Standards

Standards MT Release 2019

ISO 20022 maintenance cycle 2018/2019

Maintenance Change Request – Maintenance Working Group DRAFT Minutes

Corporate Actions

Distribution: Corporate Action Maintenance Working Group

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# Introduction

ISO 15022 – 20022 Maintenance Process

As from the year 2012, a joint maintenance process has been put in place for ISO 20022 and 15022 and Corporate Action messages with the support of the ISO 20022 RMG and of the SWIFT Board.

This joint maintenance will ensure interoperability between the two standards and a more efficient maintenance process.

Standards Illustrations in this document

Standards illustrations are provided by SWIFT Standards. They are not part of the original request.

Any standard illustrations (rules, codes, qualifiers, wordings) are **only for illustration purposes**. It does not mean SWIFT Standards is in agreement with the maintenance request or that the final standards solutions (for accepted maintenance requests) will be as shown in this document.

The MT Standards Release Guide (+ potential erratum) and the ISO 20022 message definition reports are the ONLY source of reliable information based on which implementation of changes should be made. Any other documentation (including this one) is subject to change.

SR 2019 change requests

This document contains all CA MT/MX CRs for MT category 5 and equivalent MX messages investigated this year for implementation in SR 2019.

The requests originator is indicated as follows:

* + Requesting Country; Country code of requesting NMPG or UG; eg. BE
  + Requesting Group: a SWIFT User Group or a National (Securities) Market Practice Group with the acknowledgement of the UGC or Recognized industry group eg. SMPG (the global Securities Market Practice Group)

CR Title Colour notation (**for minutes[[1]](#footnote-1) only**)

In GREEN are items that are approved or approved with comments or approved with alternative solution.

In RED are items that are rejected, postponed, withdrawn or linked to agreed items

Contact persons regarding this document

Jacques Littré – SWIFT Standards: [jacques.littre@swift.com](mailto:jacques.littre@swift.com)

CA MWG Members for SR2019

The following people are part of the CA MWG for SR2019.

* Michael Blumer - CH
* Jyi-Chen Chueh - SG
* Mariangela Fumagalli – UK
* Narelle Rutter - AU
* Jean-Paul Lambotte – XS
* Catarina Marques - LU
* Véronique Peeters - BE
* Daniel Schäfer / Hendrik Melchior - DE
* Steven Gale - US/ISITC
* Jean-Pierre Klak – FR
* Phillipa Morris – HK (Excused for the August 22 & 23 meeting)
* Jacques Littré – SWIFT, MWG Chair

Note also that the following people attended the CA MWG meeting as the representatives from the ISO 20022 Securities SEG:

* Christine Strandberg – ISO 20022 Securities SEG (SE)
* Steven Sloan – ISO 20022 Securities SEG (US)

# Overview of User Change requests

## Event CR 001411: Rename Conversion Type Indicator and Amend Definitions

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Group: | SMPG |
| **Sponsors** | |
| SMPG CA WG members | |
| **Message type(s) impacted** | |
| MT 564, MT 566, seev.031 | |
| **Complies with regulation** | |
| NO | |
| **Business impact of this request** | |
| LOW  Definition update - should not have an impact on the implementations. | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 100000  Percentage of messages impacted: 1  Commits to implement and when: SMPG Members in 2019 | |
| **Business context** | |
| The Conversion Type Indicator (:22F::CONV) and its code values "Final" and "Interim" are exclusively defined in the scope of a Conversion event whilst the Conversion Type Indicator could also be used in the case of a corporate event being processed as a succession of identical events with successive intermediary payments and ending with a final event and payment like Warrant Exercise or Put Redemption events as explained in the Market Practice on rolling events in section 8.26 in SMPG GMP1.  The definitions of the qualifier and codes values should therefore be amended to avoid having the semantic exclusively related to a conversion event. | |
| **Nature of change** | |
| In sequence D of the MT 564 and in sequence C of the MT566, amend the definition of the Conversion type indicator and the code values as follows:  Current definitions:  CONV: Specifies the conversion type of an instrument.  Final: This is a final conversion.  Interim: This is an interim conversion.  New proposed definitions:  CONV: Specifies whether the payment of the event proceeds is an interim or final payment.  Final: This is a final payment.  Interim: This is an interim payment. | |
| **Examples** | |
| NA | |

**SWIFT Comment**

|  |
| --- |
| The proposed new definitions for the FINL and INTE codes of the qualifier CONV seems to be a bit ambiguous as they would then be identical to the definitions of FINL and INTE codes for the DITY qualifier in the same sequence. In this case, the CONV qualifier itself would seem to become redundant with DITY which is a bit contradictory to the spirit of the new SMPG market practice GMP1 section 8.24.  Therefore we propose to change the definitions of the CONV qualifier and of the INTE and FINL codes with definitions more in line with what the market practice specifies for the CONV indicator i.e. make the difference between a final event/payment in a series of identical successive events or an interim event/payment.  The qualifier name ‘**Conversion Type**” could also be eventually changed to reflect the new semantic of the qualifier but it is not absolutely required. In case the name change, it would impact the ISO 20022 schema, otherwise there would be no impact on the schema. |

**Standards Illustration**

**1. ISO 15022 Illustration**

**In sequence D of the MT 564 and in sequence C of the MT566, in field :22F: Indicator, amend the long name definitions of the CONV Conversion type indicator qualifier and of the Final (FINL) and Interim (INTE) code values as illustrated below:**

**MT 564 Field Specifications**

51. Field 22F: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |

PRESENCE

Optional in optional sequence D

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | DIVI | N |  | F | Dividend Type Indicator |
| 2 | O | CONV | N |  | F | ~~Conversion~~ **Event Sequence** Type Indicator |
| 3 | O | DITY | N |  | F | Occurrence Type Indicator |
| 4 | O | OFFE | R |  | F | Offer Type Indicator |
| … | … | … | … | … | … | …. |
| 15 | O | CONS | N |  | F | Consent Type Indicator |
| 16 | O | INFO | N |  | F | Information Type Indicator |
| 17 | O | TNDP | N |  | F | Tax On Non-Distributed Proceeds Indicator |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| ADDB | Additional Business Process Indicator | Specifies the additional business process linked to a corporate action event such as a claim compensation or tax refund. |
| CEFI | Certification Format Indicator | Specifies the certification format required, that is, physical or electronic format. |
| CHAN | Change Type Indicator | Specifies the type of change announced. |
| CONS | Consent Type Indicator | Specifies the type of consent announced. |
| CONV | **Event** **Sequence** **~~Conversion~~** Type Indicator | Specifies **whether the event is an interim or a final event in a series of predefined or planned events of the same type and for the same underlying** ~~the conversion type of an~~ instrument. |
| DITY | Occurrence Type Indicator | Specifies the conditions in which the instructions and/or payment of the proceeds occurs. |
| … | … | … |
| TDTA | TID/TIS Calculated Indicator | Specifies whether the fund calculates the taxable income per dividend/taxable income per share. |
| TNDP | Tax On Non-Distributed Proceeds Indicator | Specifies the tax regulation being attributed to the non-distributed proceeds event. |

CODES

If Qualifier is CONV and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| FINL | Final | This is **the final event in a series of successive events** ~~a final conversion~~. |
| INTE | Interim | This is an interim **event in a series of successive events** **~~conversion~~**. |

CODES

If Qualifier is DITY and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| FINL | Final | This is a final payment. |
| INTE | Interim | This is an interim payment. |
| ONGO | Ongoing | The event is ongoing for acceptance on an unsolicited basis. |
| ROLL | Rolling | Event will have a number of acceptance and payment dates until further announcement by the Issuer or its agent. |

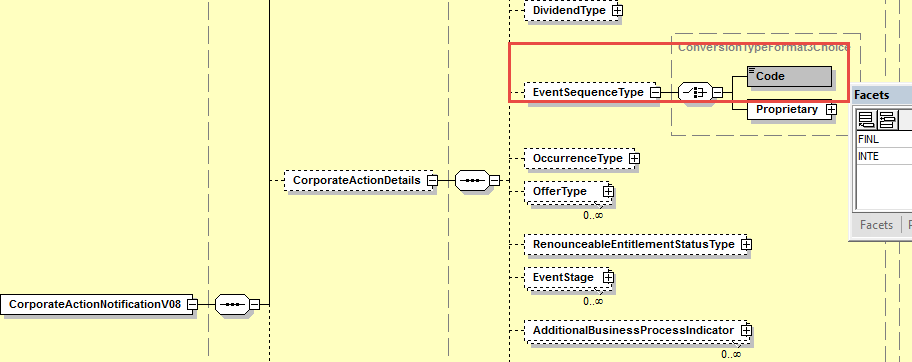
**2. ISO 20022 Illustration**

a) In the **seev.031** (CorporateActionNotification) message, in the *CorporateActionDetails* sequence, amend the name of the “*ConversionType*” element into “**EventSequenceType**” and amend the definition as illustrated above for ISO15022 and assign as data type the new component defined in paragraph b) below.

This element is not present in the confirmation message (seev.036) or any other CA message in ISO 20022.

b) Create a new “*EventSequenceTypeFormat1Choice*” component with a choice between a proprietary element and a code element typed by the data type defined in paragraph c) below.

c) Create a new ***EventSequenceTypeCode*** with code values FINL and INTE as defined and illustrated above for ISO15022.



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The business case is unanimously approved by the MWG WG as well as the SWIFT comment requesting to rewrite the initial definitions (from the original CR) of the CONV qualifier and of the codes.  The MWG decides also to rename the CONV qualifier as “Event Sequence Type Indicator” and agrees on the following amended definitions:  **CONV**: Specifies whether the event is an interim or a final event in a series of predefined or planned events of the same type and for the same underlying instrument.  **FINL**: This is the final event in a series of successive events.  **INTE**: This is an interim event in a series of successive events. |
| **Decision** |
| **Approved with comments** |

## CR 001412: Remove Certification Breakdown Flag in Confirmation

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Group: | SMPG |
| **Sponsors** | |
| SMPG CA WG members | |
| **Message type(s) impacted** | |
| MT 566 | |
| **Complies with regulation** | |
| NO | |
| **Business impact of this request** | |
| LOW  Remove a flag that should not be used at the confirmation stage. There should not be any impact as the usage of the flag is inconsistent at confirmation stage. | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 1000000  Percentage of messages impacted: 1  Commits to implement and when: SMPG in 2019 | |
| **Business context** | |
| The usage of the Certification flag indicating that the Certification/Breakdown at the instruction stage is required is inconsistent at confirmation stage. Therefore the flag could be removed without any impact on the event processing. | |
| **Nature of change** | |
| Remove the Certification Flag :17B::CERT in sequence C of the MT566. | |
| **Examples** | |
| NA | |

**SWIFT Comment**

|  |
| --- |
|  |

**Standards Illustration**

**1. ISO 15022 Illustration**

**In sequence C of the MT 566 message, in field :17B: Flag, delete the qualifier CERT as illustrated below:**

**MT 566 Field Specifications**

36. Field 17B: Flag

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//1!a | (Qualifier)(Flag) |

PRESENCE

Optional in optional sequence C

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| ~~1~~ | ~~O~~ | ~~CERT~~ | ~~N~~ |  | ~~B~~ | ~~Certification/Breakdown Flag~~ |
| 2 | O | RCHG | N |  | B | Charges Flag |
| 3 | O | COMP | N |  | B | Information to be Complied With |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| ~~CERT~~ | ~~Certification/Breakdown Flag~~ | ~~Indicates whether certification/breakdown is required.~~ |
| COMP | Information to be Complied With | Indicates whether restrictions apply to the event. |
| RCHG | Charges Flag | Indicates whether charges apply to the holder, for instance redemption charges. |

CODES

Flag must contain one of the following codes (Error code(s): K17):

|  |  |  |
| --- | --- | --- |
| N | No | No. |
| Y | Yes | Yes. |

**2. ISO 20022 Illustration**

No impact on MX messages as the *CertificationBreakdownIndicator* element is not present in the **seev.036** (CACO - CorporateActionMovementConfirmation) message.

Therefore, no changes to be applied in the CA MX messages.

The *CertificationBreakdownIndicator* element is well present in the **seev.031** (CANO – CorporateActionNotification) in the *CorpoorateActionDetails* sequence and in the *CorporateActionOptionDetails* sequence and in the **seev.035** (CAPA – CorporateActionMovementPreliminaryAdvice) message in the *CorporateActionMovementDetails* sequence and should remain there.

**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG agrees unanimously with the business case and the solution. |
| **Decision** |
| **Approved** |

## CR 001433: Add LEI for Issuer / Issuer Agent / Offeror / Transfer Agent & Beneficial Owner ID

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | GB United Kingdom |
| Requesting Group: | UK & IE NMPG |
| **Sponsors** | |
| UK & IE NMPG + AFME | |
| **Message type(s) impacted** | |
| MT 564, MT 565, seev.031, seev.033, seev.035 | |
| **Complies with regulation** | |
| Yes  Following the implementation of MIFID2 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0065>) and MIFIR (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0600>), some corporate events are reportable. | |
| **Business impact of this request** | |
| MEDIUM | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 44790566  Percentage of messages impacted: 75  Commits to implement and when: UK&IE NMPG & AFME members 2019 | |
| **Business context** | |
| Following the introduction of MIFID2 and MIFIR, some corporate events are reportable. To allow institutional investors to report the event, the LEI of the issuer needs to be communicated in the CA announcement messages (MT564), possibly as originally communicated by the CSD or issuer agent.  Moreover, in certain cases, in order to participate in a corporate event, an institutional investor may be required, by its custodian or broker, to indicate its LEI (or the LEI of the final beneficial owner) for transaction reporting or record keeping purposes, under MiFID II. To comply with these requirements, we propose to include this information within the corporate action instruction message (MT565) in order that this information may be passed through the custody chain. | |
| **Nature of change** | |
| We would like the LEI to be included in both MT564 and MT565 messages:  1. MT564:  a) we would like the issuer LEI to be recorded, as optional qualifier, wherever we have the ISIN code of the underlying or new instrument (i.e. a new optional qualifier - ISSU - after 35B)  b) we would like the offeror LEI to be recorded, as optional qualifier, in sequence D by creating a dedicated qualifier called OFFO  2. MT565 - we would like the account owner and/or beneficial owner LEI to be recorded, as optional qualifier, in subsequence B2 and sequence C of the MT565 | |
| **Workaround** | |
| Currently, the information is transmitted either in narratives or exchanged via email. | |
| **Examples** | |
| NA | |

**SWIFT Comment**

|  |
| --- |
| **Scope of the LEI changes**   1. CR applied consistently across CA Messages ?   Since this CR requests to change the Issuer and Account owner format options for the LEI, shouldn’t we apply the change to all other Issuer and Account Owner qualifiers in all messages like:  In the MT 566 Confirmation message for the Issuer ?  In the MT 564 and MT 567 Instruction Status message for the Account Owner ?   1. LEI applied a across all Party fields like SnR in SR 2016 ?   Similarly to what has been implemented in SR2016 for Settlement and Reconciliations messages, shouldn’t we extend the LEI to all :95a: Party and :94a: SAFE Place fields in the MT 564, 565, 566, 567, 568 ? i.e.:   * In the MT564: ACOW (seq. B2), SAFE (seq. B2, E1), all parties in seq. F * In the MT565: SAFE (Seq. B2), all parties in seq. E * In the MT566: ACOW (seq. B), SAFE (seq. B, D1), all parties in seq. D1b (Receiver/Deliverer), in seq. D2a (Cash parties) and seq. E * In the MT567: ACOW (seq. B), SAFE (seq. B), all parties in sequence C  1. In ISO 20022 solution, should the seev.035 (CAPA) message support the same changes as in the seev.031 (CANO) message? |

