

SRD2 Steering Group / SMPG

ISO 20022 Messages and Market Practice Task Force

Conference Call Meeting Minutes - 9 May 2019

Minutes by: Mariangela Fumagalli, Christine Strandberg, Jacques Littré

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# Meeting Attendees

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| **NMPG /**  **Associations** |  | **First Name** | **Last Name** | **Institution** |
| BE | Ms | Véronique | **Peeters** | BNYM |
| CH | Mr | Michael | **Blumer** | Credit Suisse |
| DK | Ms  Ms | Charlotte  Miriam | **Ravn**  **Hvid** | VP Securities A/S  Danske Bank |
| ES | Mr | Diego | **Garcia** | DB |
| FI | Ms. | Sari | **Rask** | Nordea |
| FR | Mr. | Ilyas | **Alikoglu** | BNYM |
| NL | Mr. | Dany | **Koenes** | RAbobank |
| NO | Mr | Alexander | **Wathne** | Nordea |
| SE | Ms. | Christine | **Strandberg (TF co-Chair)** | SEB |
| SI | Mr | Rok | **Sketa** | KDD |
| SWIFT | Mr. | Jacques | **Littré (TF co-Chair)** | SWIFT |
| UK & IE | Ms. | Mariangela | **Fumagalli (TF-co-Chair)** | BNP Paribas |
| XS | Mr | Jean-Paul | **Lambotte** | Euroclear |
| AFME | Mr. | Michael | **Collier** | DB |
| ECSDA | Mr.  Mr. | Giuseppe  Massimo | **Lotito**  **Della Valentina** | Monte Titoli  ECSDA |
| European Issuers | Mr. | Benjamin | **Deberg** | European Issuers |
| ISITC / US | Mr.  Mr. | Steven  Steve | **Galle**  **Sloan** | Northern Trust  DTCC |

# Overview of Planning for next 3 months

This is the approximate planning (still to be confirmed) for the design and development of the Shareholder Identification and PV messages proposed by Jacques:

**PV messages new version:**

May 22: Proxy voting/meeting message MCR final draft document to be sent for a final review by the TF members.

May 27: Call to be held in order to provide an opportunity for final questions and requests for changes. May 29: Deadline for comments.

June 7: Submit the MCR to the ISO RA to launch the ISO SEG ET review Process

July: ISO SEG ET Review of the MCR

July / August: SWIFT Development of new version of PV messages

Mid August: ISO Quality review

September: Documentation publication

October: ISO Approval and publication

**Shareholder Identification Messages**

May 17: Deadline for new requirements

May 20 – 24: Internal SWIFT Quality Review (for compliance with ISO 20022)

June 7: Messages finalised and submission to ISO RA for ISO SEG ET Review

Mid-June to Mid-July: ISO SEG ET Review

Mid-July to Mid-August: Updates of messages based on IS SEG ET Comments

Mid-August: ISO RA Quality Review

September/October: Documentation production and ISO SEG Approval and ISO Publication

# Involvement of ISS and Broadridge in the ISO process

Christine, Mari and Jacques have a call scheduled with ISS and Broadridge on May 16 to have a walkthrough the current PV MCR documentation.

ISS and Broadridge have accepted to participate to the ISO SEG Evaluation Team for the review of the change requests for Proxy Voting.

# Feedback on Remaining Questions to NMPGs

Feedback/answers on the remaining questions from CH, DE, DK, ES, Euroclear FI, FR, IT, LU, NL, XS, UK and have been consolidated in the following document:



Agreed Actions:

* Remaining NMPGs and other Associations to provide feedback as soon as possible.

The TF went through the remaining questions and review the feedback provided:

## Q. 1 to 8 on Deadlines

The usage of some of these deadlines are not clear at all; especially the difference between Attendance deadline, Registration Securities deadline and Registration Participation deadline. The feedback provided shows that some are based on possible misunderstanding.

At this point, we will not request deletion of any of these deadlines. Instead we will instead create a global/European market practice for them and clarify usage.

## Q9. Complete / Incomplete code

The TF agrees to add Complete/Incomplete in line with the seev.031 (CA Notification) message.

## Q10. Attendance Confirmation Information Narrative

The TF agrees that some predefined codes and the possibility to define proprietary codes (like DSS in 15022) could be added in addition to the narrative.

* Mari will propose input for codes

## Q11. Remove NOQO and CANC from the Date Status in Notification

The TF agrees to remove.

## Q12. Meeting Types and Classification

The TF agrees to keep all code values but to move “Court Meeting” up to Meeting Type since it is not a classification/sub-type of for instance XMET but rather at the same level as BMET.

## Q13. Vote Instruction Code Harmonisation

The TF agrees that Jacques’s proposal to align VoteInstruction2Code and 3code with 4code makes sense.

## Q14. Single or multiple Instruction in the Instruction Message?

No consensus yet reached at this time.

## Q15 and 16: Add PEND Status and align with reason Codes from CA

The TF agrees to copy the list of codes from seev.034 (CA Instruction Status), then delete those that are not clearly applicable and add any meeting-related codes that may be needed like those CH suggested.

## Q17. Confirmation of the recording and counting of votes

The seev.004 Instruction Message already includes the field.

