



Your Gateway to Securities Standards !

January Monthly WebEx

SMPG SnR Meeting

January 13, 2022

<p><u>Meeting Venue:</u> WebEx teleconference</p>	
--	--

I. Settlement and Reconciliation - Agenda

Thursday January 13, 2022

<p>14:00 – 15:00 (Brussels) 08:00 – 9:00 (NY) 20:00 – 21:00 (Tokyo)</p>	<ul style="list-style-type: none"> Approach to Spring Meeting (target in person, Prague) CSDR Dry Run Testing and Follow-up discussion points Monthly statement and in particular :69A::STAT// field. ECB AMI-SECO meeting - topic on harmonisation SWIFT UTI discussion paper (drafted final version)
--	---

II. Settlement and Reconciliation - Attendees

Alexandre Hotat,	SWIFT
Armin Borries,	Clearstream/DE
Arnaud Jochems,	LU
Aundrea Jarvis,	US
Asa Lewenhagen,	SE
Aulie Hans Martin	NO
Charles Boniver,	SWIFT
Christine Strandberg,	SE
Denis Andrejew,	DE
Jason Brasile,	US
Karin Taquet	SWIFT (guest)
Marcin Zawistowski,	PL
Olivier Leveque,	CEE
Ryosuke Abiko,	JP
Robin Leary,	IE
Sari Rask,	DK
Stephan Shuetter,	CH
Stephanie Clark Fischer,	FR
Suzanne Forup,	DK
Takaya Hamamura,	JP
Ton van Andel,	NL
Yusuke Kobayashi	JP

III. Settlement and Reconciliation – Meeting Minutes

Thursday January 13, 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.

Wished all a happy new year.

General Meeting Discussion update

(1) Approach to Spring Meeting (target in person, Prague) – All

As a follow-up to SMPG Steering discussions and December meeting, the group discussed options for targeting in person meeting. Individuals shared considerations to in person meeting, such as state of pandemic case rates in local regions, travel planning & budgets, global travel restrictions, etc. The timing would target date after the Plenary session. Late spring / summer months would likely give the best chance to be successful for an in-person meeting.

The group presented options for April/May/June dates. The group concluded with agreement on 2-3 days between June 14-16 in Prague.

The group will continue to discussion logistics of in-person June SnR working group meeting.

(2) CSDR Dry Run Testing and Follow-up discussion points – All

The group reviewed progression toward February 2022 SRD implementation. The dry run testing results has limited participants and clients ability to assess monthly reporting within the test run period, with end of January presenting as a first opportunity. The first collection and distribution of penalties through the chain of custody may be challenging while the industry reacts to the regime and results post implementation.

A meeting is scheduled on Tuesday January 18th between AFME and ECSDA which may generate additional opportunity for information sharing on dry-run testing outcomes and quality issues.

(3a) CSDR item - Monthly statement and in particular :69A:STAT// field. – Stephanie Fischer

Stephanie Fischer reviewed a consideration for Late Matching Fail Penalty over month end. The group agreed while the penalty may first be reporting in Month A, once the penalty concludes in Month B, the penalty is billed in Month B.

The standard, where identified, should be market practice. For example is there a clear answer within the ECSDA framework to define these rules, rather than a penalty engine or CSD specific solution. The group also agreed that T2S logic should not be assumed or adopted as the standard. There may be an opportunity to present this condition to the CSD Task Force as an additional item was discussed around harmonization challenges.

An example of harmonization challenge was highlighted around a new penalty first reported within an amendment message. The condition results when a participant can not communicate penalty until the reference data is made

Meeting January 13, 2022 – Invitation, Agenda & Minutes

available. A penalty first reported in amendment message limits recipients, as all the details are not made available on the penalty calculations within an amendment.

(3b) CSDR item – Pagination – Stephanie Fischer

Stephanie Fischer reviewed observations on pagination for single penalty message. Discussed the limitations of ISO 15022 messages, vs. ISO 20022 features.

A penalty message is defined as 1 report, but multiple messages OR 1 message with multiple pages. The group reviewed while SEME should be unique 'per message' there are a number of existing conditions identified which result in usage issues.

SWIFT shared a common response within message users, for this limitation, is (a) deliver messages repeating SEME or (b) statement identification with 'count' number

There continues to be an opportunity to document and define pagination rules as an overall best practice.

(4) ECB AMI-SECO meeting - topic on harmonisation

Annemie had raised this item to the collective organization prior to the meeting. The ECB organised an AMI-SECO meeting, where one of the points discussed was the proposal by the ECB to set-up a Harmonisation workgroup for Settlement messages in ISO20022. The initiative and purpose of the group would be to identify gaps and harmonization opportunities. The SMPG group was open to cooperate with group. SMPG market practice documents provide a solid baseline of harmonized practices. The group could consult SMPG when conditions identified for market practice and harmonization opportunities.

(5) SWIFT UTI discussion paper (drafted final version)

The topic was deferred for future discussion. The drafted final version was shared with the working group members for reference.

(6) All other business & conclude meeting

No additional items raised by the SnR working group.

The next meeting will be the virtual monthly meeting, scheduled for February 3rd 2022.