



**SMPG**  
**Global Meeting**  
**Investment Funds Working Group**  
**Minutes**  
**Moscow 05-07<sup>th</sup> May**

**Revision History:**

- [1] 1st draft circulated to co-chair of the SMPG Investment Funds Working Group meeting in Moscow.
- [2] 2<sup>nd</sup> draft circulated to SMPG Investment Funds Working Group attendees to meeting in Moscow

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## 1. ATTENDEES

1.	BR	Liliane Reis Dutra	LRD
2.	ES	Juan Carlos Gallego (5 <sup>th</sup> and 6 <sup>th</sup> only)	JCG
3.	IT	Andreas Milanesio	AM
4.	KR	Lee Nam In (5 <sup>th</sup> only)	LNI
5.	RU	Mathieu Maurier (5 <sup>th</sup> only)	MM
6.	US	Thomas Sutter	TS
7.	Facilitator	Omar Rodriguez	OR
8.	Co-chair	David Broadway	DB

## 2. AGENDA

1. Welcome & Introductions
2. Objectives of the meeting
3. NMPG (Country) Updates
4. Stock Transfers Process – Workflow – Legal Constraints
5. Statement of Holdings (Accounting - Custody)
6. Statement of Investment Fund Transactions

### 3. SMPG Overview

#### 3.1. ORGANISATION

- **Co-Chairs**
  - David Broadway / Investment Management Association (UK)
  - Nadine Muhigiri / Euroclear (XS)
- **Facilitator**
  - Omar Rodriguez / S.W.I.F.T. Scrl (XS)
- **Steering Committee Sponsor**
  - Rudolf Siebel / BVI Bundesverband Investment und Asset Management e.V. (DE)

### 4. Objective of the meeting

Define the business process to carry out stock transfers.

Cover stock transfer processing:

- Transfer Out Instruction and Transfer In Instruction
- Transfer Out Confirmation and Transfer In Confirmation

Agree core and optional data to be included in the Transfer instruction and confirmation.

Start discussion about statements and see the feasibility to converge with the securities and reconciliation reengineered statements (ISO 20022).

### 5. NMPG (COUNTRY) UPDATES

#### 5.1. BRAZIL

- **LRD** stated that the Brazilian NMPG has been resuscitated due to the implementation of a new system. They are currently working on a Fund registration document intended for regulators, custodians, and other institutions that not only contain operational information about the fund, but also about the prospectus.
- They are also putting together a statement that covers all the asset classes of the Fund, from which the positions and risk can be derived. It is intended for Custodians.

#### 5.2. ITALY

- **AM** stated that the Italian NMPG has aligned their market practices for orders and confirmations with the latest global market practices release, and are currently working on transfers.
- They have also published a NMPG release of the price report.
- **AM** also announced that he will officially resign from his co-chair position in NMPG – Investment Fund, The reason for this difficult decision is that Citco Bank Nederland decided to close the office in Milan. **AM** will remain a member of NMPG till October in order to facilitate the transition to the new co-chair (to be elected) and Gloriana (actual co-chair) and Erika (NMPG IT secretary) will be the main contacts. All IT NMPG members will be informed during next meeting planned for May 29<sup>th</sup>. **DB**

thanked Andrea for his valuable contribution to the group in the past years to date, and emphasized that he was one of the most active members of the group, and main drivers of the group's activities.

### 5.3. RUSSIA

- **MM** stated that there is currently no market infrastructure for investment funds in comparison with other countries, but that they will clearly benefit from the work done by the group when they start developing.

### 5.4. SPAIN

- **JCG** stated that they are having problems to carry on with SMPG work, because of reallocation of resources to other activities.

### 5.5. SWITZERLAND

- **OR** made a presentation on behalf of the Swiss market, about a change request. This change request proposes the restriction of the number of decimals, up to 9, after the comma “,” For more details; please refer to the presentation on the [SMPG website](#), and the outcome of the discussion in the [Wrap-Up and Next Steps](#) section.

### 5.6. UNITED KINGDOM

- **DB** noted that the UK NMPG has circulated an updated orders document for approval, covering subscriptions and redemptions. A new group is to be started in May to consider switches for future incorporation within that document.
- The UK NMPG has commenced work on the account opening message – they have some live traffic between a product provider and their administrator, which has provided a useful starting point.

### 5.7. UNITED STATES

**TS** they are leveraging of the global market practices for subscriptions and redemptions. The next step will be looking at Switches (exchanges)

## 6. Stock transfers scope definition

- Extended discussions took place to define the business process that should be adopted to carry out Stock Transfers with one leg (Transfer Out or Transfer In) or double leg (Transfer Out and Transfer In) process. Custodians are not included in this process. For more details, please refer to [Transfers Work in Progress \(WIP\).ppt](#)
- The business processes studied were from Italy, Luxembourg, Spain, United Kingdom and United States.
- When discussing the Stock Transfer process the group realized that they would need to look into the portfolio and account opening messages to cover the full business process. It was agreed to split the business processes, thus the portfolio and account opening messages will be covered in the next working group sessions, conference calls.

#### ACTION:

- **ALL** check if in a single leg scenario, would the TA use a transfer in or transfer out confirmation message when confirming to the transferee?
- **ALL** check with the markets if the AccountName and AccountDesignation elements are required for validation in the transfer messages?

## 7. Stock transfer data requirements

Please refer to:

[sese.001.001.02\\_WIP.xls](#)

[sese.003.001.02\\_WIP.xls](#)

[sese.005.001.02\\_WIP.xls](#)

[sese.007.001.02\\_WIP.xls](#)

## 8. Statement of holdings discussion

The group discussed a paper about MT535 Vs MX created by Alexandre Kech. For more details; please refer to the document MT535\_versus\_MXs.doc on the [SMPG website](#), and went through a gap analysis between the Custody statement for Funds and the Securities Balance reengineered message, and agreed in principle:

- 1) the NMPGs need to check whether Pricing and Holding value components could be removed from the Custody Statement.
- 2) delete sub balance components from the Custody Statement.
- 3) align Investment Fund Identification with other financial instruments, as long as some of the Funds suggestions are considered. For more details please refer to [IF\\_suggestion.doc](#)

### ACTION:

- **ALL** check whether Pricing and Holding value components could be removed from the Custody Statement

## 9. Statement of transaction discussion

It was not covered.

## 10. Future Meetings

### 10.1. Physical Meeting Schedule

2009 - 2010 Physical Meeting Schedule	
September or October	SMPG Funds Meeting
April	SMPG Global Meeting

## 11. Future Topics

The group agreed that the following topics are the main one to be addressed in the future:

- Transfers: look into the portfolio and account opening messages to cover the full business process.
- Ensure that [Investment Funds group requirement](#) are considered in the re-engineered Settlement and Reconciliation statement message for all asset classes.