

SRD2 Steering Group / SMPG

ISO 20022 Messages and Market Practice Task Force

Frankfurt Meeting Minutes - 11 April 2019

Minutes by: Mariangela Fumagalli, Christine Strandberg, Jacques Littré

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# Meeting Attendees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NMPG /****Associations** |  | **First Name** | **Last Name** | **Institution** |
| BE | Ms. | Véronique | **Peeters** | BNY Mellon |
| DE | Mr | Daniel | **Schaefer** | HSBC |
| CH | Mr | Michael | **Blumer** | Credit Suisse |
| DK | Ms  | Charlotte | **Ravn** | VP Securities A/S  |
| FI | Ms  | Sari | **Rask** | Nordea Bank Plc  |
| FR | Mr | Ilyas | **Alikoglu** | BNY Mellon |
| IT | Ms  | Paola | **DeAntoni** | SGSS spa |
| LU/ECSDA | Ms. | Catarina | **Marques** | Clearstream |
| NO | Mr. | Alexander | **Wathne** | Nordea |
| PL | Mr | Michal | **Krystkiewicz** | KDPW |
| PT/ECSDA | Mr | Ruben  | **Azevedo** | Interbolsa |
| SE | Ms. | Christine | **Strandberg (TF co-Chair)** | SEB |
| SWIFT | Mr. | Jacques | **Littré (TF co-Chair)** | SWIFT |
| UK & IE | Ms. | Mariangela | **Fumagalli (TF-co-Chair)** | BNP Paribas |
| US/ISITC | Mr | Steve | **Sloan** | DTCC |
| XS/ECSDA | Mr.  | Jean-Paul | **Lambotte** | Euroclear  |
| **Attending Via Webex / conference call** |
| EBF |  | Shelby  | **Bostick** | CITI |
| ECSDA |  | Giuseppe  | **Lotito** | LSE |
| ECSDA |  | Pankaj  | **Mendiratta** | Euroclear |
| European Issuers |  | Benjamin | **Deburg** |  |
| NL |  | Danny  | **Koenes** | Rabobank |
| PT / ECSDA |  | Maria  | **Vilar** | Interbolsa |

# Review of Draft Shareholder Identification Messages

## Message Flow

In some countries (DE, IT, AT), it seems that the transposition of the directive into national law would allow the issuer to request that the response to a shareholder identification request is sent back through the chain of intermediaries up to the issuer, a third party appointed by the issuer .

In this case, a new element is needed in the request message (seev.045) to indicate that the response must be sent back through the chain of intermediaries.

* The TF agreed to add a new element in the request message for specifying if the response message must be sent back through the chain of intermediaries.

Several members of the TF express the need to create an additional message to provide feedback on the status of the disclosure response and the cancellation of the response with simple statuses/like “Accepted” and “Rejected”. Some “technical” reasons for the rejection status should also be provided.

* Jacques (SWIFT) will create a 5th message for this.

## Disclosure Request Message (seev.045)

The following was agreed by the TF:

* In the scope definition, remove the terms “on the requested party” and “Details”.
* ShareOwnershipDateRequestType: to be renamed ShareHeldDateRequestType
* As stated in point 2.1 above, a new indicator will be added to state whether or not the response needs to be provided along the chain.

## Disclosure Cancellation Advice (seev.046)

No comments were received – We consider the proposed message design as agreed.

## Disclosure Response (seev.047)

The following was agreed by the TF:

* Rewrite the scope of the message as follows:

*“The ShareholdersIdentificationDisclosureResponse message is sent in response to a shareholder identification disclosure request message by any intermediaries ~~in a custody chain~~ to the t~~hird party~~ recipient designated ~~nominated~~ by the issuer (such as a issuer's agent) in the disclosure request message ~~who had previously requested the disclosure of the shareholders identity~~ in order to provide the requested information on the identity of the shareholders and their accounts holdings serviced by the intermediary for the requested financial instrument.”*

* Remove the AccountOwner element in the SafekeepingAccountAndHoldings sequence
* In case a disclosure response is sent in several parts (i.e. several response messages), there is a need for an identification of the response or for a pagination mechanism in the response message. Jacques to provide the solution for adding this.
* In sequence SafekeepingAccountAndHoldings/AccountSubLevel,
	+ set the element SafekeepingAccount as optional
	+ rename the element ShareholdingBalanceDetails as ShareholdingQuantityDetails
* In sequence SafekeepingAccountAndHoldings/AccountSublevel/ShareholdingQuantityDetails:
	+ rename the element ShareholdingBalance as ShareholdingQuantity
	+ Add a new optional element to indicate that the quantity of shares indicated is under the defined reporting threshold and therefore shareholding details will not be communicated.