**Standards Illustration**

**1. ISO 15022 Illustration**

**A. Changes in the MT 564**

**In the MT 564 in sequence F in Party field :95a:, add one new format option L for the Legal Entity Identifier and add one new optional and non-repeatable qualifiers ISSU for Issuer and one optional and repeatable OFFO qualifier for Offeror and one optional and non-repeatable qualifiers TAGT for Transfer Agent.**

**Those 3 new Party qualifiers must have format options P, Q, R, L assigned as illustrated below.**

**Also add format option L for LEI to the ISAG (Issuer Agent) Party.**

**MT 564 Field Specifications**

102. Field 95a: Party

FORMAT

|  |  |  |
| --- | --- | --- |
| **Option L** | **:4!c//18!c2!n** | **(Qualifier)(Legal Entity Identifier)** |
| Option P | :4!c//4!a2!a2!c[3!c] | (Qualifier)(Identifier Code) |
| Option Q | :4!c//4\*35x | (Qualifier)(Name and Address) |
| Option R | :4!c/8c/34x | (Qualifier)(Data Source Scheme)(Proprietary Code) |

PRESENCE

Optional in optional sequence F

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | MEOR | N |  | P, Q, or R | Originator of Message |
| 2 | O | MERE | N |  | P, Q, or R | Recipient of Message |
| 3 | O | ISAG | R |  | **L**, P, Q, or R | Issuer Agent |
| 4 | O | PAYA | R |  | P, Q, or R | Paying Agent |
| … | … | … | … | … | … | … |
| 11 | O | INFA | N |  | P, Q, or R | Information Agent |
| **12** | **O** | **ISSU** | **N** |  | **L, P, Q or R** | **Issuer** |
| **13** | **O** | **OFFO** | **R** |  | **L, P, Q or R** | **Offeror** |
| **14** | **O** | **TAGT** | **N** |  | **L, P, Q or R** | **Transfer Agent** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CODO | Sub-Paying Agent | Sub-agent appointed to execute the payment for the corporate action event on behalf of the issuer company/offeror. |
| DROP | Drop Agent | A trust company, bank or similar financial institution who acts on behalf of an out of town agent or event agent where securities can be delivered in person. |
| INFA | Information Agent | A trust company, bank or similar financial institution assigned by an Issuer to provide information and copies of the offering documentation. |
| ISAG | Issuer Agent | Party appointed to administer the event on behalf of the issuer company/offeror. The party may be contacted for more information about the event. |
| **ISSU** | **Issuer** | **Issuer of the financial instrument.** |
| MEOR | Originator of Message | Party that originated the message, if other than the Sender. |
| MERE | Recipient of Message | Party that is the final destination of the message, if other than the Receiver. |
| **OFFO** | **Offeror** | **Party making the offer and which is different from the issuing company.** |
| …. | … | … |
| SOLA | Solicitation Agent | A trust company, bank or similar financial institution assigned by an issuer to maintain records of investors and account balances and transactions for the consent of a material change. |
| **TAGT** | **Transfer Agent** | **A trust company, bank or similar financial institution appointed by a Fund Management Company to maintain records of investors and account balances. The transfer agent records transactions, including subscriptions, redemptions, switches, transfers, and re-registrations.** |

NETWORK VALIDATED RULES

Identifier Code must be a registered BIC (Error code(s): T27,T28,T29,T45).

Proprietary code (Format Option R) and Name and Address (Format Option Q) must not start or end with a slash '/' and must not contain two consecutive slashes '//'. For field formats with more than 1 line, the rule applies for each line (Error code(s): T26).

USAGE RULES

In option R, Proprietary Code specifies a local national code or market segment code identifying the party.

Qualifier ISAG must be used only in the communication between a CSD and local custodians.

**B. Changes in the MT 565**

**In sequence C of the MT565, in field :95a: Party, add a new format Option L for LEI to qualifier OWND (Beneficial Owner’s Identification) and make the OWND qualifier repeatable as illustrated below:**

**MT 565 Field Specifications**

31. Field 95a: Party

FORMAT

|  |  |  |
| --- | --- | --- |
| **Option L** | **:4!c//18!c2!n** | **(Qualifier)(Legal Entity Identifier)** |
| Option P | :4!c//4!a2!a2!c[3!c] | (Qualifier)(Identifier Code) |
| Option R | :4!c/8c/34x | (Qualifier)(Data Source Scheme)(Proprietary Code) |
| Option S | :4!c/[8c]/4!c/2!a/30x | (Qualifier)(Data Source Scheme)(Type of ID)(Country Code)(Alternate ID) |
| Option V | :4!c//10\*35x | (Qualifier)(Name and Address) |

PRESENCE

Mandatory in optional sequence C

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | OWND | N **R** | **C6** | **L**, P, R, or V, | Beneficial Owner's Identification |
| 2 | O | ALTE | R |  | S | Alternate Identification |

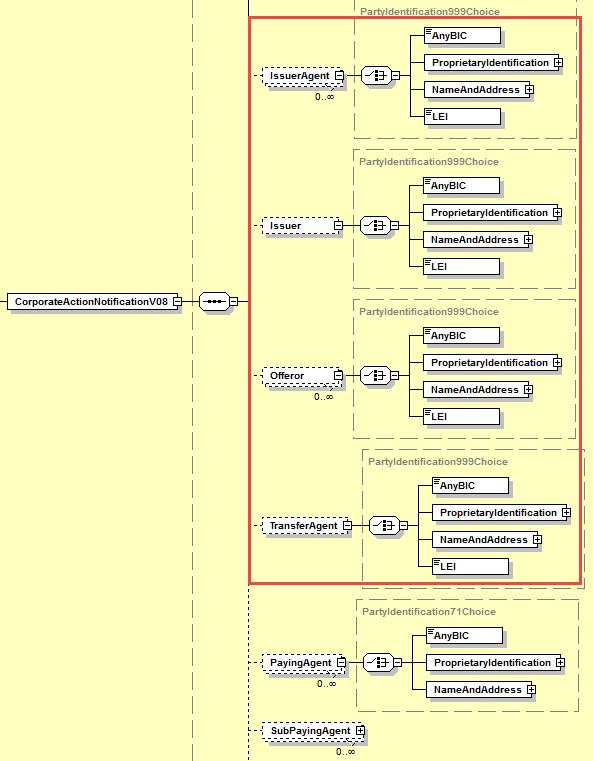
**Add also a new NVR C6 for qualifier OWND in the MT 565 such that an LEI can only be provided once and optionally with one single other identification type (which was the case before adding LEI) as illustrated below:**

**In each occurrence of sequence C, field :95L::OWND cannot appear more than once, and field :95P::OWND cannot appear more than once and field :95R::OWND cannot appear more than once and field :95V::OWND cannot appear more than once and one of the fields :95P::OWND, :95R::OWND and :95V::OWND must be present. (Error code(s): E77).**

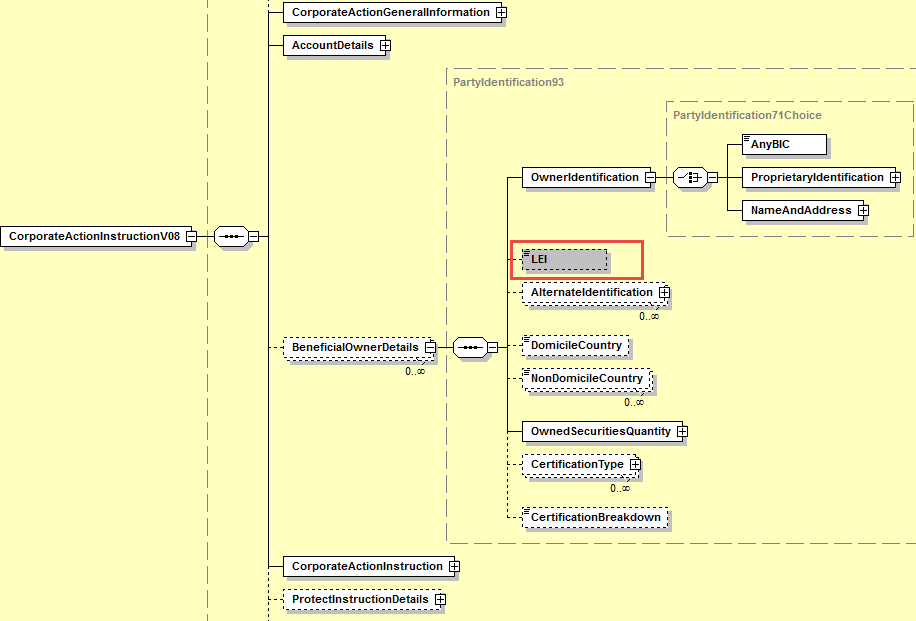
**2. ISO 20022 Illustration**

**In the seev.031 (CANO – CorporateAction Notification) and in the seev.035 (CAPA –** **CorporateActionMovementPreliminaryAdvice)** message, add one new optional and non-repeatable “***Issuer***” building blocks and one new optional and repeatable “***Offeror***” building block and one new optional and non-repeatable “***TransferAgent***” building block typed by a new component based on *PartyIdentification71Choice* and complemented with a new ***LEI*** element typed by ***LEIIdentifier*** as illustrated below and with the definitions provided in ISO 15022 above.

Change the data type *PartyIdentification71Choice* of the IssuerAgent element with the new data type element created.



**In the seev.033 (CAIN – CoprorateActionInstruction) message**, add a new optional and non-repeatable LEI element typed by *LEIIdentifier* in the building block sequence *BeneficialOwnerDetails* as illustrated bellow:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The business case to add an LEI identifier in the MT564 (seev.031 and seev.035) for the Issuer and Offeror and in the MT 565 (seev.033) for the Beneficial Owner is approved by the MWG.  The MWG rejects the SWIFT comment proposing to apply the LEI consistently across all party fields because the need for an LEI is strictly limited to a few specific parties.  The MWG rejects as well the SWIFT comment proposing to apply the LEI across all CA messages because it is pointless for the status (MT 567) and the confirmation (MT566) message.  The MWG is therefore in favour of an implementation solution based on the “alternative 3” proposed by SWIFT thereby minimising as much as possible the impact of adding the LEI to CA messages.  The MWG agrees with the following changes and implementation details:   * in the MT 564, in sequence F, * add a new format Option L (for LEI) to the :95a: Party field; * add a new optional and non-repeatable “Issuer” (qualifier ISSU) field and a new optional and non-repeatable “Transfer Agent” field (with the existing TAGT code), and a new optional and repeatable “Offeror” (Qualifier OFFO) field all with format options P, Q, R, L; * Transfer Agent (TAGT) will have the following definition: “*A trust company, bank or similar financial institution appointed by a Fund Management Company to maintain records of investors and account balances. The transfer agent records transactions, including subscriptions, redemptions, switches, transfers, and re-registrations.”.* * Add also the LEI format option L to the Issuer Agent (ISAG) Party. * In the MT 565, * Do not apply any changes to the existing Account Owner (:95a::ACOW) field in subsequence B2; * In sequence C, add format option L (for LEI) to the :95a: Party field and make Beneficial Owner Identification (OWND) qualifier repeatable and add the format option L to OWND (in addition to P,R,V); * Add a new NVR on the OWND qualifier so as to restrict the presence of :95L::OWND to a single occurrence with only one occurrence amongst :95P::OWND or :95R::OWND or :95V::OWND so that the current restrictions on the usage of OWND do not change by making it repeatable. |
| **Decision** |
| **Approved with slightly modified solution.** |

## CR 001434: Add missing Contractual Payment Indicator in MX Notification message

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | GB United Kingdom |
| Requesting Group: | UK & IE NMPG |
| **Sponsors** | |
| UK & IE NMPG | |
| **Message type(s) impacted** | |
| MT 564, MT 566 | |
| **Complies with regulation** | |
| NO | |
| **Business impact of this request** | |
| LOW | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 7410723  Percentage of messages impacted: 60  Commits to implement and when: UK&IE NMPG in 2019 | |
| **Business context** | |
| Today, in the MT564:  a) in sequence E2, there is an optional qualifier CONT that can be populated with ACTU to indicate that the payment will be actual. However, there isn't any code to indicate that the payment will be contractual.  b) in sequence E1, there isn't any qualifier to confirm that the securities will be credited on a contractual basis and so are not available for settlement.  In the MT566:  a) in sequence D2, there is an optional qualifier CONT that can be populated with ACTU or CONT;  b) in sequence D1, there isn't any qualifier to confirm that the securities will be credited on an actual or contractual basis.  For consistency reason, we would like to codes to be harmonised across both messages and sequences. | |
| **Nature of change** | |
| We would like the qualifier CONT with codes ACTU and CONT to be added to both messages and sequences.  In the MT564:  a) in sequence E2, we would like code CONT to be added to qualifier CONT to indicate that the payment will be contractual.  b) in sequence E1, we would like qualifier CONT to be added with code CONT and ACTU.  In the MT566:  a) in sequence D1, we would like qualifier CONT to be added with code CONT and ACTU. | |
| **Workaround** | |
| Currently, the information is transmitted either in narratives or exchanged via email. | |
| **Examples** | |
| NA | |

**SWIFT Comment**

|  |
| --- |
| In the current version of the standards, the definition of the Contractual Payment Indicator (:22H:CONT) is different between the MT564 and the MT566 and this justifies why in the MT564, there is only a single Indicator code “ACTU” defined whilst in the MT 566, there are 2 Indicator codes “ACTU” (Actual) and “CONT” (Contractual).  Indeed in the MT564, the “CONT” qualifier is defined as: ”*Specifies exceptions to contractual payment service.*”  It is assumed that by default, the “”Contractual” payment applies and therefore only the code “Actual” is present in the code list.  In the MT566, the “CONT” qualifier definition is: “*Whether posting to account is: 1. the result of funds actually collected from issuer. 2. anticipation of collection and is based on a contractual agreement with account servicer”* and therefore both codes values “CONT” and “ACTU” are provided.  We have therefore 2 options for the message design:   1. We keep the current difference existing in the semantic of the :22H::CONT qualifier between the MT564 and MT566 and when adding the CONT qualifiers in the Securities Movement sequence ((564 E1 and 566 D1), we align them with the ones defined respectively in E2 and D2; 2. We align all :22H:CONT qualifiers in the MT564 in seq. E1 and E2 and in the MT566 seq. D1 with what is done in the MT566 seq. D2 i.e. systematically have both ACTU and CONT code values present. This option B requires then to change the definition of the :22H::CONT qualifier itself in the MT564.   **In the standards illustrations in ISO 15022 and ISO 20022 here below, we illustrates the impact of option B on the message design.**  **Option A design has the advantage to minimise the impact on the current usage of this qualifier in the MT564 since the semantic would not change.**  **Note also that the definitions of this CONT Indicator and of the associated code values are phrased differently in ISO 20022.**  **SWIFT would also strongly recommend taking the opportunity to align all definitions of those indicators and codes between ISO 15022 and ISO 20022. The definitions being present in ISO 20022 seem more appropriate than the ones in 15022 though.**    **In ISO 20022, the impact analysis shows that the “Contractual Payment Indicator” is not present currently in the CorporateActionNotification message. It is not clear however whether this was done on purpose or was omitted when reversing engineering the ISO 20022 CA messages.**  **SWIFT would recommend also adding the contractual payment indicator in the seev.031 (CANO) to ensure they are aligned unless there is a good reason not to do so.** |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT 564 message, in the sequence E1, in field :22a: Indicator, add a new optional and non-repeatable “Contractual Payment Indicator” qualifier (:22H::CONT) with 2 indicator code values ACTU and CONT similarly to what already exists in the MT 566 sequence D2 but adapted to the securities movements and as illustrated below:**

