



Your Gateway to Securities Standards !

September Monthly TEAMS

SMPG SnR Meeting

September 21, 2023

Meeting Venue:

TEAMS teleconference

I. Settlement and Reconciliation – Agenda

Monday September 21, 2023

14:00 – 16:00 (Brussels)
09:00 – 11:00 (NY)
21:00 – 23:00 (Tokyo)

- SR2024 – outcome of MWG discussion – update from MWG members
- MiFID II Regulations Regarding Quarterly MT535s – Robin (*August 14 with further comments*)
- Case sensitiveness of Reference and Ids – Common Elements MP – Robin (*July 31*)
- PSET BICs for T2S - review of the spreadsheet – Robin (*September 13*)
- The approach to the ISO 20022 payments details in securities market practice documents
- Fall SMPG meeting in La Hulpe preparation
- AOB

II. Settlement and Reconciliation - Attendees

Attendee	Representation	Attendance	Attendee	Representation	Attendance
Alberto Almazan	ES		Marcin Zawistowski (co-chair)	PL	X
Alexandre Hotat	SWIFT		Mayte Arraez	ES	
Karine Taquet (host)	SWIFT	X	Michaela Fallourd	FR	X
Angeliki Katapodi	GR		Olivier Leveque	ECB	
Annemie Loose	Euroclear	X	Paolo-Maria Deantoni	IT	X
Ann-Kristin Gonska	Market Infrastructure/ECB		Philipp Auf der Maur	CH	X
Armin Borries	DE/Clearstream		Ryosuke Abiko	JP	
Arnaud Jochems (co-chair)	LU/Clearstream	X	Robin Leary	UK/IE	X
Asa Lewenhagen	SE	X	Tero Töllikkö	FI	X
Ayaka Shibui	JP	X	Shereef Zedan	US	X
Brett Kotze	ZA	X	Silvia Sancin	IT	
Charles-Raymond Boniver	SWIFT		Suzanne Forup	DK	X
Christian Pientz	AT		Takaya Hamamura	JP	
Christine Strandberg	SE		Terence Ferrao	Market Infrastructure/DTCC	
David Wouters	BE	X	Ton Van Anandel	NL	
Denis Andrejew	DE	X	Yusuke Kobayashi	JP	
Hiroyasu Niitsu	JP				
Hans Martin Aulie	NO	X	Dean Chard	Guest SWIFT	
Lisa Lagatta	US	X	Hugo Abreu	Guest	
			Tero Petteri Tollikko	Guest	

III. Settlement and Reconciliation – Meeting Minutes

Monday September 21, 2023

Welcome

Marcin, Karine and Arnaud 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 TEAMS virtual sessions.

General Meeting Discussion update

Topic 1: SR2024 – outcome of MWG discussion – update from MWG members

The group has clarified that even if 1 CR (2025) has been withdrawn and 1 CR (2003) has been postponed, we still have accepted one CR (2009) for which there is a change of wording. In other words, the Settlement SWIFT release is not postponed for 2024 even if the work is very limited (just a change of wording for SWIFT), no impact expected on the industry stakeholders.

The comment was made that, as CR2003 was postponed to next year, the Swiss market (or any other market) that needs this code, will have to use a DSS (Data Source Scheme) as an interim solution.

Topic 2: MiFID II Regulations Regarding Quarterly MT535s – Robin (*August 14 with further comments*)

The group reviewed the article 61 (point B) which relates to the identification of client financial instrument. Some stakeholders have shared with the group that in order to be compliant with MiFID requirements of article 61, the MT535 should be enhanced to indicate if the position is held (a) in the client's name or (b) in the beneficial owner's name. Either we could use some free texts, or some fields might need to be created (change request needed).

Discussions took place whether we should put it at account level or at instrument level (sub balance vs main balance)? Should the 22H be used?

All members have been asked to review internally and share with the group on how they plan to be compliant with this specific article of MiFID II and whether they plan to use the MT535.

Topic 3: Case sensitiveness of Reference and Ids – Common Elements MP – Robin (July 31)

As discussed in previous SMPG (Singapore 2015 and Helsinki 2016), any reference in the 20a field or any text in the 95Q should be done using **UPPER** case characters and not **LOWER** case. Even if included in the market practice, some institutions do not follow (e.g. CSDs) the rules and require some lower cases and not upper cases. Some institutions have decided to automatically change any lower case to upper case to avoid any issue. However, if a CSD is requesting some lower case to be sent to them, this is becoming problematic.

JASDEC (Japan) confirmed that lower cases are used and it will be difficult to adapt. It is not possible to enforce it to the Japanese market. The group suggested that each of us review the market practice (common element) and see what we can do. Potential topic for SMPG LaHulpe.

Securities Market Practice Group

Meeting September 21, 2023 – Invitation, Agenda & Minutes



Topic 4: PSET BICs for T2S - review of the spreadsheet – Robin (September 13)

The group reviewed the PSET list and some comments were shared:

- The PSET from T2S should be BIC11 and not BIC8.
- Some clean-up should be done as the excel spreadsheet is not always correct.
- Some new PSET have been recently added like CBL (CEDELULLCPI) or EB PSET (MGTCBE2SXXX).

The group agreed that everyone should review the PSET list for their respective markets. The PSET topic will be further discussed during the next SMPG in LaHulpe.

Topic 5: The approach to the ISO 20022 payments details in securities market practice documents

This topic was discussed in the last SMPG in Oslo where the group agreed that the targeted approach is to create a unique market practice document for securities related payment messages and remove examples and payment messages from security market practice documents.

However, unlike what was agreed in Oslo, the group is of the opinion that we should not create one single document but rather enrich the existing market practice document with some examples/illustrations. Sheeref Zedan (US) agreed have a look at the current market practices (ISITC). This topic will be further discussed during our next SMPG call.

Topic 6: Fall SMPG meeting in La Hulpe preparation

Marcin presented the current agenda:

- i. PSET and PSAF usage debate – Arnaud
- ii. MT535-SR2024 impacts – joint session with CA- Robin
- iii. MP maintenance – 2-3 additional MPs to be reviewed live - TBD
- iv. Securities related payments, payment task force
- v. Digital assets MP
- vi. SWIFT standards and securities strategy roadmap (including UTI adoption and Securities View) – Juliette (SWIFT)
- vii. Plenary session follow-up:
 - T+1 Where do we stand?
 - ISO20022 migration – including ECSDA white paper outcome
- viii. Reporting of multiple settlement statuses via MT548 - Arnaud
- ix. CSDR Refit- impact on Settlement reporting - Arnaud

Topic 7: Other business topics

Members suggest to resend the email related to the PSET survey so all members could have a look before the SMPG in LaHulpe.