Mariangela Fumagalli reported a message requirement discussed during the SRD2 Shareholder Identification Task Force to ensure the messages could be used also in case the response/reporting is outsourced to a third party. From a messaging point of view, the shareholder identification messages could be used also in this scenario. However, to ensure there are no further changes required, the TF would like to get more detailed business requirements about this business case in order to decide what is needed in the message

* . Mari to get back to the TF with more detailed requirements before April 30 (at the latest).

Ilyas Alikoglu reported that because of the SRD2 transposition in the French law, some more information about the investor/shareholders needs to be included in the message. The additional elements would likely include:

* the Nationality (as repeatable element),
* the birthdate (and Place?),
* the activity of the investor (list of predefined codes),
* a (non-)professional indicator.
* Ilyas or anybody with additional requirements on the legal or natural person to get back to the TF with a confirmation of the elements **before April 30 (at the latest)**.

## Disclosure Response Cancellation advice (seev.048)

The following was agreed by the TF:

* Review the message scope in view of the changes made to the scope of the response message.
* Rewrite the ShareholderDisclosureResponseIdentification element definition which is incorrect.
* Add the mandatory IssuerDisclosureRequestIdentification element in the message
* Jacques to make sure the structure of the message is so that the whole response (even when sent in multiple messages) can be cancelled with a single cancellation message.

# Review of Draft MCR for ISO Proxy Voting Messages

## CR1 - new elements in Meeting Notification

The following was agreed by the TF:

* In the seev.001, add a new code “Attendance Without Voting” in the data type of the element AttendanceMethodCode.
* The VoteInstructionType element must be repeatable as follows: [0..9]. Limited to “8” repetition today.
* Add a cross element rule (instead of a textual one) on AdditionalInformation element for VoteInstructionType

## CR2 - new elements for Voting Rights Threshold in Resolution

Agreed

## CR3 – Remove element Entitlement in EntitlementSpecification

Agreed

## CR4 - Remove all STP Deadlines

The following was agreed by the TF:

* Remove as well the SecuritiesBlockingDeadline and the SecuritiesBlockingMarketDeadline elements since we have already in the message the SecuritiesBlockingPeriodEndDate
* Investigate with NMPGs which deadlines are actually used (see below list of questions to be addressed to NMPGs)

## CR5 – Entitlement Specifications Moved to Meeting

Agreed

## CR6 – Align Meeting Types with Those of 15022

There was no consensus in the TF to support this change request as there is no real business case to intentionally reject what was done in ISO 20022 and simply go back to the ISO 15022 meeting types.

The following document is the initial requirement on meeting types for ISO 20022. The document described the rationale for meeting types currently defined in ISO 20022.



* Action: TF members to review the above requirement doc and indicate what meeting types and classifications are needed for their respective markets so that changes can be considered.

## CR7 – Remove VoteInstructionType in Vote Sequence

Agreed by the TF

## CR8 – Align Meeting Notification Type and Status with the CA Notification Structure

Agreed by the TF

## CR9 – Align Meeting Linkages with the CA Notification Linkages

Agreed by the TF

**QUESTIONS FOR NMPGs – deadline 30 April 2019**

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| --- | --- |
| 1 | Attendance deadline – do you use this deadline and do you agree with the current definition? |
| 2 | Proxy deadline – do you use this deadline and do you agree with the current definition? |
| 3 | Vote deadline – do you use this deadline and do you agree with the current definition? |
| 4 | Revocability deadline – do you use this deadline and do you agree with the current definition? |
| 5 | Early with premium deadline – do you use this deadline and do you agree with the current definition? |
| 6 | Vote with premium deadline – do you use this deadline and do you agree with the current definition? |
| 7 | Registration securities deadline – do you use this deadline and do you agree with the current definition? |
| 8 | Registration participation deadline – do you use this deadline and do you agree with the current definition? |
| 9 | In the NotificationStatus element, do we need also a Complete/Incomplete code in addition to Confirmed/Unconfirmed? |
| 10 | AttendanceConfirmationInformation – currently this is a narrative. Do you think we would need formatted codes? If so, which ones? |
| 10 | Date Status – do you agree in removing codes CANC and NOQO as they are redundant? Equivalent codes exist in the cancellation message (seev. 002) |

# Next Meeting / Conference Call

Wednesday April 17 from 3 to 5 Pm CET via Webex.

Jacques will send the invite.