**MT 564 Field Specifications**

68. Field 22a: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Mandatory in optional subsequence E1

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CRDB | N |  | H | Credit/Debit Indicator |
| 2 | O | TEMP | N |  | F | Temporary Indicator |
| 3 | O | NELP | N |  | F | Non Eligible Proceeds Indicator |
| 4 | O | TXAP | N |  | F | Issuer/Offeror Taxability Indicator |
| 5 | O | NSIS | N |  | H | New Securities Issuance Indicator |
| 6 | O | ITYP | N |  | F | Type of Income |
| 7 | O | ETYP | R |  | F | Type of Exemption |
| **8** | **O** | **CONT** | **N** |  | **H** | **Contractual Payment Indicator** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| **CONT** | **Contractual Payment Indicator** | **Specifies whether the payment will be made upon the actual receipt of the securities or is based on a contractual agreement with the account servicer.** |
| CRDB | Credit/Debit Indicator | Specifies whether the value is a debit or credit. |
| ETYP | Type of Exemption | Specifies the basis for the reduced rate of withholding. |
| ITYP | Type of Income | Specifies the type of income. |
| NELP | Non Eligible Proceeds Indicator | Specifies information regarding outturn resources that cannot be processed by the CSD. Special delivery instruction is required from the account owner for the CA outcome to be credited. |
| NSIS | New Securities Issuance Indicator | Indicates whether the securities are newly issued or not. |
| TEMP | Temporary Indicator | Specifies that the security identified is a temporary security identification used for processing reasons, for example, contra security used in the US. |
| TXAP | Issuer/Offeror Taxability Indicator | Proceeds are taxable according to the information provided by the issuer/offeror. |

**CODES**

**In option H, if Qualifier is CONT, Indicator must contain one of the following codes (Error code(s): K22):**

|  |  |  |
| --- | --- | --- |
| **ACTU** | **Actual Payment** | **Payment will be made upon actual receipt of securities.** |
| **CONT** | **Contractual Payment** | **Payment is based on a contractual agreement with the account servicer.** |

**2. In the MT 564 message, in the sequence E2, in field :22a: Indicator, amend the definition of the Contractual Payment Indicator qualifier :22H::CONT; amend the definition of the ACTU indicator code and add a new Indicator code value “CONT” for “Contractual Payment” similarly to what already exists in the MT 566 sequence D2 for the same :22H::CONT qualifier and as illustrated below:**

**MT 564 Field Specifications**

90. Field 22a: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Mandatory in optional subsequence E2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CRDB | N |  | H | Credit/Debit Indicator |
| 2 | O | CONT | N |  | H | Contractual Payment Indicator |
| 3 | O | NELP | N |  | F | Non Eligible Proceeds Indicator |
| 4 | O | ITYP | N |  | F | Type of Income |
| 5 | O | TXAP | N |  | F | Issuer/Offeror Taxability Indicator |
| 6 | O | ETYP | R |  | F | Type of Exemption |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CONT | Contractual Payment Indicator | ~~Specifies exceptions to contractual payment service.~~  **Specifies whether the payment will be made upon the actual receipt of funds or is based on a contractual agreement with the account servicer.** |
| CRDB | Credit/Debit Indicator | Specifies whether the value is a debit or credit. |
| ETYP | Type of Exemption | Specifies the basis for the reduced rate of withholding. |
| ITYP | Type of Income | Specifies the type of income. |
| NELP | Non Eligible Proceeds Indicator | Specifies information regarding outturn resources that cannot be processed by the CSD. Special delivery instruction is required from the account owner for the CA outcome to be credited. |
| TXAP | Issuer/Offeror Taxability Indicator |  |

CODES

In option H, if Qualifier is CONT, Indicator must contain the following code (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| ACTU | Actual **Payment** | Payment will be made upon actual receipt of funds. |
| **CONT** | **Contractual Payment** | **Payment is based on a contractual agreement with the account servicer.** |

**3. In the MT 566 message, in the sequence D1, in field :22a: Indicator, add a new optional and non-repeatable “Contractual Payment Indicator” qualifier (:22H::CONT) with 2 indicator code values ACTU and CONT similarly to what already exists in the MT 566 sequence D2 but adapted to the securities movements and as illustrated below:**

**MT 566 Field Specifications**

49. Field 22a: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Mandatory in optional subsequence D1

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CRDB | N |  | H | Credit/Debit Indicator |
| 2 | O | TEMP | N |  | F | Temporary Indicator |
| 3 | O | NSIS | N |  | H | New Securities Issuance Indicator |
| 4 | O | ETYP | R |  | F | Type of Exemption |
| 5 | O | ITYP | N |  | F | Type of Income |
| 6 | O | TXAP | N |  | F | Issuer/Offeror Taxability Indicator |
| **7** | **O** | **CONT** | **N** |  | **H** | **Contractual Payment Indicator** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| **CONT** | **Contractual Payment Indicator** | **Specifies whether posting to account is the result of securities actually collected from issuer or an anticipation of collection and based on a contractual agreement with account servicer.** |
| CRDB | Credit/Debit Indicator | Specifies whether the value is a debit or credit. |
| ETYP | Type of Exemption | Specifies the basis for the reduced rate of withholding. |
| ITYP | Type of Income | Specifies the type of income. |
| NSIS | New Securities Issuance Indicator | Indicates whether the securities are newly issued or not. |
| TEMP | Temporary Indicator | Specifies that the security identified is a temporary security identification used for processing reasons, for example, contra security used in the US. |
| TXAP | Issuer/Offeror Taxability Indicator | Proceeds are taxable according to the information provided by the issuer/offeror. |

**CODES**

**In option H, if Qualifier is CONT, Indicator must contain one of the following codes (Error code(s): K22):**

|  |  |  |
| --- | --- | --- |
| **ACTU** | **Actual Payment** | **Result of securities actually collected from issuer.** |
| **CONT** | **Contractual Payment** | **Anticipation of collection of securities and is based on a contractual agreement with account servicer.** |

**3. In the MT 566 message, in the sequence D2, in field :22a: Indicator, amend the name and definitions of the “Contractual Payment Indicator” qualifier (:22H::CONT) to harmonise them with the changes proposed in the items above.**

**MT 566 Field Specifications**

75. Field 22a: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Mandatory in optional subsequence D2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CRDB | N |  | H | Credit/Debit Indicator |
| 2 | O | CONT | N |  | H | Contractual Payment **Indicator** |
| 3 | O | ITYP | N |  | F | Type of Income |
| 4 | O | ETYP | R |  | F | Type of Exemption |
| 5 | O | TXAP | N |  | F | Issuer/Offeror Taxability Indicator |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CONT | Contractual Payment | **Specifies** whether posting to account is:   1. the result of funds actually collected from issuer **or** 2. anticipation of collection and is based on a contractual agreement with account servicer. |
| CRDB | Credit/Debit Indicator | Specifies whether the value is a debit or credit. |
| ETYP | Type of Exemption | Specifies the basis for the reduced rate of withholding. |
| ITYP | Type of Income | Specifies the type of income. |
| TXAP | Issuer/Offeror Taxability Indicator | Proceeds are taxable according to the information provided by the issuer/offeror. |

CODES

In option H, if Qualifier is CONT, Indicator must contain one of the following codes (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| ACTU | Actual Payment | Result of funds actually collected from issuer. |
| CONT | Contractual Payment | Anticipation of collection and is based on a contractual agreement with account servicer. |

**2. ISO 20022 Illustration**

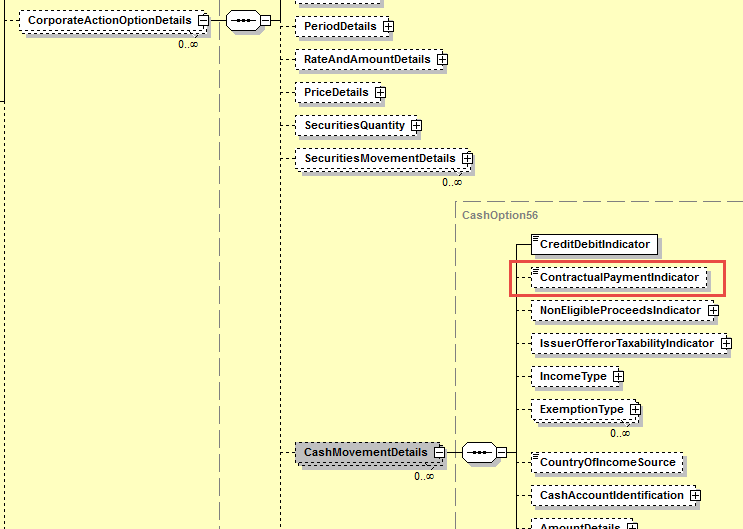
**As per the SWIFT recommendation, add the missing Contractual Payment Indicator in the seev.031 (CANO) to ensure it is fully aligned with ISO 15022 MT 564 for coexistence:**

**In the seev.031 (CANO – CorporateActionNotification) message,** in the *CorporateActionOptionDetails/CashMovementDetails*, add a new optional and non-repeatable element ***ContractualPaymentIndicator*** as illustrated below and as defined in ISO 15022 :

*“Specifies exceptions to contractual payment service.”*

And typed by the new data type ***Payment2Code*** with code value ACTU with the following definition:

|  |  |  |
| --- | --- | --- |
| ACTU | ActualPayment | The cash payment occurs or will occur upon receipt of proceeds from the issuer. |



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG could not reach a consensus to approve the business case for adding a contractual payment indicator to the securities movement nor for harmonizing the contractual payment indicators between the MT564 and the MT566 as the existing Contractual Payment Indicators definitions in the MT 564 and MT 566 are deemed sufficiently correct.  A vote was therefore conducted and resulted in 70% majority to reject the business case.  However, the MWG:   * recommends that the SMPG carefully analyses the usage of that indicator and eventually create a new market practice to clarify it. * agrees with the SWIFT recommendation to add the contractual payment indicator into the seev.031 Notification message so as to ensure full alignment of the notification and coexistence between ISO 20022 and ISO 15022. |
| **Decision** |
| **Approved with alternative solution** |

## CR 001454: Add New Round Up Quantity for Instructions and Related Status Reason Code

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | FR France |
| **Sponsors** | |
| French NMPG, AFTI | |
| **Message type(s) impacted** | |
| MT 565, MT 567, seev.033, seev.034 | |
| **Complies with regulation** | |
| NO | |
| **Business impact of this request** | |
| MEDIUM  The Change Request will impact Optional Dividend, Warrant Exercise events and Conversion of bonds | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 60000  Percentage of messages impacted: 70  Commits to implement and when: All ESES clients users in 2019 | |
| **Business context** | |
| 1. In the framework of the CAJWG standards implementation in France, the French CSD (Euroclear France) will receive instructions from its participants via MT565. Consequently, all participants of the ESES Market (BE - NL - FR) , and all Investor CSD participants of the ESES market will benefit from this change.  2. Backgound and approach  The French issuers confirm that they offer a round up option for their optional dividends, such option being agreed in Shareholders General Meeting. This event complies with the CAJWG standards and is a provision of the French Commercial Act.  Consequently the French CSD needs to manage securities round down and round up options (indicated as Cash in Lieu on fractions - CINL and Buy securities up BUYU for the Disposition of fractions indicator, DISF), knowing that the ratio between unit dividend price and unit new shares price is always a number with decimal.  Participants, and their clients, could instruct in a global way (global instruction i.e. one MT565 per participant and per option) to participate to a Corporate action. Consequently, due to decimals, the calculation done by CSD on the global MT565 is different from the calculation made at participant/client level.  Moreover, such events being subject to tax, custodians, in their role of withholding tax agent, take into account the applicable tax rate (up to 30%) for non-resident clients, in order to calculate the required number of optional rights to participate to the event.  a. For the Securities option related to the Cash in Lieu DISF: the participant will calculate and provide in the MT565 the exact quantity of optional rights to apply on the option. In its calculation, the CSD participant will take into consideration the Tax implication.  b. For the Securities option related to the Buy Up DISF: as for the Securities - Cash in Lieu option, the participant will calculate and provide in the MT565 the exact quantity of optional rights to apply on the option and the CSD participant will take into consideration the Tax implication.  Nevertheless, it appears that for this option, due to multiple client instructions received by the custodians, the consolidation of all responses could result into a quantity of new shares higher than the quantity calculated by the CSD, for which custodians do not get enough entitled rights to exercise per CSD account.  c. For the Cash option (which is the default one): the CSD will perform the credit cash processing to all participants based on positions instructed on the Cash option and on the remaining rights balances.  3. Conclusion and proposal: the French CSD participants need to provide further details to the CSD in order to indicate the additional quantity of new shares that complete the number of shares calculated by the CSD based on the exercised rights provided by its participants (QINS) on the Securities Buy-Up option in order to have a standard compliant process for what amounts to about 30% of French elective events.  A 'one by one' instruction process will still be possible (e.g. used by some foreign institutions) but for French retail banks, it would represent thousands instructions to manage both by the bank and the CSD. This is the reason why this Change Request is required.  => It has been also identified that a similar issue regarding quantity of new shares exists on exercise of warrants and conversion of bonds for which the same field usage would apply and would further increase the scope of events processed according to corporate action standards. | |
| **Nature of change** | |
| Add a new optional Qualifier indicating the Round Up Quantity of new shares (eg: RDUQ or more generally: Additional Quantity - ADIQ) in field 36a of the MT565.  Add a new code in the MT567 related to this new quantity either for instructions accepted or rejected. | |
| **Workaround** | |
| Two work around scenarios are under discussion and under analysis between the French CSD and its participants knowing that both solutions not being compliant with markets standards and not allowing STP processing:  1. Usage of fax and FOP settlement messages between the different custodians and the issuer agents (current process)  2. Usage of a 'structured' narrative field in the MT565 sent by the custodians to Euroclear France associated to the qualifier INST (solution to be developed by EoF) | |
| **Examples** | |
|  | |

**SWIFT Comment**

|  |
| --- |
| Adding a new status reason code for the “Accepted For Further Processing” status when the RDUQ quantity is present in the instruction does not seem necessary.  However, it might be useful eventually to include a new reason code for the Pending Cancellation status in the seev.041 (CACS – CorporateActionInstructionCancellationRequestStatusAdvice).  Additional technical change in MT565: The Usage Rule on QINS in the MT 565 message in field :36a: Quantity of Financial Instrument is no longer valid as the sequence B2 is not repeatable. The Usage Rule should be removed. |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT565, in field :36a: Quantity of Financial Instrument, in sequence D, add a new optional non repeatable qualifier RDUQ (Additional Round Up Quantity) as defined and illustrated below:**

**In the same :36a: field, remove the usage rule on QINS as the sequence B2 is not repeatable and therefore the rule does not make sense and is inapplicable.**

**MT 565 Field Specifications**

42. Field 36a: Quantity of Financial Instrument

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//4!c/15d | (Qualifier)(Quantity Type Code)(Quantity) |
| Option C | :4!c//4!c | (Qualifier)(Quantity Code) |

PRESENCE

Conditional (see rule C5) in mandatory sequence D

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | QINS | R | C4, **C7** | B or C | Quantity of Securities Instructed |
| 2 | O | COND | N |  | B | Conditional Quantity |
| **3** | **O** | **RDUQ** | **N** |  | **B** | **Additional Round Up Quantity** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| COND | Conditional Quantity | Minimum quantity of securities to be accepted (used in the framework of conditional privilege on election). In case of proration, if this minimum quantity is not reached then the instruction is void. |
| **RDUQ** | **Additional Round Up Quantity** | **Quantity of additional shares requested due to the difference of “round-up against payment” practice between the account servicer and the account holder (for instance for French dividend option).** |
| QINS | Quantity of Securities Instructed | Quantity of securities to which this instruction applies. |

CODES

In option B, Quantity Type Code must contain one of the following codes (Error code(s): K36):

|  |  |  |
| --- | --- | --- |
| AMOR | Amortised Value | Quantity expressed as an amount representing the current amortised face amount of a bond, for example, a periodic reduction/increase of a bond's principal amount. |
| FAMT | Face Amount | Quantity expressed as an amount representing the face amount, that is, the principal, of a debt instrument. |
| UNIT | Unit Number | Quantity expressed as a number, for example, a number of shares. |

CODES

In option C, if Qualifier is QINS, Quantity Code must contain the following code (Error code(s): K36):

|  |  |  |
| --- | --- | --- |
| QALL | All Securities | Instruction applies to the entire eligible balance of underlying securities. |

NETWORK VALIDATED RULES

The integer part of Quantity must contain at least one digit. A decimal comma is mandatory and is included in the maximum length (Error code(s): T40,T43).

