SMPG Corporate Actions
SR2012 SMPG Market Practice Changes

Disclaimer

The Securities Market Practice Group is a group of experts who devote their time on a voluntary basis to define global and local market practices for the benefit of the securities industry. The market practice documentation and recommendations produced by this organization are intended to solve common problems across the securities industry, from which financial institutions can derive clear benefits, to harmonize business processes and to facilitate the usage of message protocols ISO 15022 and ISO 20022. While the Securities Market Practice Group encourages the implementation of the market practices it develops, it is up to the financial institutions within each market to implement the market practices according to their needs and agreements with their business counterparts to support their businesses as efficient as possible.

Status: Final
Version: SR2012 v1.0
Publication Date: 21 Feb. 2012
Author: SMPG

SMPG Market Practice changes applicable for SR2012

This document provides an overview of the main CA SMPG Market Practices changes applicable as of SR 2012 in November 2012.

1. SR2012 version of Global Market Practice (GMP) part 1

3.2.4 Cancel versus Withdrawal

Addition of a section detailing the market practice rule: :22F::CAPA must be included when cancelling a CAPA message.

3.7.5 Linking multi-parts MT564 / MT 568 Announcements (when msg size limit is reached)

Addition of text concerning the optional use of new pagination functionality, and removal of link to ISITC document.

3.10.1 Revised definition of eligible balance

The text has been moved to 3.10.1 from 5.5: Some markets would like to breakdown the eligible balance on the Preliminary Notification message; this is dependent on client agreement (and thus falls out of the scope of global market practice).

3.11.4 Payment Date – Earliest Payment Date – Value Date

Addition of examples specifying the market practice for when and how to use each date.

3.11.8 General on Options

Addition of a section detailing the market practice for options not offered by issuers: For account servicer options, the Option Feature indicator code ASVO (:22F::OPTF//ASVO) should be present.

3.13 Tax Applicability Indicator Usage

Addition of a section detailing the market practice for the new indicator: TXAP may only be used when no tax rate is provided in the message.

3.14 Movement Sequence Usage in the MT564

Addition of a section detailing the market practice specifying that rates and prices should be included in the relevant SECMOVE / CASHMOVE sequences, not at option level; that one movement sequence per rate/price is to be used, except for GRSS/NETT and tax; and that the MT564 should reflect the projected movements for each option. The section includes an example with three cash movement sequences, with a separate price in each sequence.

6.9 Option Number for Credit of Rights

The section has been clarified to only apply to rights issues processed as one event (RHTS).

6.10 Movement Sequence Usage in the MT566

Addition of a section detailing the market practice specifying that movements posted on cash/securities accounts should correspond exactly with the movement sequences in the MT566, and that the MT566 should correspond with the movements and information in the MT564. The section includes an example with three cash movement sequences, with a separate price in each sequence.

7.3.1 Related Reference in Instruction Status

Addition of a section detailing the market practice for related reference in the MT567: An MT567 INST must include a LINK sequence with the SEME reference of the instruction in field :20C::RELA, and an

MT567 CAST must include a LINK sequence with the SEME reference of the cancellation request in field :20C::RELA.

8.2.2 Generic Cash Price Paid Per Product (PRPP) when No Cash Move is Present (SR2011)

Removal of the section since PRPP has been added to the SECMOVE sequence.

8.2.2 (New) Usage of Withholding of Foreign Tax rate (92a::WITF) in MT 564 Sequence E (566 seq. D)

Addition of a section detailing the market practice for usage of the Withholding of Foreign Tax rate in sequence E of the MT 564 (and in sequence D of the MT566): It is restricted to accumulating funds events in Germany.

8.23 NOAC For VOLU Events

Addition of a section detailing the market practice for use of NOAC: The SMPG recommends that the option code NOAC be present in the list of options of all VOLU events.

8.24 Usage of CA Option Code for Unknown Proceeds (PRUN)

Addition of a section detailing the market practice for the new option code, with examples: PRUN should be used for elective events in case the proceeds are not known during the election period. The option code should be maintained throughout the full lifecycle of the event, i.e. even when proceeds become known.

8.25 Accrued interests with a security proceed

Addition of a section detailing the market practice for accrued interests paid with a security proceed: The SMPG recommends use of SECU with a CASHMOVE sequence.

8.26 Payment occurrence indicator

Addition of a section detailing the market practice for the payment occurrence indicator.

8.27 Certification / Breakdown

Addition of a section detailing the market practice for the indicator, flag and narrative fields for certification and breakdown information.

8.28 Clarification on the meaning of PRPP when used in an event with ADEX

Addition of a section detailing the market practice for the meaning of PRPP when used in conjunction with ADEX.

9.19 Timeline for Dividend Reinvestment without Interim Line – Voluntary

Addition of a section detailing the market practice and timelines for events announced as a mandatory cash dividend, followed by a "Dividend Reinvestment" (DRIP).

9.21 Cash distributions with two or more components

The SMPG recommends a multiple event scenario. The different "components" of the cash distribution should be split into separate events.

2. SR2012 version of Global Market Practice (GMP) part 2

EIG - new version of the EIG+

The Event Interpretation Grid + tab in GMP part 2 integrates new updates for the global and country specific grids for the support for dates, period, prices and rates for each event type.

DvE for non-DPRP fields

The Data Element Placement tab in GMP part 2 has been updated.

Distributions with Options

The Distributions with Options tab in GMP part 2 has been revised to include all events with interim securities and updated accordingly.

Record Date tracking

The Record Date tracking tab in GMP part 2 has been updated.

3. SR2012 version of SMPG CA Event Templates

The templates have been updated in accordance with the changes in GMP part 1 and GMP part 2.