michal | Krystkiewicz | KDPW | Excused |
| PL | MS | Monika | Adamowicz | KDPW | Excused |
| RU | Ms | Elena | Solovyeva | ROSSWIFT | 🗸 |
| SE | Ms. | Christine | Strandberg | SEB | 🗸 |
| 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 | 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 June 2023**

1. Approval of May call Minutes
2. CA505 CA Tax - MP for Other Type of Income Qualifier in Movements Sequences (Action: Steve)
3. CA512 CA - Review DRIP CHOS with Interim Template (Action: Mari)
4. CA513 CA - Reversal / repayment process in ISO20022 (Action: All NMPGs)
5. CA526 CA - Review GMP1 section 3.14 and 6.11 (movement sequences) (Action: Mike)
6. CA530 CA - Interest coupon paying in kind and cash  (Action: Christine)
7. CA542 CA - Questions on SCoRE (Action: All NMPGs / Steve / Christine / Mari / Jacques))
8. CA553 CA - Should we recommend usage of 13A in the templates ? (Action: Jacques)
9. CA554 CA - Templates Cleaning (EARL, CAEP, ENTL, ADDB//CAPA) (Action: Jacques)
10. CA560 CA - Cancelation Reason in seev.039  (Action: All NMPGs)
11. CA562 CA - Instructions below MIEX after proration (Action: All NMPGs)
12. CA566 CA - Short/Long balances in CA MX Messages (Action: All NMPGs)
13. CA568 CA - Usage of CINL in MT564 Seq. E or E1? (New)
14. AOB

# Approval of May Meeting Minutes

Yoshihito Zuzuki confirmed to Jacques that Japan was present at the May call whilst this was not reflected in the attendees list of the May minutes. Jacques will update the May minutes accordingly.

The minutes of the May meeting are therefore approved with the remark above.

# CA505 CA Tax – MP for “Other Type of Income” Qualifier in Movements Sequences

Action pending.

**Action**: ISITC/Steve to provide a ISITC draft MP on this for next call.

# CA512 CA - Review DRIP CHOS with Interim Template

Input document:



Mari will update the template for next call.

**Actions**: Mari to share the updated version of the DRIP template for next call.

# CA513 CA - Reversal / Repayment Process in ISO 20022

Updated Input:



Following feedback from LU, the document will be updated to include in scenario 3 a reference to the fact the sequence of messages is indicative with reference to the issuance of the seev.039 for the old event and seev.031 for the new event.

It was also decided to remove the SR2022 section in the ISO 15022 MP as the SR2023 MP does not result from a standards change in the 15022.

MP Approved: FI, ES, XS, SE (although not a concrete scenario in SE).

**Actions**:

1. Remaining NMPGs to provide feedback for September at the latest.
2. Randi to review GMP1 section 4 accordingly once the issue with CAPC is solved.

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

Updated Input document from Mike (received on July 4):



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

**Action**: NMPGs to review the examples provided by Mike 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.) |  |  |

The MP is approved (by FI, SE, ZA, DK, UK, FR, CH, DE, ES, NO) and there are no objections.

Action from Christine carried forward to next call.

**Action**: Christine to beef up the MP text of the above MP before being published in GMP1.

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

Follow up on:

* Action 1: Steve will provide input for next call.
* Action 2: Mari, Christine and Jacques will set up a call beginning of July.
* Action 3 – ECMS/SCoRE Std - Migration of CA to ISO 20022

The WG agreed to ask NMPGs to confirm they would support a recommendation to use ISO 20022 CA messages variant 1, as the one supported by Swift FINplus. In addition, strict usage guidelines should be defined to ensure coexistence with ISO 15022 mainly in terms of character sets, size of specific fields like References, Amounts, Rates, Prices, Quantity, Party Identification, Index Points, etc…and taking into account some specific SCoRE Standards 4 fields specifications.

**Actions**:

1. ISITC/US (Steve) to provide input for rationale and use cases for CAPC usage for lottery events for August call.
2. Christine, Mari and Jacques to review GMP1 Section 4 in light of the new “Function” element.
3. LU/Catherine to check with ECSDA is working on such usage guidelines.

NMPGs: to provide feedback on exclusive usage of variant 1 and definition of Guidelines

Jacques: to see if a presentation on how CBPR+ proceeded for payment could be provided to the SMPG.

# CA553 CA - Should we recommend usage of 13A in the templates ?

Action will be carried out during the summer.

**Action**: Jacques to remove :13A::LINK in SMPG Templates

# CA554 CA – Template Cleaning (EARL, CAEP, ENTL, ADDB//CAPA)

Actions will be carried out during the summer.

**Actions:**

1) Jacques to remove from templates EARL, CAEP and limit ENTL amounts for CAPA messages.

2) Jacques to Review the text of the section 4 (Important note) in the introduction of the templates document.

# CA560 CA - Cancelation Reason in seev.039 (new)

Carried forward to October call.

**Action**: NMPGs to gather input on use.

# CA562 CA – Instruction below MIEX after Proration

ISITC/US agrees with the business case for a standards change.

SE: no such business cases in SE.

**Action**: NMPGs to come back with feedback on the above use case.

# CA566 CA – Short/Long Balances in CA MX Messages

SE, CH agrees with the business case for some balances (to be defined).

**Action**: Randi to provide input to update GMP1 section 8.13.

# CA568 CA – Usage of CINL in MT564 seq. E or E1

Input From Randi:



Randi explain why the MP on the usage of the CINL and its position in the MT564/566 should be clarified.

**Actions:**

1. Mari to share the FR example with Randi to see if a recommendation on the usage can be put forward for GMP1.
2. Tero to provide an example of the Finnish calculation to ensure the reporting of the pricing is correct.

# AOB

Question from Randi on Market Claims:

When a claim is raised, we send seev.035/MT564 (credit) to the receiving party in the claim. The delivering party only receives the seev.031/MT564 informing that the corporate action will take place.

Would you be able to clarify, if it is market practice also to send seev.035/MT564 (debit) to the delivering party in the claim?

The same goes for seev.036/MT566?

We have discussed the matter internally and we have not found it necessary to inform the delivering party, because they have already received the seev.031/MT564.

But we have also not been able to find any documentation to ensure that our scope is sufficient. And we worry that the customer of the delivering party will not be aware of the claim against them until they receive the settlement instruction.

Example:

Party A agrees to sell 10 shares to Party B

The transaction doesn't settle in time before a dividend payment and a market claim is generated.

• Party A - Receives seev.031/MT564, because he has the shares in holding

• When the market claim is generated, we send seev.035/MT564 to Party B. We don’t send any additional messages to Party A.

• Settlement instructions are created and send to T2S (various settlement messages are sent to both parties).

• When the claim has settled on T2S, we send seev.036/MT566 to Party B. We don’t send any additional messages to Party A.

**Action**: Mari to answer based on the answer discussed with Christine in May.

**Next CA WG meeting: Tuesday August 22 from 2:00 to 4:00 PM CEST**

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