~~USAGE RULES~~

~~QINS could refer to one account in case of one account per instruction. It would refer to the aggregated quantity of the different accounts if the instruction message refers to more than one account, that is multiple B2 subsequence.~~

**2. In the MT 565, add a new NVR C7 for quantity qualifier RDUQ so as to strictly link its presence to the presence of QINS as illustrated below:**

In sequence D, if field :36B::RDUQ is present, then field :36a::QINS is mandatory in the same sequence (Error code(s): Exx)

**C7**

**In sequence D, if field :36B::RDUQ is present, then field :36a::QINS is mandatory in the same sequence (Error code(s): Exx).**

| **Sequence D if field :36B::RDUQ is ...** | **Then field :36a::QINS is ...** |
| --- | --- |
| **Present** | **Mandatory** |
| **Not present** | **Optional** |

**3. In the MT567, in field :24B: Reason Code in sequence A2a, add the new reason code value IRDQ (Invalid Use Round Up Quantity) in the Rejection Reason as defined and illustrated below:**

**MT 567 Field Specifications**

13. Field 24B: Reason Code

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |

PRESENCE

Mandatory in optional subsequence A2a

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | PEND | N | C1 | B | Pending Reason |
|  | or | REJT | N | C1 | B | Rejection Reason |
|  | or | CAND | N | C1 | B | Cancellation Reason |
|  | or | CANP | N | C1 | B | Cancellation Pending Reason |
|  | or | PACK | N | C1 | B | Accepted Reason |

CODES

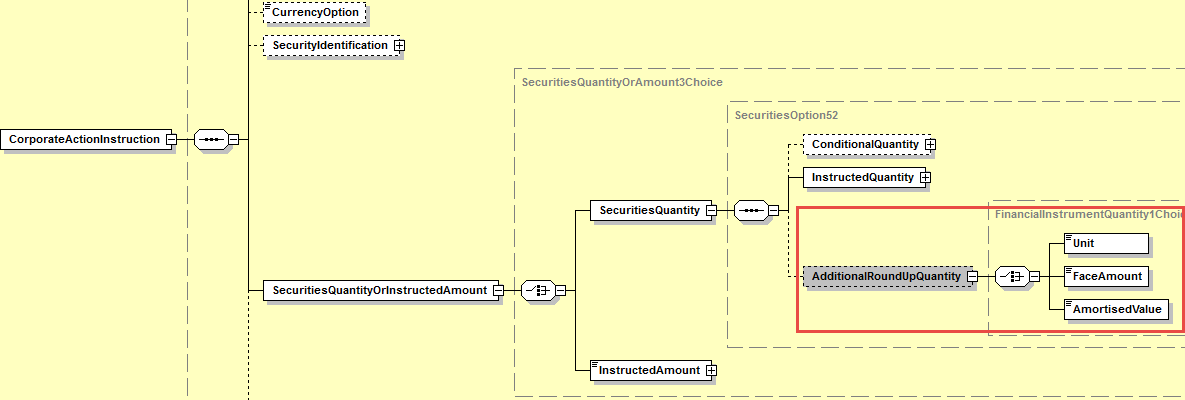
If Qualifier is REJT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ADEA | Account Servicer Deadline Missed | | Received after the account servicer's deadline. | |
| … | … | | … | |
| DQAM | Instruction Type Rejection | | Invalid use of instructed amount (QCAS) or of instructed quantity (QINS) qualifiers. | |
| DQCC | Currency Rejection | | Invalid instructed currency. | |
| DQCS | Amount Rejection | | Unrecognised or invalid instructed cash amount. | |
| DQUA | Quantity Rejection | | Unrecognised or invalid instructed quantity. | |
| … | | … | | … | |
| **IRDQ** | **Invalid Use Round Up Quantity** | | **Instruction is rejected due to invalid use of additional round up quantity (RDUQ).** | |
| …. | …. | | …. | |
| ULNK | Unknown | | Linked reference is unknown. | |

**2. ISO 20022 Illustration**

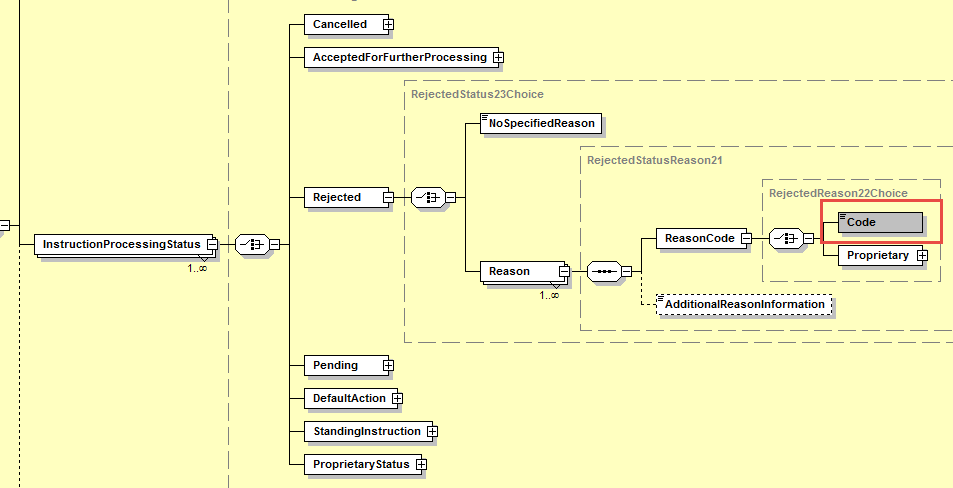
**1. Add the AdditionalRoundUpQuantity element in the Instruction message**

In seev.033 (CAIN – CorporateActionInstruction) message, in the sequence *SecuritiesQuantityOrInstructedAmount/SecuritiesQuantity*, add the new optional non-repeatable *AdditionalRoundUpQuantity* element typed by the *FinancialInstrumentQuantity1Choice* component as illustrated below and defined as in ISO 15022 above.



**2. Add an additional Rejection reason code in the Instruction Status message**

In the seev.034 (CAIS – CorporateActionInstructionStatusAdvice) message in the data type RejectionReason46Code of the element Code in sequence InstructionProcessingStatus/Rejected/Reason/ReasonCode, add the new code value IRDQ (Invalid Use Round Up Quantity) as defined in ISO 15022 above.



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The business case is supported by most of the MWG members however, Germany and Switzerland indicate that they are not in favour of it as this new quantity element could be easily misused and this Buy-up issue has been already solved by other means in other countries (use of narrative, manual processing, or just selling excess shares - rounding down - rather than rounding up). Therefore the majority of DE banks are opposed to a general policy of offering buy-up option.  France explained that Euroclear France decided to use BUYU option due to the Round-up definition that could look like the dividend reinvestment in additional securities is free.  In order to comply with the Shareholder Rights Directive, France stated that the round-up (Buy-up) option cannot be processed via some separate adjustments after the end of the event by buying some missing additional securities not provided by the CSD. The exact and complete quantity of shares required by shareholders will have to be processed by the CSD and its participants in the same time for all shareholders.  In the case of optional dividends, roughly 50% of dividends (DVOP) offer round-up options.Since the consensus cannot be reached by the MWG, the approval of the business case is subject to a vote. Germany and Switzerland vote against and the rest of the MWG countries votes in favour of the business case (i.e. 80% in favour of the CR).  For the solution, the MWG agrees also on the following:   * A refined definition for the RDUQ quantity element; * To remove the usage rule on QINS which has become invalid as proposed by SWIFT; * A status reason code in the MT 567 is not required for the Pending Cancellation status   In addition, the MWG recommends that France publishes a detailed market practice on the usage of RDUQ. |
| **Decision** |
| **Approved with Comments** |

## CR 001466: Add new Amounts Elements for TNDP event

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | AU Australia |
| **Sponsors** | |
| Australia | |
| **Message type(s) impacted** | |
| MT 564, MT 566  seev.031, seev.035, seev.036 | |
| **Complies with regulation** | |
| Yes  Regulation - Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015 / ASX Listing Rule 3.21 regarding continuous disclosure | |
| **Business impact of this request** | |
| LOW | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 50000  Percentage of messages impacted: 1  Commits to implement and when: Australia in 2019 | |
| **Business context** | |
| The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 establishes a new class of trust known as an attribution managed investment trust (AMIT). For tax purposes, an AMIT is able to attribute income and tax offsets of the trust for an income year to unitholders (referred to as “members” of the AMIT) whether or not such an attribution for an income year has been distributed in cash for that year. The attribution of income (assessable income, exempt income and non-assessable non-exempt income) and tax offsets are attributed to a member on the AMIT member’s annual statement (AMMA Statement) issued by the AMIT after the end of the AMIT’s income year. The AMIT provisions introduce the concept of a deemed payment which is broadly the difference between the amounts of income attributed to investors for an income year and the amounts of any such income that has been physically distributed or previously notified to members for that year.  A deemed payment amount will be subject to withholding tax. The amount of the withholding tax liability is calculated pursuant to Australian withholding tax rules on the assumption that the deemed payment was an actual payment. The rate of withholding tax will depend on whether the deemed payment is subject to resident withholding tax or is subject to non-resident withholding tax (where the deemed payment has the character of interest or dividend or comprises a fund payment). A new deemed payment information field is required as it will show where there is an amount attributed to a member that is potentially subject to withholding tax where the amount is not accompanied in full by a cash amount. The field must be a repeatable field to allow the AMIT or custodian to separately identify different components of the deemed payment. These components have been identified as: Deemed Interest Proceeds (DEIT) - The difference between the rate of interest proceeds attributed to the security holder for the taxable year and the rate of interest proceeds previously notified to the security holder in relation to cash distributions for the year.  Deemed Dividend Proceed (DEDI) - The difference between the rate of dividend proceeds attributed to the security holder for the taxable year and the rate of dividend proceeds previously notified to the security holder in relation to cash distributions for the year.  Deemed Fund Proceeds (DEFP) -The difference between the rate of the proceeds components comprising a fund payment attributed to the security holder for the taxable year and the rate of the fund proceeds previously notified to the security holder in relation to cash distributions for the year.  Deemed Royalties Proceeds (DERY) - The difference between the rate of royalty proceeds attributed to the security holder for the taxable year and the rate of royalty proceeds previously notified to the security holder in relation to cash distributions for the year.  In order for these payments to be accurately communicated to client’s new rate payment qualifiers are required to be added to MT 564 and MT 566 messages to cater for these new payment definitions.  We expect there to be around 100 events declared in the market each year. It is expected that through the various layers of sub-custodian and global custodian SWIFT messages that around 50,000 SWIFT messages will be generated each year for deemed payments from the Australian market.  This change request is an addendum to change request SR 2018 - CR001300 and provides for the addition of specific components of tax payments to reflect the legislation now in place. | |
| **Nature of change** | |
| To be used in conjunction with messages utilising CAEV code of TAXD to field 22F of MT 564, MT 566 and MT 568 showing a tax debit event is occurring and that no cash distribution is taking place. This change request defines the breakdown of the deemed payments into four defined rate type codes to reflect the Australian regulations.  In the MT 564 message in sequence E2 and in the message MT 566 in sequences D2, add four new optional and repeatable fields for 19B:: as illustrated below : DEIT - Deemed Interest Proceeds The difference between the rate of interest proceeds attributed to the security holder for the taxable year and the rate of interest proceeds previously notified to the security holder in relation to cash distributions for the year.  DEDI - Deemed Dividend Proceeds The difference between the rate of dividend proceeds attributed to the security holder for the taxable year and the rate of dividend proceeds previously notified to the security holder in relation to cash distributions for the year.  DEFP - Deemed Fund Proceeds The difference between the rate of the proceeds components comprising a fund payment attributed to the security holder for the taxable year and the rate of the fund proceeds previously notified to the security holder in relation to cash distributions for the year.  DERY - Deemed Royalties Proceeds The difference between the rate of royalty proceeds attributed to the security holder for the taxable year and the rate of royalty proceeds previously notified to the security holder in relation to cash distributions for the year. | |
| **Workaround** | |
| Only tax debit information can currently be displayed in SWIFT formatted fields. The deemed amount on which taxation is to be applied will need to be included in the narrative. | |
| **Examples** | |
| The below is an example of the annual distributions that we will expect to see from an AMIT:  The AMIT makes two payments per financial year as per the current MIT payment schedule with record dates on 31 December and 30 June. Both of these distributions will be processed in the exact same way as the current MIT distribution process. These are followed by a deemed payment after the second distribution is paid which only a cash debit of tax takes place. The breakdown of the deemed payment is as follows: AU Market - Deemed Payment Calculation as at year end 30Jun  Sourced from AMMA statement  Holding 500,000 units  Announcement date: 20 August  Record date: 30 June  Pay date: 30 August  Component Tax rate Deemed rate Deemed Income (income not received by unitholder) per AMMA statement Tax due  Deemed Interest Income Australian sourced – DEIT Tax rate 10% Deemed rate $0.13 Deemed income $65,000.00 Tax due $6,500.00  Deemed Fund Payment - DEFP Tax rate 15% Deemed rate $0.14 Deemed income $70,000.00 Tax due $10,500.00  Deemed Unfranked Dividend - DEDI Tax rate 15% Deemed rate $0.01 Deemed income $5,000.00 Tax due $750.00  Deemed Royalties Proceeds DERY Tax rate 0% Deemed rate $0.02 Deemed income $10,000.00 Tax due $-  Total Deemed Payment to be paid by client - $17,750.00 | |

**SWIFT Comment**

|  |
| --- |
| The 4 new amount qualifiers / elements cannot be repetitive as it is the case for all other amounts in the standard. |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT564 in sequence E2 and in the MT 566 in the sequence D2, add four new optional and non-repeatable amount qualifiers as defined and illustrated below.**

**MT 564 Field Specifications**

93. Field 19B: Amount

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//3!a15d | (Qualifier)(Currency Code)(Amount) |