There is no consensus at this time on creating a new message to request it separately for e.g. attendance markets (=SE).

## Shareholder Identification Messages – Additional Local Requirements on the shareholder

Requirements from FR and DK (see minutes of May 2 call) should be clarified and justified as some of those requirements lacks clearly of consistency otherwise they will not be considered.

Deadline May 17.

A Shareholder ID message webex call will be held on May 17 from 10:00 to 12:00 AM CET, in order to finalise the draft for SWIFT to start its internal quality review on May 20.

* **All requests for changes must be provided within the next week.**

# Next Conference Calls

Friday May 17 from 10:00 to 12:00 AM CET

Monday May 27 from 3:00 to 5:00 PM CET

# Reminder - QUESTIONS FOR NMPGs

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| **seev.001** | |
| 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? |
| 11 | Date Status – do you agree in removing codes CANC and NOQO as they are redundant? Equivalent codes exist in the cancellation message (seev. 002) |
| 12 | In 15022, we have one CAEV per meeting type:   * BMET – bondholder meeting * CMET – court meeting * MEET – annual general meeting * OMET – ordinary general meeting * XMET – extraordinary or special general meeting   In 20022, we have the type of meeting (Tp):   * XMET – extraordinary * GMET – general * MIXD – mixed * SPCL – special * BMET – bondholder meeting   which should be completed along with the Classification (Classfctn):   * AMET – annual * OMET – ordinary * CLAS – class * ISSU – Issuer Initiated * VRHI – voting rights holder initiated * CORT – court   Please find enclosed a document (page 6) describing the mapping between the CAEV in 15022 to the type/classification in 20022:    Can you please review the above (20022) list and confirm which one is needed in your market and if there is any that is missing? |
| 13 | In 20022, there are 4 VotInstructionCode that can be used to list the voting options, as follows:   * “VoteInstruction1Code” – CFOR, CAGS, ABST, WTHH, NOAC * “VoteInstruction2Code” – CFOR, CAGS, ABST, WTHH, WMGT, AMGT, NOAC, DISC * “VoteInstruction3Code” – ABST, CAGS, AMGT, DISC, CFOR, NOAC, WTHH, WMGT, ONEY, THRY, TWOY * “VoteInstruction4Code” – ABST, CAGS, AMGT, CHRM, CFOR, NOAC, WTHH, WMGT, ONEY, THRY, TWOY   Jacques investigated the reason of these differences:  *VoteInstruction1Code: used in seev.001 (notification) for Resolution/ManagementRecommendation and ResolutionNotyfyingPartyRecommendation – Could be ok eventually that the Management related votes are not listed here.*  *VoteInstruction2Code: used in seev.001 for VoteInstructionType*  *VoteInstruction3Code: Used in seev.004 for Proxy/GlobalVoteInstruction – Does the “Say on Pay” types of votes (One Year, Two years, Three years) applies only on the instruction message?- It seems ackward that those types are not in the notification. Should replace VoteInstruction2Code probably.*  *VoteInstruction4Code: Used in seev.004 in VoteDetails/VoteForMeetingResolution – Does CHRM (Vote with Chairman) type of vote applies only to votes for resolutions proposed at meeting? If yes, this difference legitimate. If no, it should replace VoteInstruction2Code and VoteInstruction3Code.*  Can you please review the results of Jacques’ analysis?  Would you agree that ONEY, THRY, TWOY (and CHRM) should also be added to VoteInstruction2Code? If so, then VoteInstruction2Code and VoteInstruction3Code and *VoteInstruction4Code* will be identical. We would then recommend removing one of them. Would you agree? |
| **seev.004, seev.005, seev.006 and seev.007** | |
| 14 | The instruction message (seev.004) allows for multiple instructions to be included in the same message. A reference is assigned at message level and a reference is also assigned at the level of each instruction.  The meeting status message (seev.006) allows to either sending a confirmation at global (message) or single instruction level.  The cancellation message (seev.005) only allows to cancel a previously sent instruction message, not an individual instruction.  The vote execution confirmation (seev.007) can only be sent per instruction as per the instruction ID provided in seev.004.  For consistency, we should:   1. either amend seev.005 to allow cancellation at instruction level and not only at message level; OR 2. amend the structure of seev.004 and seev.007 to align to the CA messages and only allow one instruction per message. |
| **seev.006** | |
| 15 | We need to add a PEND status and reason codes to this message. Can we have a list of reason codes we want to use for PEND? |
| 16 | The existing status/reason codes set up in meeting messages is different to what we have in CA. Should we align it? |
| **Confirmation of the recording and counting of votes** | |
| 17 | According to art.9.5 of the implementing regulation, the confirmation of recording and counting of votes shall be provided by the issuer in a timely manner and no later than 15 days after the request or general meeting, whichever occurs later, unless the information is already available.  How is the request supposed to be forwarded to the issuer/issuer agent:   * should we add something to the instruction message (seev.004), OR * should we consider having to create a new message to request the record and counting of votes? |

**SHAREHOLDER IDENTIFICATION – REQUESTS FROM NMPGs – deadline 30 April 2019**

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| 1 | NMPGs requiring additional information to be added to the legal or natural person elements in the response messages to provide such elements by 30/04. |