



Your Gateway to Securities Standards !

# July Monthly WebEx

## SMPG SnR Meeting

July 13, 2021

<p><b><u>Meeting Venue:</u></b> WebEx teleconference</p>	
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### I. Settlement and Reconciliation - Agenda

**Tuesday July 13th , 2021**

<p><b>14:00 – 15:00 (Brussels)</b> <b>08:00 – 9:00 (NY)</b> <b>20:00 – 21:00 (Tokyo)</b></p>	<ul style="list-style-type: none"> <li>CSDR cash penalties (Arnaud) <i>Global net amount &amp; Global custodian perspective, need for separate paragraph in the MP</i></li> <li>Service Provider – assess opportunity for new field (Stephan)</li> <li>Buy-in Market Practice Update (Marcin)</li> <li>UTI – Swift Paper (Alexandre)</li> <li>DSS EGSP code removal from SMPG Summary matrix - ESES markets participant id (Jason)</li> <li>SnR Action list review</li> </ul>
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### II. Settlement and Reconciliation - Attendees

Alexandre Hotat,	SWIFT
Arnuad Jochems,	LU
Aundrea Jarvis,	US
Charles-Raymond Boniver	SWIFT
Christine Stransberg	SE
Jasdec Yusuke Kobayashi	JP
Marcin Zawistowski,	PL
Paul Janssens	SWIFT
Riyousuke Abiko,	JP
Robin Leary,	IE
Stephan Shuetter,	CH
Suzanne Forup,	DK
Takaya Hamamura,	JP
Ton van Andel,	NL
Vlad Fedyunin,	Guest

### III. Settlement and Reconciliation – Meeting Minutes

**Tuesday July 13th , 2021**

#### **Welcome address**

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Marcin opened the session and welcomed the participants joining from all over the world, at early morning in the US, afternoon in EMEA and late evening in Japan and Asia. The agenda was presented with Webex virtual sessions.

#### **General Meeting Discussion update**

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#### **(1) CSDR cash penalties: Global net amount & global custodian perspective, need for separate paragraph in the MP (Arnaud)**

Arnaud initiated conversation by providing an example of global net amount. Global net amount represents the amount per currency, per counterparty, per CSD.

The ability for parties within the chain attempting to follow a 'super global net amount' presents challenges based on the number of parties and roles within the chain.

Robin noted original change request was not to support 'global net amount'. The purpose of the change requests was due to the dependency to identify more parties, including counterparty and counterparty CSD.

Group agreed on importance of monitoring dry run results and feedback from the community. The market practice may be updated at a later point in the cycle.

#### **(2) Service Provider – assess opportunity for new field (Stephan)**

Stephan presented a discussion topic to consider opportunity and demand for a new field to represent service provider. It is common condition that an institution(s) interact(s) with an account operator/in center/outsourcer/service provider during course of business.

The question raised was whether a new field for service provider & sub field for bene bank is required to appropriately identify parties within the messages.

Ton commented that a 'service provider' when part of the settlement chain may be covered by the Power of Attorney, and not necessary to denote in messages.

Alexandre asked about current market volumes across the industry participants. Stephan shared volume is high in Germany, with MT586 provided as an example and use case. No other comments on this point.

The condition of BIC addresses which are not published was raised.

Ton noted 95 MERE as an option to consider in the solution.

Denis recommended a general call for the industry participants in Germany to review.

Request from group to provide a written summary document to detail the conditions and request.

# Securities Market Practice Group

## Meeting July 13, 2021 – Invitation, Agenda & Minutes



Group recommendation to consider SWIFT change request in future and update market practice with recommendation to support this condition following documentation of the business case.

### **(3) Buy-in Market Practice (Marcin)**

Marcin reviewed the latest draft of the buy-in market practice document.

No objections from the attendees. Market practice update approved and document to be posted.

### **(4) Unique Transaction Identifier (UTI) (Alexandre)**

The drafted UTI white paper was a topic of discussion. Firms are encouraged to provide feedback to Charifa (SWIFT), which will remain confidential. Charifa will present the consolidated feedback to SMGP SnR in a future meeting.

### **(5) SWIFT DSS EGSP code removal from SMPG Summary matrix - ESES markets participant id (Jason/Aundie)**

Jason previously highlighted both the RMPG ESES market practice and the SMPG summary matrix still reference the usage of the 95R:: with the EGSP and local participant code as the preferred format for settlement across the Belgium, France, and Netherlands PSETs.

The group discussed and agreed the EGSP is not valid since implementation of T2S. The usage of BICS is the recommended practice.

Ton noted T2S requires BIC, however, parties may service support of EGSP within service level arrangements.

SMPG Summary Matrix and regional Market Practice updated to reflect the change.

It is recommended each market should review and provide updates accordingly to the SMPG Summary Matrix.

### **(6) SnR Actions list review (Marcin/Aundie)**

Marcin and Aundie highlighted general approach for the Actions List, which includes proactive review for the items assigned to individuals.

One of the on-going SMPG initiatives is to review market practice documents. A number of market practice documents are unassigned to review. SnR is soliciting volunteers to review the documents.

### **(7) All other business & conclude meeting**

No additional items raised by the SnR working group.

No conference calls scheduled for the month of August. Group agreed to next month call: Tuesday 14<sup>th</sup> of September.

The fall SMPG conference will be virtual between October 4<sup>th</sup> - 8<sup>th</sup>, 2021.