PRESENCE

Conditional (see rule C2) in optional subsequence E2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | ENTL | N |  | B | Entitled Amount |
| … | … | … | … | … | … | … |
| 45 | O | DEEM | N |  | B | Deemed Amount |
| 46 | O | CDFI | N |  | B | Conduit Foreign Income Amount |
| **47** | **O** | **DEDI** | **N** |  | **B** | **Deemed Dividend Amount** |
| **48** | **O** | **DEFP** | **N** |  | **B** | **Deemed Fund Amount** |
| **49** | **O** | **DEIT** | **N** |  | **B** | **Deemed Interest Amount** |
| **50** | **O** | **DERY** | **N** |  | **B** | **Deemed Royalties Amount** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| ACRU | Accrued Interest Amount | Amount of interest that has been accrued in between coupon payment periods. |
| … | … | … |
| CINL | Cash in Lieu of Shares | Cash disbursement in lieu of a fractional quantity of, for example, equity. |
| **DEDI** | **Deemed Dividend Amount** | **Deemed amount resulting from the difference between the rate of dividend proceeds attributed to the security holder for the taxable year and the rate of dividend proceeds previously notified to the security holder in relation to cash distributions for the year.** |
| DEEM | Deemed Amount | Amount of proceeds which is not actually paid to the security holder but on which withholding tax is applicable. |
| **DEFP** | **Deemed Fund Amount** | **Deemed amount resulting from the difference between the rate of the proceeds components comprising a fund payment attributed to the security holder for the taxable year and the rate of the fund proceeds previously notified to the security holder in relation to cash distributions for the year.** |
| **DEIT** | **Deemed Interest Amount** | **Deemed amount resulting from the difference between the rate of interest proceeds attributed to the security holder for the taxable year and the rate of interest proceeds previously notified to the security holder in relation to cash distributions for the year.** |
| **DERY** | **Deemed Royalties Amount** | **Deemed amount resulting from the difference between the rate of royalty proceeds attributed to the security holder for the taxable year and the rate of royalty proceeds previously notified to the security holder in relation to cash distributions for the year.** |
| ENTL | Entitled Amount | Cash amount based on terms of corporate action event and balance of underlying securities, entitled to/from account owner (which may be positive or negative). |
| EQUL | Equalisation Amount | Average accrued income included in the purchase price for units bought during the account period. |
| … | … | … |
| VATA | Value-Added Tax | Amount of value added tax. |
| WITL | Second Level Tax Amount | Amount of money withheld by the jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile. |

**2. ISO 20022 Illustration**

In the seev.031 (CANO – CorporateActionNotification) message in sequence *CorporateActionOptionDetails/CashMovementDetails/AmountDetails*, and

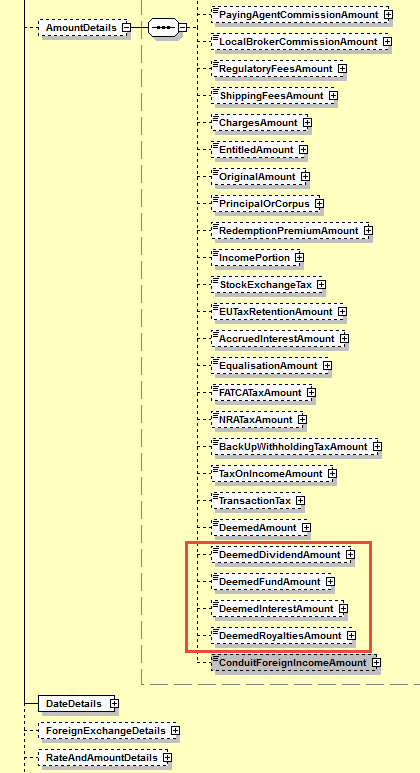
In the seev.035 (CAPA – CorporateActionMovementPreliminaryAdvice) message in sequence *CorporateActionMovementDetails/CashMovementDetails/AmountDetails*, and

In the seev.036 (CACO – CorporateActionMovementConfirmation) message in sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails*,

Add the following 4 new optional and non-repeatable Amount elements typed by the *ActiveCurrencyAndAmount* data type:

* Deemed Dividend Amount
* Deemed Fund Amount
* Deemed Interest Amount
* Deemed Royalties Amount

As defined in ISO 15022 above.



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| Belgium, Germany, Singapore and the UK challenge the need for adding the four requested amounts since this request is very AU market specific.  Moreover, for SR2018, there were already a new Deemed Amount element and a new Deemed Rate with 4 specific rate type code elements created for AU for this business case and this should normally be enough to communicate the cash information to the account owners.  For AU, this CR would make local processing of this information much clearer for AU clients, who need this explicit breakdown of the deemed amount since that some events may yield all 4 deemed payment types in the same event. Moreover, the volume of deemed payments in AU this year is low, but volumes are expected to increase “quite substantially” over the coming years.  Since the MWG could not reach a consensus to approve the business case, the MWG has voted with 6 votes in favour and 4 votes against the business case.  Therefore the MWG approved the business case with the proposed solution and agree with the SWIFT comment. |
| **Decision** |
| **Approved** |

## CR 001474: Add New Status Reason Codes for Bid Price Rejection

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| MT 567, seev.034 (CAIS) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| Low  It is an additional tag in an existing field within the message, similar to other existing tags offered within that field within the MT 567 messages. | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 500  Percentage of messages impacted: 100  Commits to implement and when: US 2019 | |
| **Business context** | |
| As there is no qualifier to communicate the rejection of instructions on events with bidding ranges such as a Dutch auction, where the bid price or increments provided by the holder fall outside of the Bid range provided within the offer, one needs to be added in lieu of using the narrative field within the MT567 / CAIS  This new code will only apply to the instruction message MT567 / CAIS. | |
| **Nature of change** | |
| Two qualifiers to be added to a Rejected instruction message (MT567) in index 13 of the MT 567.  MT 567: (13) Field 24B: Reason Code  The New addition will be  DQBV Invalid Bid Value Bid price / basis points/ percentage falls outside of bid range for the event (generally used in Dutch Auctions or Bid Tenders)  DQBI Invalid Bid Increment Bid price / basis points /percentage increments rejected due to invalid bid increment for the event (generally used in Dutch Auctions or Bid Tenders) | |
| **Workaround** | |
| Narrative within the MT 567 is the only workaround at this time. | |
| **Examples** | |
| All Dutch Auctions and Bid Tenders | |

**SWIFT Comment**

|  |
| --- |
|  |

**Standards Illustration**

**1. ISO 15022 Illustration**

**In the MT 567, in field :24B: Reason Code in sequence A2a, add two new Rejection reason code values as defined and illustrated below:**

**MT 567 Field Specifications**

13. Field 24B: Reason Code

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |

PRESENCE

Mandatory in optional subsequence A2a

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | PEND | N | C1 | B | Pending Reason |
|  | or | REJT | N | C1 | B | Rejection Reason |
|  | or | CAND | N | C1 | B | Cancellation Reason |
|  | or | CANP | N | C1 | B | Cancellation Pending Reason |
|  | or | PACK | N | C1 | B | Accepted Reason |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CAND | Cancellation Reason | Specifies the reason why the instruction is cancelled. |
| CANP | Cancellation Pending Reason | Specifies the reason why a cancellation request sent for the related instruction is pending. |
| PACK | Accepted Reason | Specifies additional information about the processed instruction. |
| PEND | Pending Reason | Specifies the reason why the instruction/event has a pending status. |
| REJT | Rejection Reason | Specifies the reason why the instruction/cancellation request has a rejected status. |

CODES

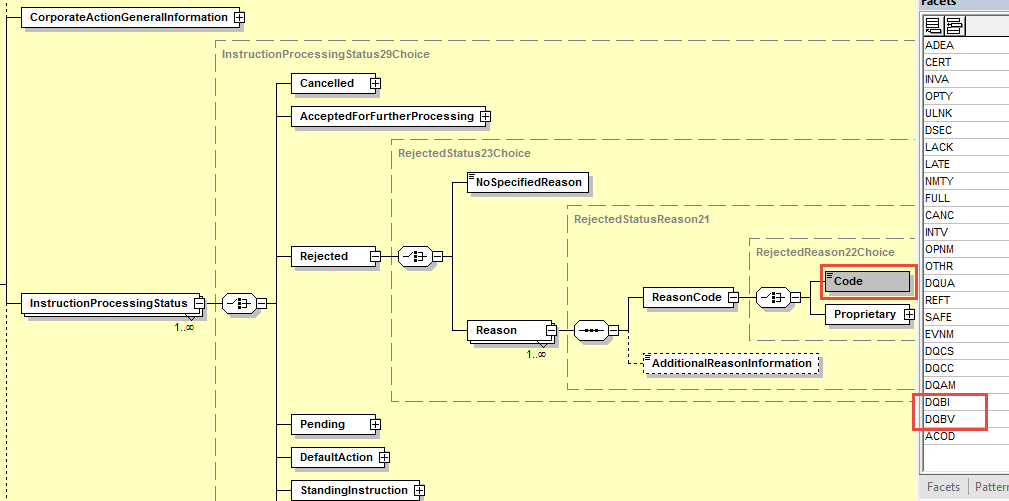
If Qualifier is REJT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):

|  |  |  |
| --- | --- | --- |
| ADEA | Account Servicer Deadline Missed | Received after the account servicer's deadline. |
| … | … | … |
| **DQBI** | **Invalid Bid Increment** | **Bid price / basis points / percentage increments rejected due to invalid bid increment for the event (generally used in Dutch Auctions or Bid Tenders).** |
| **DQBV** | **Invalid Bid Value** | **Bid price / basis points / percentage falls outside of bid range for the event (generally used in Dutch Auctions or Bid Tenders).** |
| DQCC | Currency Rejection | Invalid instructed currency. |
| DQCS | Amount Rejection | Unrecognised or invalid instructed cash amount. |
| DQUA | Quantity Rejection | Unrecognised or invalid instructed quantity. |
| … | … | … |
| ULNK | Unknown | Linked reference is unknown. |

**2. ISO 20022 Illustration**

**Add two additional Rejection reason codes in the Instruction Status message**

In the seev.034 (CAIS – CorporateActionInstructionStatusAdvice) message in sequence *InstructionProcessingStatus/Rejected/Reason/ReasonCode*, add the following two new code values ***Invalid Bid Increment*** *(****DQBI****)* and ***Invalid Bid Value*** *(****DQBV****)* in the data type ***RejectionReason46Code*** of the element *Code*, as defined in ISO 15022 above and as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG agrees with the business case although the reported volumes appear to be rather low. US/ISITC responds that the number of messages in scope is actually much higher than indicated in the CR. There are over 1000 US Dutch Auction events concerned by this change on a yearly basis.  Since there is a request to create a reason code “Invalid Bid Increment”, BE asks if there is a field in the MT 565 in which the Bid Increment/Interval can be specified. US/ISITC reports that the bid interval is carried today in field 90 Max price and Min Price and the bid increment is carried in the :92a::BIDI both located in the MT 564 in sequence D.  The MWG agrees with the proposed solution as well.  The MWG recommends that the US market practice on Dutch Auction events be updated accordingly. |
| **Decision** |
| **Approved** |

## CR 001475: Add Shareholder Number in Instruction, in Option Features & Rejection Reason Code

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| MT 564, MT 565, MT 567, seev.031 (CANO), seev.033 (CAIN), seev.034 (CAIS), seev.035 (CAPA) | |
| **Complies with regulation** | |
| No | |
| **Business impact of this request** | |
| Low  It is an additional tag in an existing field within the message, similar to other existing tags offered within that field within the messages. | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 100000  Percentage of messages impacted: 2  Commits to implement and when: US in 2019 | |
| **Business context** | |
| The change will benefit all users in the market as it will allow for an STP process for sending instruction for these event types where an allocation code is needed as part of the instructions. It will also be used for situations where the agents need to marry custodian instructions sent to the depository with Paperwork delivered by the Beneficial holders.  This new code will apply to the instruction message MT 565 and will be an option feature in the MT 564. A rejection reason code for the MT 567 is also being required in case an option is setup for an allocation code but none is provided.  There has been change in the US market with agents requesting that certain holders provide a new identifier code when participating in a number of voluntary event types. This identifier is referred to as an allocation code by the agent/offeror and is used to identify certain holders that have been given preferential rights when participating in an offer or are used to identify certain holders participating in the offer. These preferential rights may not be subject to proration or having a proration applied at a different rate. The identification is needed as these holders are participating in a separate offer occurring within the market, such as a public offering of other securities.  Current SWIFT message allows for identification by Name, tax id, passport number etc. however none of these would usable as an allocation code. The allocation code would be a default code or free format code that could then be used as a wildcard identifier when none of the other existing codes (name, tax ID, Passport etc.) would apply. This new code could also be used to identify Backstop party holders sending instructions on reorganization events.  Lastly, ISITC will be looking to work with the market to leverage this new field for use in linking paperwork to electronic instruction for those corporate actions events that require delivery of paperwork.  For example:  On events that require delivery of Bene holder paperwork for participations in the offer, by the beneficial holders using a unique identifier and adding it into this new field when they submit their electronic instructions, they will then be able to send their beneficial holder paperwork directly to the agent for these offers (bypassing the custodians and intermediaries), thus reducing risk to the bene holder, custodian, intermediaries- and improving STP for all involved in pushing through the instruction and will also allow for custodians to offer improved deadlines for these events as custodian will be removed from aggregating and aligning bene holder paperwork.  In the recent examples in the market, Issuers have been identifying holders participating in the BIDS events and in some Bankruptcy reorganizations.  Also, please note that this change could have global applicability in that as more global events rely on beneficial owner information, the need for such a priority code could apply. Many emerging market events have required such information. Examples of such events are supplied below.  Lastly, ISITC will be looking to work with the market to leverage this new field for use in linking paperwork to electronic instruction for those corporate Actions events that require delivery of paperwork. | |
| **Nature of change** | |
| 3 proposed additions to SWIFT messages.  1) New PARTY tag/field in the MT565- Line 35- ALLC  2) New OPTF tag indicator in the MT564- line57- ACOD  3) New REJT Reject reason code in MT567 ACOD  MT 565 REQUEST  New proposed code ALLC as shown below:  95S//ALTE/ALLC/US12345678    BLOCK C Beneficial Owner Details  MT565: (31) Field 95a: Party  Alternate Identification (ALTE)  ALTE Alternate ID Alternate identification for a party.  FORMAT  Option S :4!c/[8c]/4!c/2!a/30x (Qualifier)(Data Source Scheme)(Type of ID)(Country Code)(Alternate ID)  Type of ID  NEW CODE  ALLC Allocation code or Beneficial holder ID code. Identifying code requested by Offeror / Agent or provided by beneficial holder to be used by the agent to identify, for the agent, specific beneficial holder or group participating in the offer.  NEW MT564 CHANGE  Sequence E  MT564: (57) Field 22F: Indicator  ACOD Allocation code Option has ability to supply allocation code for identifying the security owner for the agent  NEW MT567 REJECT REASON CODE  MT567 Reason (A2a)  24B Reason Code  Rejection Reason {REJT}  Reason Code ACOD Allocation Code required | |
| **Workaround** | |
| The only current work around is using the Special instruction field -70E::INST which is used for communicating special instructions and is designed to prevent STP in most systems as it is for special instructions that require review prior to acting. Hence the reason it should not go STP and be reviewed. This is not an effective workaround and a dedicated field is highly preferable. | |
| **Examples** | |
| These are just a few of the recent events with the Allocation code.  CUSIP 21987BAP3 - CODELCO  P3143NAN4 - CODELCO  P3143NAM6 – CODELCO  221625AL0 – REPUBLIC OF COTE D’IVOIRE  151191AW3 - CELULOSA  151191AQ6 - CELULOSA  151191AT0 - CELULOSA  Paperwork offers- Israeli tax mergers, such as Mobileye, almost all Bankruptcy reorganizations as most require paperwork, such as AVANTI communications. | |

