



Your Gateway to Securities Standards !

May Monthly WebEx SMPG SnR Meeting

May 5, 2022

Meeting Venue:

WebEx teleconference

I. Settlement and Reconciliation - Agenda

Thursday May 5, 2022

14:00 – 16:00 (Brussels)
08:00 – 10:00 (NY)
21:00 – 23:00 (Tokyo)

- * S&R Co-Chair Election
- * Preparation for June in-person meeting (June 14-15 in Prague)
 - Registration, deadlines & meeting topics
- * General CSDR discussion
 - Finalize MP update for MT537 CSDR - Arnaud
- * SR2023 Change Request review
 - Continuation flag in penalty report MT537 - Robin
 - Extension of NVR C2 in MT537 to include sequence D1a1B1 - Robin
 - Digital assets CR - David, Alex
 - Any other CR's to be submitted
- * All other business

II. Settlement and Reconciliation - Attendees

Attendee	Representation	Attendance	Attendee	Representation	Attendance
Alberto Almazan	ES		Marcin Zawistowski (co-chair)	PL	X
Alexandre Hotat (host)	SWIFT	X	Mayte Arraez	ES	X
Annemie Loose	Euroclear/ FR	X	Olivier Leveque	ECB	X
Armin Borries	Clearstream/DE	X	Paul Janssens	SWIFT	X
Arnaud Jochems	LU	X	Ryosuke Abiko	JP	
Asa Lewenhagen	SE		Robin Leary	IE	X
Aundrea Jarvis (co-chair)	US		Sari Rask	FI	
Ayaka Shibui	JP		Stephan Schuetter	CH	X
Brett Kotze	ZA		Stephanie Clark Fischer	FR	
Charles-Raymond Boniver	SWIFT	X	Suzanne Forup	DK	X
Christian Pientz	AT		Takaya Hamamura	JP	
Christine Strandberg	SE		Ton van Andel	NL	X
David Wouters	BE	X	Yusuke Kobayashi	JP	X
Denis Andrejew	DE	X			
Hans Martin Aulie	NO		Ann-Kristin Gonska - Deutsche Bundesbank/ DE	Guest	X
Jason Brasile	US		Michaela Fallourd / FR	Guest	X
Karine Taquet	SWIFT	X	Hiroyasu Niitsu / JP	Guest	X

III. Settlement and Reconciliation – Meeting Minutes

Thursday May 5, 2022

Welcome address

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.

Farewell to Paul

Paul Janssens supported SMPG for many years offering his unique expertise especially in the area of regulation. This fruitful co-operation will unfortunately end as Paul is going to retire soon. Armin thanked Paul sincerely in the name of Steering Committee for his continuous commitment and contribution.

General Meeting Discussion update

(1) S&R co-chair election

Alexandre presented S&R co-chair election process. Marcin Zawistowski applied as the only candidate for the position. Alexandre asked participants to send their votes by e-mail to alexandre.hotat@swift.com by My 20th. Vote options for a candidate are: Yes (I support the candidate) or No (I do not support the candidate).

(2) Preparation for June meeting in Prague

The physical meeting, first after 2 years, will be organized in Prague, June 14-15.

A number of members confirmed their participation. Unfortunately not all the SMPG participants will be able to join, as travelling restrictions still apply in some organizations.

A dial-in option will be provided for remote members, but the meeting will have to be scheduled utilizing full local business days, not taking into consideration global time zone differences.

The invitations with a preliminary block agenda will be released soon.

Armin reminded that there are no Covid related restrictions in Czech Republic at the moment. No Covid certificates are required. Masks are not required except of hospitals.

Members were requested to share their proposals for additional agenda items to be covered during the meeting.

(3) CSDR Finalize MP update for CSDR penalties - Arnaud

Arnaud provided clarification updates to the text of MP. The changes were approved and the updated document will be posted on SMPG website.

The need of standardized reference to penalties report in cash statements (MT940 and 950) was discussed.

Cash statements are normally beyond SMPG competence. However, in this specific context a recommendation in CSDR penalties MP is expected by the industry.

There is already an existing recommendation approved by ISITC to use PEN code in MT540 and MT950.

For ISO20022 camt.053 statement a proper 4 digit code will be added likely in June.

Action item: to update CSDR penalties MP after 4 digit code has been approved.

Securities Market Practice Group

Meeting May 5, 2022 – Invitation, Agenda & Minutes



(4) SR2023 change requests review

- **Continuation flag in penalties report MT537 - Robin**

Lack of common pagination rules is one of the outstanding issues hampering efficient penalties reporting.

SMPG agreed that adding a new continuation flag would help handling multi-page reports.

Robin will prepare a CR sponsored by SMPG presenting the solution. Details of CR will be further discussed by MWG.

Action item: Robin to submit CR on behalf of SMPG.

- **Usage of PSTA in penalties report MT537 - Robin**

In the “normal” MT537 pending settlement statement, there is a network validation rule (C2) that states that, in sequences B2b and C2, if the instruction is against payment (:22H::PAYM//APMT is present) then it is mandatory to specify a posting amount (field:19A::PSTA).

However, that NVR does not apply to the penalty reporting in the transaction details (TRAN) sequence D1a1B1 and we’re seeing statements being sent for versus payment instructions with the 19A PSTA amount omitted because it’s “optional”.

SMPG agreed the respective NVR should be applicable to the penalties report too.

Robin will prepare a CR sponsored by SMPG to extend the NVR accordingly.

Action item: Robin to submit CR on behalf of SMPG.

- **Digital assets CR – David, Alexandre**

S&R message set was extended last year allowing to provide additional data related to digital assets handling, including digital wallet id and a longer quantity field.

David presented some issues with the current model.

The most pressing issue is to allow use of ‘traditional’ safekeeping account field combined with the extended quantity format. This is currently against one of the usage rules defined in the standard.

SMPG approved the need of related CR.

One of the other issues is lack of clear distinction between messages related to digital assets and traditional securities. That is required for proper routing of the messages early in the process.

The quick solution could be to use PSET field with some pre-defined value indicating digital assets settlement.

SMPG members pointed out that some other solutions could be considered too, including securities identification code to be used instead of ISIN or to provide some additional data in the header.

It was agreed we should avoid providing any ad-hoc solutions before full workflow and business process is presented and analysed in detail.

The dialog should continue, although there is some doubt about sufficient expertise among regular SMPG meeting attendees. Other dedicated WG are already discussing similar issues.

Action item: David to submit CR on behalf of SMPG, but limited only to change the usage rule on safekeeping account.

(5) All other business & conclude meeting

The next meeting scheduled for Prague, June 14-15.

The dates of next working calls will be agreed in June.