

APAC CA working group meeting – 15 Apr

Overall this meeting was well attended with approximately 28 participants on the call.

Survey Results

SWIFT shared the survey results for the collected responses with regards to the Asian country priorities and the Asian regional priorities.

- Country priorities

In total, SWIFT collected 7 responses. The three countries with the highest priorities are Korea, Indonesia and Malaysia.

SWIFT shared the following information:

Korea – the Korean NMPG has a plan to start establishing CA market practices for their country.

Indonesia and Malaysia – SWIFT is working with the Indonesian and the Malaysian community to set-up a national market practice group. In Malaysia the kick-off meeting will be on the 8th of May and in Indonesia we hope this will take place sometime in Q3.

Action: Participants to share their key concerns on the prioritised countries to determine the best way forward.

- Regional priorities

In total, SWIFT collected 9 responses. The three highest regional priorities are 1. Standardize and automate the announcement process 2. Increase compliance with Corporate Action Market Practices 3. Work with infrastructures to move from proprietary to ISO standards.

It was agreed during the call that priority number 2 (increase compliance with global Corporate Action Market Practices) should be a given at all times. Therefore this priority has been removed as a potential work focus for a sub-group.

It was discussed to split priority number 3 into two sub streams: 1. Work with market infrastructures to further encourage the implementation of ISO standards 2. Improve ISO messaging quality in already implemented markets.

As a result it was agreed to add the following priority to the short term priorities to tackle by this working group: improve transparency and efficiency of Shareholders Meeting services.

Action: SWIFT will propose the creation of different sub-groups and the clear scope to be able to tackle different priorities simultaneously. This will be shared in the coming weeks. We also welcome the participants' proposals.

DVCA/DRIP – should dividend related event changes trigger REPL or CANC/NEWM

A question was asked on whether a CA event originally announced as a DVCA event type could later on be updated and replaced by a REPL, quoting the same event ID but with a different event type,

e.g. DRIP. Alex mentioned that this subject was also discussed at the Global CA SMPG, with no clear consensus.

According to Market Data vendors practice, this is an allowed process.

However, downstream MT564 users, including custodians, broker dealers, investment banks and private banks, have expressed their concerns as it creates operational challenges and inconsistencies throughout the CA processing chain.

Software vendors' representatives also concurred that, while they could technically support both approaches, the preferred option was to cancel the original event and replace it with a brand new event.

This means that when a corporate action event changes, this should trigger a CANC/NEWM message flow instead of a REPL message.

ACTION: Silent or absent participants are invited to provide additional feedback or opinions by mail to close this item at the next call.

UK initiative to improve transparency of Shareholders Meeting services

Mai Lai, JP Morgan, gave a brief background explanation of the UK initiative for the creation of this draft change request document. Currently MT567s can provide confirmation of receipt/acceptance or rejection of an instruction but not whether the vote instruction has been passed onto the registrar or CSD or a 3rd party to attend the meeting. The draft change request proposes that additional qualifiers/codes are created to allow for confirmation of the status of the instruction once it has been passed onto these parties. This will help improve the voting transparency.

This is a draft document and has not yet been submitted to SWIFT as an official change request.

The process for the approval of an ISO 15022 change request is the following:

The deadline for submission of a change request is June 1st. Following this submission, SWIFT will collect all change requests and schedule a Maintenance Working Group (MWG) Meeting. This committee is run by SWIFT and formed by the top 10 countries in terms of SWIFT traffic. The current countries being part of this working group are: JP, SG, BE, LU, NL, FR, GB, DE, US, CH.

Once the change request is approved by the MWG (by consensus or 60% vote if split opinions), the change request will go out for country vote. For the change request to be officially approved and implemented in the standard, this has to be approved by 60% during the country vote process.

Action: SWIFT will circulate the draft CR document.

AOB

Participants have requested for the circulation of the ppt slides (in addition to the agenda) a few days in advance first before the CA working group meeting.

Next working group meeting will be held via conference call during the second half of June (exact date to be decided).