**SWIFT Comment**

|  |
| --- |
| Don’t we need to add also the new ACOD Option feature in the Confirmation message (MT 566 / seev.036) ? |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT 564, in field :22F: Indicator in sequence E, add a new code value SHAR (“Shareholder Number”) for the Option Features qualifier OPTF as illustrated below:**

**MT 564 Field Specifications**

57. Field 22F: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |

PRESENCE

Mandatory in optional sequence E

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CAOP | N |  | F | Corporate Action Option Code Indicator |
| 2 | O | DISF | N |  | F | Disposition of Fractions Indicator |
| 3 | O | OFFE | R |  | F | Offer Type Indicator |
| 4 | O | OPTF | R |  | F | Option Features Indicator |
| 5 | O | OSTA | N |  | F | Option Status |
| 6 | O | CETI | R |  | F | Certification/Breakdown Type Indicator |

CODES

If Qualifier is OPTF and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| ASVO | Account Servicer Option | Option is offered by the account servicer only. |
| BOIS | Beneficiary Owner Instruction | Indicates that the holder needs to instruct at beneficiary owner level only. |
| CAOS | Corporate Action Option Applicability | The option applicability is not subject to the account owner decision but depends on the terms defined by the issuer, for example in the case of Equity Linked Notes or warrants. |
| PROR | Pro Ration | Feature whereby the option can be subject to pro ration in case, for example, of over-subscription. |
| QCAS | Instruct Cash Amount | Feature whereby the holder should only instruct a cash amount. |
| ……. |  |  |
| **SHAR** | **Shareholder Number** | **Indicates usage of a reference number to identify an investor or a shareholder with the issuer or the registration provider (for instance allocation code).** |
| VVPR | Reduced Withholding Tax | Reduced withholding tax rate applies to the option. |

1. **In the MT 565, in sequence D, add a new optional and non repeatable field :20D: Reference with qualifier SHAR (shareholder number) as defined and as illustrated below:**

**MT 565 Format Specifications**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Mandatory Sequence D Corporate Action Instruction** | | | | | | |
| M | 16R |  |  | Start of Block | CAINST | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg037.htm#mt565-37-field-16r) *37* |
| M | 13A | CAON | Number Identification | CA Option Number | :4!c//3!c | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg038.htm#mt565-38-field-13a) *38* |
| **----->** | | | | | | |
| M | 22a | 4!c | Indicator | (see qualifier description) | F or H | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg039.htm#mt565-39-field-22a) *39* |
| **-----|** | | | | | | |

**……**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **----->** | | | | | | | | | | | |
| O | 90a | 4!c | | Price | | (see qualifier description) | | | A, B, E, F, J, or L | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg046.htm#mt565-46-field-90a) *46* | |
| **-----|** | | | | | | | | | | | |
| **O** | **20D** | | **SHAR** | | **Reference** | | **Shareholder Number** | **:4!c//25x** | | | **[See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\aleg052.htm#mt564-52-field-94e) *47*** |
| **----->** | | | | | | | | | | | |
| O | 70E | 4!c | | Narrative | | (see qualifier description) | | | :4!c//10\*35x | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg047.htm#mt565-47-field-70e) *48* | |
| **-----|** | | | | | | | | | | | |
| M | 16S |  | |  | | End of Block | | | CAINST | [See specification](file:///C:\No_Backup\DOCUMENTATION\SR2018\html\us5mc_20180720\alfg048.htm#mt565-48-field-16s) 4*9* | |
| **End of Sequence D Corporate Action Instruction** | | | | | | | | | | | |

**MT 565 Field Specifications**

**47. Field 20D: Reference: Shareholder Number**

**FORMAT**

|  |  |  |
| --- | --- | --- |
| **Option D** | **:4!c//25x** | **(Qualifier)(Reference)** |

**PRESENCE**

**Optional in mandatory sequence D**

**QUALIFIER**

**(Error code(s): T89)**

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| **1** | **O** | **SHAR** | **N** |  | **D** | **Shareholder Number** |

**DEFINITION**

**This qualified generic field specifies:**

|  |  |  |
| --- | --- | --- |
| **SHAR** | **Shareholder Number** | **Reference number assigned to identify an investor or a shareholder with the issuer or the registration provider (for instance allocation code).** |

**NETWORK VALIDATED RULES**

**Reference must not start or end with a slash '/' and must not contain two consecutive slashes '//' (Error code(s): T26).**

**3. In the MT 567, in field :24B: Reason Code in sequence A2a, add a new Rejection reason code values as defined and illustrated below:**

**MT 567 Field Specifications**

13. Field 24B: Reason Code

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Reason Code) |

PRESENCE

Mandatory in optional subsequence A2a

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | PEND | N | C1 | B | Pending Reason |
|  | or | REJT | N | C1 | B | Rejection Reason |
|  | or | CAND | N | C1 | B | Cancellation Reason |
|  | or | CANP | N | C1 | B | Cancellation Pending Reason |
|  | or | PACK | N | C1 | B | Accepted Reason |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CAND | Cancellation Reason | Specifies the reason why the instruction is cancelled. |
| CANP | Cancellation Pending Reason | Specifies the reason why a cancellation request sent for the related instruction is pending. |
| PACK | Accepted Reason | Specifies additional information about the processed instruction. |
| PEND | Pending Reason | Specifies the reason why the instruction/event has a pending status. |
| REJT | Rejection Reason | Specifies the reason why the instruction/cancellation request has a rejected status. |

CODES

If Qualifier is REJT and Data Source Scheme is not present, Reason Code must contain one of the following codes (Error code(s): K24):

|  |  |  |
| --- | --- | --- |
| **SHAR** | **Shareholder Number Missing** | **Shareholder number or reference is missing.** |
| ADEA | Account Servicer Deadline Missed | Received after the account servicer's deadline. |
| CANC | Cancelled | Option is not valid; it has been cancelled by the market or service provider, and cannot be responded to. Any responses already processed against this option are considered void and new responses will be required. |
| CERT | Incorrect Certification | Instruction is rejected since the provided certification is incorrect or incomplete. |
| …. | ….. | … |
| ULNK | Unknown | Linked reference is unknown. |

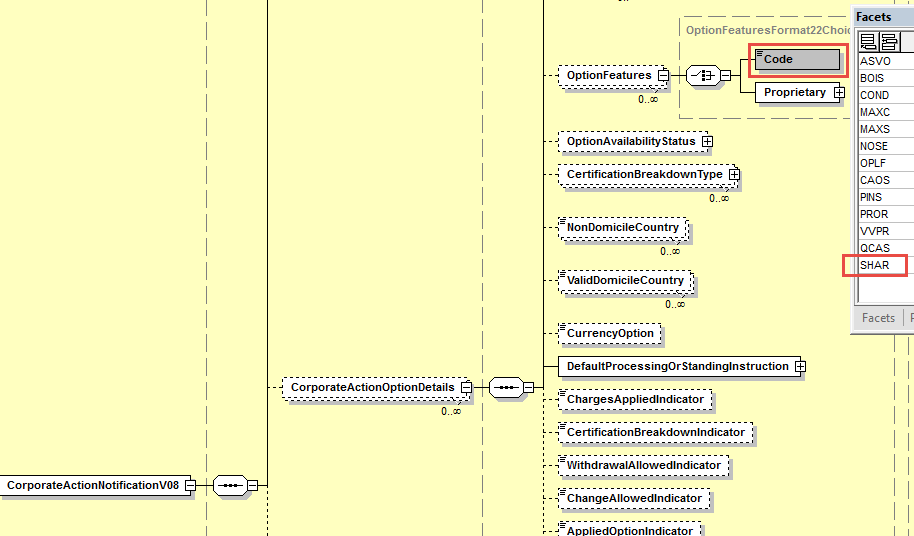
**2. ISO 20022 Illustration**

**1. Add new Option Features code value in CANO and CAPA messages:**

In the seev.031 (CANO – CorporateActionNotification) message in the sequence *CorporateActionOptionDetails/OptionFeatures*, and

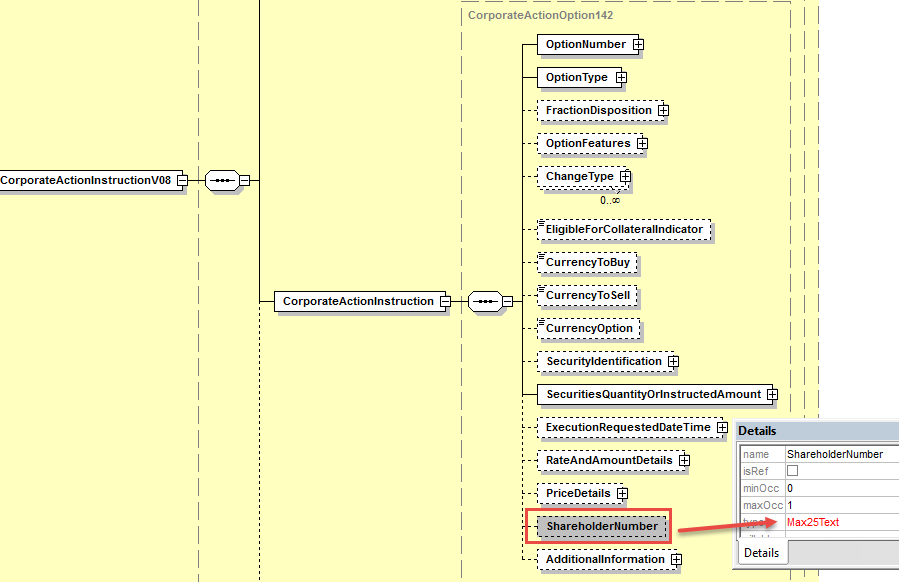
In the seev.035 (CAPA – CorporateActionMovementPreliminaryAdvice) message in sequence *CorporateActionMovementDetails/OptionFeatures*,

add a new code value “***ShareholderNumber****”* (SHAR) in the data type ***OptionFeatures10Code*** of the ***Code*** element as defined in ISO 15022 above and as illustrated below:



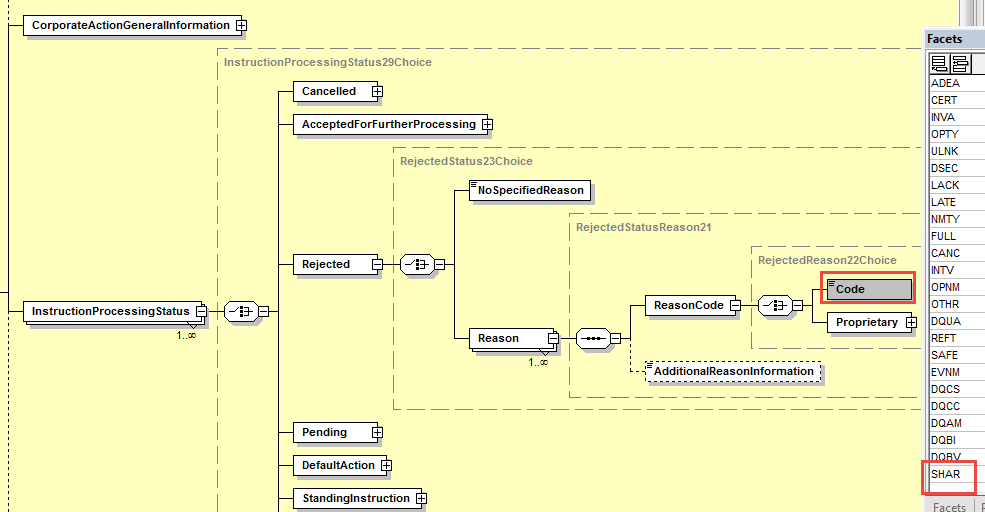
**2. Add a new code value in Alternate Identification in the Instruction message:**

In the seev.033 (CAIN – CorporateActionInstruction) message, in the sequence CorporateActionInstruction, add the new optional and non-repeatable element “***ShareholderNumber****” typed by* ***Max25Text*** *data type* as defined in ISO 15022 above and as illustrated below:



**3. Add an additional Rejection Reason code in the Instruction Status message**

In the seev.034 (CAIS – CorporateActionInstructionStatusAdvice) message in sequence *InstructionProcessingStatus/Rejected/Reason/ReasonCode*, add the existing code value “***Shareholder Number Rejection***” (SHAR) in the data type ***RejectionReason46Code*** of the element ***Code***, as defined in ISO 15022 above and as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG agrees with the business case but finds the naming of the proposed new codes in the solution too much specific to the US market and the location of the Holder Allocation Number in the MT565 in the Beneficial Owner Identification as an alternate ID in sequence C not satisfactory since it would force to open that sequence (which is not very much used) just for that purpose.  The MWG would prefer to reuse the existing :20C: Reference qualifier SHAR (Shareholder Number) (used in the MT519) and to insert it into the sequence D of the MT565 (Corporate Action Instruction).  The MWG also agrees to name the new Option Features code in the MT564 as “SHAR” (Shareholder Number) and to use the same code name SHAR (Shareholder Number Missing) for the rejection reason code in the MT 567. |
| **Decision** |
| **Approved with alternative solution** |

## CR 001476: Add new Option Feature code, Quantity and Amount for Oversubscription on Rights Exercise

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC North America |
| **Sponsors** | |
| ISITC North America | |
| **Message type(s) impacted** | |
| MT 564, MT 565, MT 566, seev.031 (CANO), seev.033 (CAIN), seev.035 (CAPA), seev.036 (CACO) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| MEDIUM | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 300  Percentage of messages impacted: 100  Commits to implement and when: ISITC North America in 2019 | |
| **Business context** | |
| In the US market, the depository can only process Rights Subscription events with an over- subscription privilege with one option. Over subscription is viewed as a feature of the option. The subscription and over subscription are processed at the same time. Given that the QOVE tag was removed with SR 2016 this will cause processing challenges for Custodians as DTCC moves forward with reorg instructions over ISO messaging. Custodians have to rely on a 2 option model with their announcement process to capture subscriptions and over subscriptions, but then respond to DTCC with one option. We are requesting the following changes to help mitigate this problem, while keeping the global convention in place. | |
| **Nature of change** | |
| 1. A new option type code – SUOV on the MT 564, MT 565, MT 566 to indicate that a Rights Subscription event that allows for a Subscription and / or Over-subscription within the same option  2. On the MT565, resurrect QOVE that was removed with SR 2016, in the 36A quantity block.  3. A new data usage rule that requires that QOVE can only be used when option type SUOV has been announced.  4. On the MT566 we want a field labelled Oversubscription Amount (OSUB) (O, N) The subscription charge related to the oversubscription quantity for events with an oversubscription privilege. This is required within the one option model to distinguish charges between the subscription and the oversubscription | |
| **Workaround** | |
| Custodians currently work around this by creating 2 option announcements, which is not the way the event is announced by the agents, and then manually rolling up all subscriptions and over- subs quantities then inputting the rolled up instructions to DTCC. We need a new option code that will allow for the subscription and over-subscription. The current process reduces STP as we have one process (2 options for clients) and another (1 option) for DTCC. This change would increase STP. If this solution is not enacted, DTCC will be forced to use an extension element for the QOVE in ISO 20022 messages which is not available in 15022. | |
| **Examples** | |
| **seev.031 CANO message for Rights Exercise as created by DTCC**    **MT 564 Rights Exercise as created by Custodians** | |

