

MEETING MINUTES

FORUM: SG NMPG

DATE AND TIME: 29 JULY 2016, 2 - 4 PM

LOCATION: SGX CENTRE, JAKARTA ROOM

ATTENDEES:

NAME	ORGANISATION
Weeraworawit, Supanwongse (Dean)	Citibank
Gan Lai Chun	Citibank
Mable Goh	Citibank
Cindy Seow	DBS
Judy Yang	DBS
Cherine Yeo	Deustche Bank
Girish Pandit	Deustche Bank
Low Swee Fun	Deustche Bank
Daisy Lam	HSBC
Tony Lewis	HSBC (Chair)
Anand Adipudi	SGX
Lai Kok Leong	SGX
Low Lee Kiang	SGX
Low Teng Yong	SGX
Lu Su Ling	SGX
Shawn Ling	SGX
Shimona Wong	SGX
Garry Chan	Standard Chartered Bank
Hartini Rahim	Standard Chartered Bank
Alex Kech	SWIFT
Cindy Foo	SWIFT
Jonathan Lim	UOB
Liliang Soong	UOB

AGENDA
<ol style="list-style-type: none">1) Review and acceptance of the previous minutes2) Updates from sub-committees:<ol style="list-style-type: none">i. Transaction Committee – Daisy/Judyii. Corporate Actions – Hartiniiii. Advocacy – Mabel3) Updates on SGX Initiatives4) Election for new SG SMPG Chair

MEETING NOTES

1) Review and acceptance of the previous minutes

- SG NMPG (the 'group') members met up with the new ASIFMA representative, Nicholas Ronalds. Nick is also in contact with the APAC RMPG. ASIFMA works on many market initiatives and collaborates with industry groups like APAC RMPG and NMPGs eg SG NMPG. SGX has also been discussing with ASIFMA regarding fees. Su Ling/Kok Leong will check with Nico directly on this matter.
- Teng Yong provided details on unscheduled holidays and explained the change in procedure. SGX has also sent out the document on the new procedure. Members have provided their feedback to SGX.
- SGX and the SG CA WG have had 2 meetings to discuss about the central proxy utility. The impacts are currently being assessed by SGX's technology team, after which SGX will have a clearer estimation of the timeline. SGX will also arrange a session to meet with the share registrars on this matter. Gan raised a request to SGX – to have the proration to be applied to single beneficial owner sub account as this avoids any further rework by intermediaries and the end investors whilst resubmission only applies to omnibus sub account. Rationale being the omnibus account has multiple beneficial owners thus proration of votes would not be appropriate. Su Ling advised that if the group would like to have this requirement, SGX's tech team will need time and effort to assess it. The group's consensus is to add this requirement in the subsequent phase. SGX will provide a comprehensive update on this matter (if updates are available) in the next SG NMPG meeting.
- The SG NMPG Funds WG has had 2 meetings to date. The WG is working with PWC to determine the funds processing in SG and how to make SG an efficient funds platform. The WG will next meet in August.

2) Updates from sub-committees

i. Transaction sub-committee

- The sub-committee held their last conference call in end May. They raised the request to SGX for a blanket approval for one week to extend the PSMS timeline and the request was rejected. Instead, SGX will only approve on case by case basis. SGX only approved the extension on 5 July.
- The sub-committee explored incorporating NCBO in PSMS which is supposed to be a function of PSMS. However, there is an issue with the pre-matching of BO name and fees.
- SGX held 2 meetings (once in April and July) to consult the industry on the proposed phase 2 Securities Settlement Framework. The sub-committee provided feedback after the first meeting in April and some of the changes were incorporated by the July meeting. Teng Yong explained the changes in the proposed framework. SGX will be conducting a public consultation next year. The tentative go-live date for phase 2 is 2018.

ii. Corporate Actions

- The WG last met in May. Jyi Chen has sent out the SR 2017 CR document to the WG members for collection of feedback by end July.
- The WG continues their discussion on Proxy Voting.

- The WG will next meet in September/October.
- On the topic of Standards Release, Alex from SWIFT informed that SWIFT has introduced a new tool, named Change Request Forum. This tool is for MT Standard and will allow SWIFT users to read and comment on proposed CRs. Users will also be able to see the comments by other users and to agree/disagree with the comments.

iii. Advocacy

- The Advocacy sub-committee met with MAS to discuss about the Qualifier Debt Security (QDS) issue. MAS is currently looking into this matter and need to advise on the timeline. Shimona will follow up with MAS on this.
- The sub-committee is also looking at streamlining the standard settlement instructions (SSI) to achieve a uniform method of sharing payment instructions in relation to trades. A suggestion is for SGX to publish the SSI for the currencies on its website. Mabel will send out an email to everyone to collect feedback.
- SGX is looking into block chain technology for its bond platform (currently at the pilot stage). Alex is the SWIFT in-charge for Distributed Ledger Technology (DLT) in APAC and he will share information and updates on DLT at the next group meeting. Kok Leong added that there is also a dedicated person at SGX who is looking into block chain technology. Cindy informed that there will also be a topic on block chain technology at the APAC RMPG Physical Meeting this year (8 November in Hong Kong). SG NMPG members who are interested in learning more about this topic eg. SGX can consider sending representative/s to attend the physical meeting.
- The sub- committee also agreed to request SGX to provide an update on current and future exchange linkages, including, with Shanghai. Extending this topic onto Taiwan, it was shared that Taiwan is already connected to SGX (1 way flow only).

3) Updates on SGX initiatives

Please refer to Shawn's presentation slides for full details.

- AML New Exception Process - Shawn went through the old process as well as explained on the new process. The new process will take effective in August/September 2016. SGX will send an official communication on this.
- Updates on the Introduction of Mandatory Fields – The mandatory fields were introduced on 1st July 2016 and SGX has been tracking the change since then. Shawn shared on the track findings which include the mismatch rates on Place of Trade and Transfer Type. One contributing factor to the mismatches noted by SGX is that some of the end clients' system is still not ready and hence, not populating the correct code at the moment. SGX hopes that the mismatch rates will improve over time.
- SGX is introducing a new approach for handling Place of Trade and Transfer Type fields by introducing an Effective Place of Trade and Effective Transfer Type. SGX will be sending an updated FAQ sheet on this and will advise again on the effective date.

4) Election for new SG SMPG Chair

With the approval and full support of the SG NMPG members, Tony will continue on a new term as the SG

SMPG Chairperson. Tony expressed his thanks to the members for their support.

5) AOB

EDVP scheme, fees levied by Clearing Bank to Settlement Bank and the subsidy by SGX to Settlement Bank. Members are asking SGX to review them as the implementation of the SGX PTS phase 2 (which will cause this scheme to cease) has been delayed from the original date when the fees increase was agreed 2014. Kok Leong advised this is to be carried forward.

ACTION POINTS

- 1) Su Ling will share updates on the functionality of prorating votes by DAs at the next SG NMPG meeting
- 2) Shimona will follow up with MAS on the QDS issue
- 3) Mabel will send out an email to everyone to collect feedback regarding streamlining of SSI for payment instructions
- 4) Alex will share information and updates on DLT at the next SG NMPG meeting and the group agreed to arrange a 'fintech' special meeting for NMPG interested members to include SWIFT, SGX and MAS. NMPG chair to arrange