**SWIFT Comment**

|  |
| --- |
| Should the Oversubscription Amount be also added to the MT 564 ? |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT 564 in sequence E, and in the MT 565 in sequence D and in the MT566 in sequence D, in field :22a: Indicator, add a new code value “Subscription and Oversubscription” (SUOV) to the Corporate Action Code Indicator qualifier CAOP as defined and illustrated below:**

**MT 564 Field Specifications**

57. Field 22F: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |

PRESENCE

Mandatory in optional sequence E

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CAOP | N |  | F | Corporate Action Option Code Indicator |
| 2 | O | DISF | N |  | F | Disposition of Fractions Indicator |
| 3 | O | OFFE | R |  | F | Offer Type Indicator |
| 4 | O | OPTF | R |  | F | Option Features Indicator |
| 5 | O | OSTA | N |  | F | Option Status |
| 6 | O | CETI | R |  | F | Certification/Breakdown Type Indicator |

CODES

If Qualifier is CAOP and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):

|  |  |  |
| --- | --- | --- |
| ABST | Abstain | Vote expressed as abstain. In this case, the issuing company will add the number of shares to the quorum of the meeting. If the voting right is not executed, it will not be added to the quorum. In this case, code NOAC should be used. |
| … | … | …. |
| OVER | Oversubscribe | Subscribe to more equities than underlying securities position allows. |
| PROX | Proxy Card | Issue a proxy card in case of voting. |
| PRUN | Unknown Proceeds | Proceeds not known during election period. The option can result in cash and/or securities. |
| QINV | Qualified Investor | The account owner is a Qualified Investor. |
| SECU | Securities Option | Distribution of securities to holders. |
| SLLE | Sell Entitlement | Sell the intermediate securities. |
| SPLI | Split Instruction | Option to give a split instruction, for example, a split voting instruction on a meeting. |
| **SUOV** | **Subscribe and Oversubscribe** | **Subscribe and over-subscribe for rights subscription event within the same option.** |

**2. In the MT565, in sequence D, in field :36a: Quantity of Financial Instrument, add a new optional and non-repeatable qualifier “Quantity Over And Above Normal Ensured Entitlement” (QOVE) as defined and illustrated below:**

**MT 565 Field Specifications**

42. Field 36a: Quantity of Financial Instrument

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//4!c/15d | (Qualifier)(Quantity Type Code)(Quantity) |
| Option C | :4!c//4!c | (Qualifier)(Quantity Code) |

PRESENCE

Conditional (see rule C5) in mandatory sequence D

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | QINS | R | C4 | B or C | Quantity of Securities Instructed |
| 2 | O | COND | N |  | B | Conditional Quantity |
| **3** | **O** | **QOVE** | **N** | **C6** | **B** | **Quantity Over And Above Normal Ensured Entitlement** |

DEFINITION

This qualified generic field specifies:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| COND | Conditional Quantity | | Minimum quantity of securities to be accepted (used in the framework of conditional privilege on election). In case of proration, if this minimum quantity is not reached then the instruction is void. | |
| QINS | Quantity of Securities Instructed | | Quantity of securities to which this instruction applies. | |
| **QOVE** | | **Quantity Over And Above Normal Ensured Entitlement** | | **Quantity instructed to be received over and above normal ensured entitlement.** | |

CODES

In option B, Quantity Type Code must contain one of the following codes (Error code(s): K36):

|  |  |  |
| --- | --- | --- |
| AMOR | Amortised Value | Quantity expressed as an amount representing the current amortised face amount of a bond, for example, a periodic reduction/increase of a bond's principal amount. |
| FAMT | Face Amount | Quantity expressed as an amount representing the face amount, that is, the principal, of a debt instrument. |
| UNIT | Unit Number | Quantity expressed as a number, for example, a number of shares. |

CODES

In option C, if Qualifier is QINS, Quantity Code must contain the following code (Error code(s): K36):

|  |  |  |
| --- | --- | --- |
| QALL | All Securities | Instruction applies to the entire eligible balance of underlying securities. |

NETWORK VALIDATED RULES

The integer part of Quantity must contain at least one digit. A decimal comma is mandatory and is included in the maximum length (Error code(s): T40,T43).

USAGE RULES

QINS could refer to one account in case of one account per instruction. It would refer to the aggregated quantity of the different accounts if the instruction message refers to more than one account, that is multiple B2 subsequence.

**QOVE (Quantity Instructed to be Received Over and Above Normal Ensured Entitlement) defines the quantity to receive on top of the normal entitlement, not the combined quantity.**

**3. In the MT 565, add also a new Network Validated Rule C6 restricting the usage of the new QOVE Quantity with the SUOV Option as illustrated below:**

**MT 565 Network Validated Rules**

**C6**

**In sequence D, if field :36a::QOVE is present, then field :22F::CAOP//SUOV must be present (Error code(s): Exx).**

| **Sequence D if field :36a::QOVE is ...** | **then field :22F::CAOP//SUOV is ...** |
| --- | --- |
| **Present** | **Mandatory** |
| **Not present** | **Not applicable** |

**4. In the MT 566 in the sequence D2, add a new optional and non-repeatable “Oversubscription Amount” qualifier as defined and illustrated below:**

**Should we add it also in the MT564 ?**

**MT 566 Field Specifications**

83. Field 19B: Amount

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//3!a15d | (Qualifier)(Currency Code)(Amount) |

PRESENCE

Mandatory in optional subsequence D2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | PSTA | N |  | B | Posting Amount |
| … | … | … | … | … | … | … |
| 50 | O | DEEM | N |  | B | Deemed Amount |
| 51 | O | CDFI | N |  | B | Conduit Foreign Income Amount |
| **52** | **O** | **OSUB** | **N** |  | **B** | **Oversubscription Amount** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| ACRU | Accrued Interest Amount | Amount of interest that has been accrued in between coupon payment periods. |
| … | … | … |
| NETT | Net Cash Amount | Amount of money after deductions and allowances have been made, if any, that is, the total amount +/- charges/fees. |
| NRAT | NRA Tax Amount | Amount of tax related income subject to NRA (Non Resident Alien). |
| OCMT | Original Currency and Ordered Amount | Posting/settlement amount in its original currency when conversion from/into another currency has occurred. |
| **OSUB** | **Oversubscription Amount** | **Subscription charge amount related to the oversubscription quantity for events with an oversubscription privilege.** |
| PAMM | Paying/Sub-paying Agent Commission | Amount of paying/sub-paying agent commission. |
| PRIN | Principal or Corpus | Amount of money representing a distribution of a bond's principal, for example, repayment of outstanding debt. |
| … | … | … |
| WITL | Second Level Tax Amount | Amount of money withheld by the jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile. |

**2. ISO 20022 Illustration**

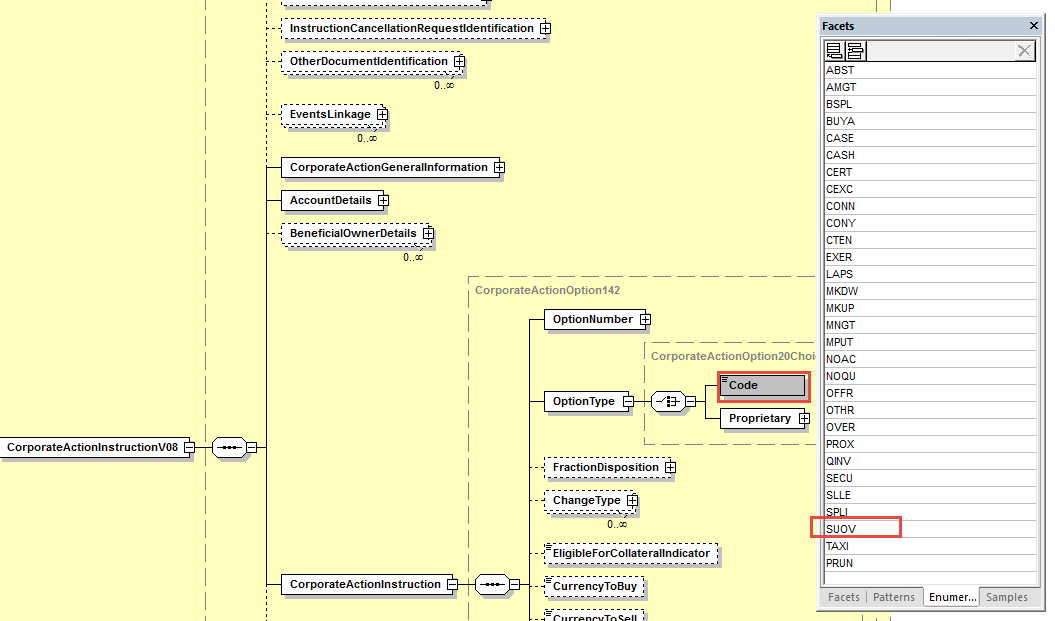
In the seev.031 (CANO – CorporateActionNotification) message in sequence *CorporateActionOptionDetails* and

In the seev.033 (CAIN – CorporateActionInstruction) message in sequence CorporateActionInstruction and

In the seev.035 (CAPA – CorporateActionMovementPreliminaryAdvice) message in sequence *CorporateActionMovementDetails*, and

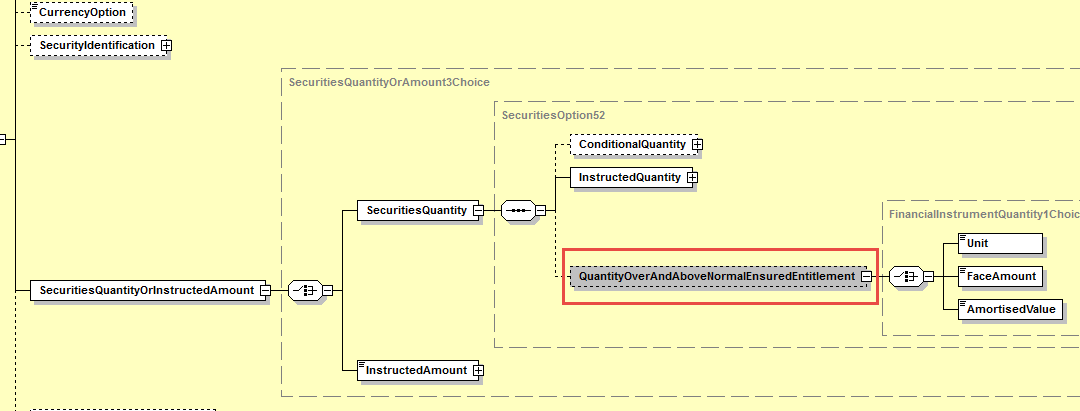
In the seev.036 (CACO – CorporateActionMovementConfirmation) message in sequence *CorporateActionConfirmationDetails*,

Add a new Code value “**Subscription and Oversubscription” (SUOV)** as defined in ISO 15022 above in the date type *CorporateActionOptionCode* of the element *OptionType/Code* as illustrated here below on the seev.033 (CAIS) message:



**2. Add the *QuantityOverAndAboveNormalEnsuredEntitlement* element in the Instruction message**

In seev.033 (CAIN – CorporateActionInstruction) message, in the sequence *SecuritiesQuantityOrInstructedAmount/SecuritiesQuantity*, add the new optional non-repeatable *QuantityOverAndAboveNormalEnsuredEntitlement*element typed by the *FinancialInstrumentQuantity1Choice* component as illustrated below and defined as in ISO 15022 above.



**3. Add a new Cross element rule in the Instruction message**

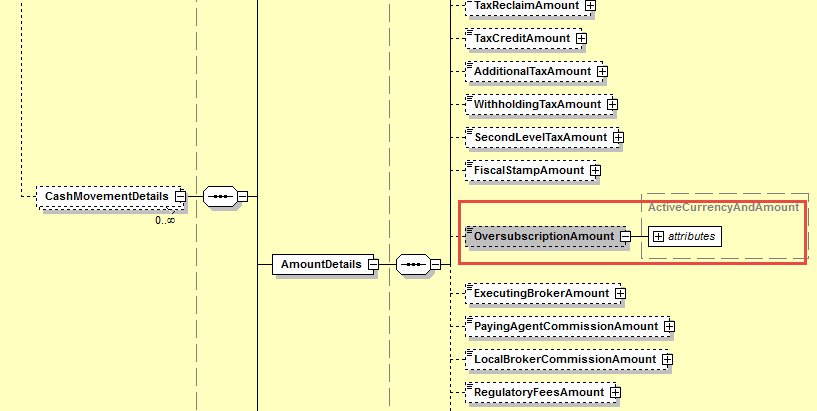
In the seev.033 (CAIN – CorporateActionInstruction) message, in sequence CorporateActionInstruction, add a new cross element rule in order to restrict the presence of the “*QuantityOverAndAboveNormalEnsuredEntitlement*” in the sequence *CorporateActionInstruction/SecuritiesQuantityOrInstructedAmount/SecuritiesQuantity* to the presence of the code “*SubscribeAndOversubscribe*” in the CorporateActionInstruction/OptionType/Code.

The cross element rule would read as follows:

***“If SecuritiesQuantityOrInstructedAmount/SecuritiesQuantity/ QuantityOverAndAboveNormalEnsuredEntitlement is present, then OptionType/Code must be SUOV (SubscribeAndOversubscribe)”***

**4. Add a new Amount element in the Confirmation message**

In the seev.036 (CACO – CorporateActionMovementConfirmation) message in sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails*, add a new optional and non-repeatable Amount elements *OversubscriptionAmount* as defined in ISO 15022 above and typed by the *ActiveCurrencyAndAmount* data type as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG cannot reach a consensus to approve the change request.  Some countries challenge the business case as the oversubscription should in principle not be made in the same option as the subscription itself. This anomaly arises because of a specific processing pattern in DTCC’s system. The ideal solution would be for DTCC to change its process to align it with the global standard already well supported by the US custodians with their clients.  The US/ISITC responds that the DTCC system handles these events for a very large market since a long time ago and it will not be changing the system any time soon. The purpose of this CR is to enable full automation for US and other markets until full processing alignment can be achieved.  The MWG vote shows a 60% majority to reject the CR. |
| **Decision** |
| **Rejected** |

## CR 001477: Add New Adjusted and Refunded Subscription Amounts in Confirmation

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISTIC |
| **Sponsors** | |
| DTCC | |
| **Message type(s) impacted** | |
| MT 566, seev.036 (CACO) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| Medium | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 800  Percentage of messages impacted: 50  Commits to implement and when: US in 2019 | |
| **Business context** | |
| For Rights Exercise Events, several transactions can result from the rights subscription which in the current standard there is only one field to display Charges Amount. Normally, when a client subscribes and / or oversubscribes to a Rights offer there are charges based upon an estimated (assumed) rate set by the Agent / Issuer. When the offer expires, the agent could provide a final rate in which the submitted charges must be adjusted by either a credit or debit based on the rate change. Also, if the oversubscription is pro-rated, some portion of the instructed oversubscription will be returned which will result in a refund of the original oversubscription charge. Given the number of charges involved with this event scenario, DTCC is requesting to add two Amount Fields to the CACO / MT 566 to differentiate these types of charges. | |
| **Nature of change** | |
| MT566 , CACO  Block D2  19B:  Adjusted Subscription Amount (ADJS) - Amount of money debited or credited to adjust for the difference between the estimated and the final subscription rate for Rights Exercise events.  Refunded Subscription Amount (REFU) - The amount of money refunded from the original subscription cost for a Rights Exercise event. This occurs when the event is prorated and the subscription cost relating to the unaffected (unaccepted) balance is returned to the holder. | |
| **Workaround** | |
| Only to use the current Charges Amount tag. | |
| **Examples** | |
| NA | |

**SWIFT Comment**

|  |
| --- |
|  |

**Standards Illustration**

**1. ISO 15022 Illustration**

**In the MT566 message, in subsequence D2, in field :19B: Amount, add the 2 following optional and non-repeatable amount qualifiers “Adjusted Subscription Amount” (ADJS) and “Refunded Subscription Amount” (REFU) as defined and illustrated below:**

**MT 566 Field Specifications**

83. Field 19B: Amount

FORMAT

|  |  |  |
| --- | --- | --- |
| Option B | :4!c//3!a15d | (Qualifier)(Currency Code)(Amount) |

PRESENCE

Mandatory in optional subsequence D2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | PSTA | N |  | B | Posting Amount |
| 2 | O | RESU | N | C1 | B | Resulting Amount |
| ….. |  |  |  |  |  |  |
| 49 | O | TRAX | N |  | B | Transaction Tax |
| 50 | O | DEEM | N |  | B | Deemed Amount |
| 51 | O | CDFI | N |  | B | Conduit Foreign Income Amount |
| **52** | **O** | **ADJS** | **N** |  | **B** | **Adjusted Subscription Amount** |
| **53** | **O** | **REFU** | **N** |  | **B** | **Refunded Subscription Amount** |

DEFINITION

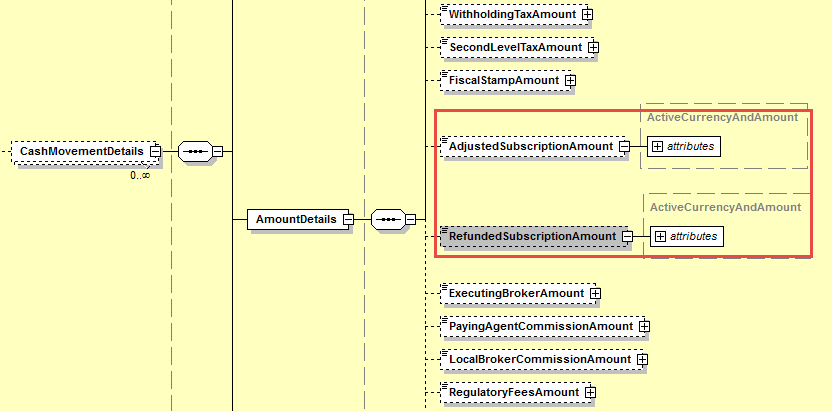
This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| ACRU | Accrued Interest Amount | Amount of interest that has been accrued in between coupon payment periods. |
| **ADJS** | **Adjusted Subscription Amount** | **Amount of money debited or credited to adjust for the difference between the estimated and the final subscription rate for Rights Exercise events.** |
| ARRE | Tax Arrear Amount | Amount of money paid by the Tax Authorities in addition to the payment of the tax refund itself. |
| ATAX | Additional Tax Amount | Amount of additional taxes that cannot be categorised. |
| …. |  |  |
| REDP | Redemption Premium Amount | Amount of money (not interest) in addition to the principal at the redemption of a bond. |
| **REFU** | **Refunded Subscription Amount** | **Amount of money refunded from the original subscription cost for a Rights Exercise event. This occurs when the event is prorated and the subscription cost relating to the unaffected (unaccepted) balance is returned to the holder.** |
| REGF | Regulatory Fees | Amount of money charged by a regulatory authority, for example, Securities and Exchange fees. |
| …. |  |  |
| WITL | Second Level Tax Amount | Amount of money withheld by the jurisdiction other than the jurisdiction of the issuer's country of tax incorporation, for which a relief at source and/or reclaim may be possible. It is levied in complement or offset of the withholding tax rate (TAXR) levied by the jurisdiction of the issuer's tax domicile. |

**2. ISO 20022 Illustration**

**Add 2 new amount elements in the Confirmation message**

**In the seev.036** (CACO - CorporateActionMovementConfirmation) message, in the sequence *CorporateActionConfirmationDetails/CashMovementDetails/AmountDetails*, add 2 optional and non repeatable amount elements ***AdjustedSubscriptionAmount*** and ***RefundedSubscriptionAmount*** as defined in ISO15022 above and as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG cannot reach a consensus to approve the change request.  CH does not see any advantage in this change. It is low volumes, and existing workarounds are deemed adequate. CH says that the US/ISITC should adopt the reverse and rebook/resend principle as specified in the European market standard for payment confirmation instead of adjusting the amounts with new fields.  The MWG vote shows a 80% majority to approve the CR (CH and DE voted against it).  The proposed solution is approved as well. |
| **Decision** |
| **Approved** |

## CR 001478: Add or Move Oversubscription Deposit Price to Cash Movement

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Sponsors** | |
| ISITC, DTCC | |
| **Message type(s) impacted** | |
| MT 564, MT 566, seev.031 (CANO), seev.035 (CAPA), seev.036 (CACO) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| LOW | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 800  Percentage of messages impacted: 50  Commits to implement and when: US in 2019 | |
| **Business context** | |
| Requirement is to move (or add) Oversubscription Deposit Price to the Cash Movement on the CACO / MT566. Currently, this field resides in Option Details / Price Details. From a business perspective, this field aligns with the cash movement as it is the price being paid for the oversubscription. Currently, the subscription price uses the Generic Price Paid per Product (exercise price) within the cash movement. The Oversubscription Price which can be different from the subscription price should be maintained at the cash movement level as both charges can be on the same MT566 / CACO message. From a market practice perspective, price fields should be driven from the cash movement whenever it is tied to the payment. In this case, the Oversubscription Deposit price is tied to the payment to differentiate it from the subscription price. Please note if there is need to keep this field at the Option level, then the request would be to keep it at the option level but also add to the cash movement level. | |
| **Nature of change** | |
| Add or Move Oversubscription Deposit Price from Option Level / Price Details move to Cash Movement Details / Price Details | |
| **Workaround** | |
| The current mapping is to Option Details / Price Details | |
| **Examples** | |
| 38045R974 RTS GOL LINHAS 12012  RIGHTS CUSIP: 38045R974 DESC: \*UNKNOWN\* SUBSCR PRICE: 12.837183  UNDRLY CUSIP: 38045R107 DESC: ADRGOLLINHAS F < PRICE BASIS:  SUBSCR AGENT: 2909 NAME: COMPUTERSHARE SUBSCR RATE: 1.0000000  DTC MULT/DIVIDE IND: FRAC SECURITY RULE: ROUNDING FACTOR: .000000000    SUBSCR CHARGE IND: Y SOLICITATION FEES: N UNDRLY DIST IND: N PROT CHARGE IND N  STEP-UP: N S/U FRAC: .00000000 S/U PRICE: 0.000000 S/U CHARGE IND: N  OVER SUBSCR: Y MAX O/S RATIO: 999 % O/S PRICE: 12.761023 O/S CHARGE IND: Y  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  38045R982 RTS GOL LINHAS +  RIGHTS CUSIP: 38045R982 DESC: RTS GOL LINHAS + SUBSCR PRICE: 14.504148  UNDRLY CUSIP: 38045R107 DESC: ADRGOLLINHAS F < PRICE BASIS:  SUBSCR AGENT: 2908 NAME: COMPUTERSHARE SUBSCR RATE: 1.0000000  DTC MULT/DIVIDE IND: FRAC SECURITY RULE: ROUNDING FACTOR: .000000000    SUBSCR CHARGE IND: Y SOLICITATION FEES: N UNDRLY DIST IND: N PROT CHARGE IND N  STEP-UP: N S/U FRAC: .00000000 S/U PRICE: 0.000000 S/U CHARGE IND: N  OVER SUBSCR: Y MAX O/S RATIO: 999 % O/S PRICE: 14.710000 O/S CHARGE IND: Y    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  38045R990 RTS GOL LINHAS051607  RIGHTS CUSIP: 38045R990 DESC: RTS GOL LINHAS051607 SUBSCR PRICE: 31.241149  UNDRLY CUSIP: 38045R107 DESC: ADRGOLLINHAS F < PRICE BASIS:  SUBSCR AGENT: 2917 NAME: BANK NEW YORK SUBSCR RATE: 1.0000000  DTC MULT/DIVIDE IND: FRAC SECURITY RULE: ROUNDING FACTOR: .000000000    SUBSCR CHARGE IND: Y SOLICITATION FEES: N UNDRLY DIST IND: N PROT CHARGE IND N  STEP-UP: N S/U FRAC: .00000000 S/U PRICE: 0.000000 S/U CHARGE IND: N  OVER SUBSCR: Y MAX O/S RATIO: 999 % O/S PRICE: 31.145811 O/S CHARGE IND: Y  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  PARTICIPANTS ARE ADVISED THAT THE ACTUAL ADS SUBSCRIPTION PRICE FOR  ADS PURCHASED UNDER THE BASIC SUBSCRIPTION PRIVILEGE MAY BE DIFFERENT FROM THE  ACTUAL ADS SUBSCRIPTION PRICE FOR ADS PURCHASED UNDER THE OVERSUBSCRIPTION  PRIVILEGE. THIS IS DUE TO THE FACT THAT THE AGENT WILL DETERMINE THE ACTUAL  ADS SUBSCRIPTION PRICES ON DIFFERENT DAYS DURING THE OFFER PERIOD. AS A  RESULT, AND AS APPLICABLE, THE REFUND AMOUNTS DUE TO HOLDERS FROM THEIR BASIC  SUBSCRIPTIONS AND OVERSUBSCRIPTIONS WILL BE DIFFERENT. | |

**SWIFT Comment**

|  |
| --- |
| If we accept the move of price qualifier OSUB in the MT566 in the cash movement sequence, we should then apply the same change for the same qualifier in the MT564 as well ! |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT 564, in sequence E, and in the MT566 sequence D, in the field :90a: Price, remove the OSUB (Over-subscription Deposit Price) qualifier as illustrated below:**

**MT 564 Field Specifications**

65. Field 90a: Price

FORMAT

|  |  |  |
| --- | --- | --- |
| Option A | :4!c//4!c/[N]15d | (Qualifier)(Percentage Type Code)(Sign)(Price) |
| Option B | :4!c//4!c/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Price) |
| Option E | :4!c//4!c | (Qualifier)(Price Code) |

PRESENCE

Optional in optional sequence E

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | CINL | N |  | A, B, or E | Cash in Lieu of Shares Price |
| **~~2~~** | **~~O~~** | **~~OSUB~~** | **~~N~~** |  | **~~A, B, or E~~** | **~~Over-subscription Deposit Price~~** |
| 3 | O | MACI | N | C20 | B or E | Maximum Cash To Instruct |
| 4 | O | MICI | N | C20 | B or E | Minimum Cash To Instruct |
| 5 | O | MMCI | N | C20 | B or E | Minimum Multiple Cash To Instruct |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CINL | Cash in Lieu of Shares Price | Cash disbursement in lieu of equities; usually in lieu of fractional quantity. |
| MACI | Maximum Cash To Instruct | Maximum cash amount that may be instructed. |
| MICI | Minimum Cash To Instruct | Minimum cash amount that may be instructed. |
| MMCI | Minimum Multiple Cash To Instruct | Minimum multiple of a cash amount that may be instructed. |
| **~~OSUB~~** | **~~Over-subscription Deposit Price~~** | **~~Amount of money required per over-subscribed equity as defined by the issuer.~~** |

**MT 566 Field Specifications**

46. Field 90a: Price

FORMAT

|  |  |  |
| --- | --- | --- |
| Option A | :4!c//4!c/[N]15d | (Qualifier)(Percentage Type Code)(Sign)(Price) |
| Option B | :4!c//4!c/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Price) |

PRESENCE

Optional in mandatory sequence D

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | CINL | N |  | A or B | Cash in Lieu of Shares Price |
| **~~2~~** | **~~O~~** | **~~OSUB~~** | **~~N~~** |  | **~~A or B~~** | **~~Over-subscription Deposit Price~~** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CINL | Cash in Lieu of Shares Price | Cash disbursement in lieu of equities; usually in lieu of fractional quantity. |
| **~~OSUB~~** | **~~Over-subscription Deposit Price~~** | **~~Amount of money required per over-subscribed equity as defined by the issuer.~~** |

**2. In the MT 564, in sequence E2, and in the MT566 sequence D2, in the field :90a: Price, add the optional and non-repeatable OSUB (Over-subscription Deposit Price) qualifier as illustrated below:**

**MT 564 Field Specifications**

96. Field 90a: Price

FORMAT

|  |  |  |
| --- | --- | --- |
| Option A | :4!c//4!c/[N]15d | (Qualifier)(Percentage Type Code)(Sign)(Price) |
| Option B | :4!c//4!c/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Price) |
| Option E | :4!c//4!c | (Qualifier)(Price Code) |
| Option F | :4!c//4!c/3!a15d/4!c/15d | (Qualifier)(Amount Type Code)(Currency Code)(Amount)(Quantity Type Code)(Quantity) |
| Option J | :4!c//4!c/3!a15d/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Amount)(Currency Code)(Amount) |
| Option K | :4!c//15d | (Qualifier)(Index Points) |
| Option L | :4!c//[N]15d | (Qualifier)(Sign)(Index Points) |

PRESENCE

Optional in optional subsequence E2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | OFFR | N |  | A, B, E, F, J, or L | Generic Cash Price Received per Product |
| 2 | O | PRPP | N |  | A, B, E, or K | Generic Cash Price Paid per Product |
| **3** | **O** | **OSUB** | **N** |  | **A, B, or E** | **Over-subscription Deposit Price** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| OFFR | Generic Cash Price Received per Product | Generic cash price received per product by the underlying security holder either as a percentage or an amount, for example, redemption price. |
| **OSUB** | **Over-subscription Deposit Price** | **Amount of money required per over-subscribed equity as defined by the issuer.** |
| PRPP | Generic Cash Price Paid per Product | Generic cash price paid per product by the underlying security holder either as a percentage or an amount or a number of points above an index, for example, reinvestment price, strike price and exercise price. |

**MT 566 Field Specifications**

86. Field 90a: Price

FORMAT

|  |  |  |
| --- | --- | --- |
| Option A | :4!c//4!c/[N]15d | (Qualifier)(Percentage Type Code)(Sign)(Price) |
| Option B | :4!c//4!c/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Price) |
| Option F | :4!c//4!c/3!a15d/4!c/15d | (Qualifier)(Amount Type Code)(Currency Code)(Amount)(Quantity Type Code)(Quantity) |
| Option J | :4!c//4!c/3!a15d/3!a15d | (Qualifier)(Amount Type Code)(Currency Code)(Amount)(Currency Code)(Amount) |
| Option K | :4!c//15d | (Qualifier)(Index Points) |
| Option L | :4!c//[N]15d | (Qualifier)(Sign)(Index Points) |

PRESENCE

Optional in optional subsequence D2

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | OFFR | N |  | A, B, F, J, or L | Generic Cash Price Received per Product |
| 2 | O | PRPP | N |  | A, B, or K | Generic Cash Price Paid per Product |
| **3** | **O** | **OSUB** | **N** |  | **A or B** | **Over-subscription Deposit Price** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| OFFR | Generic Cash Price Received per Product | Generic cash price received per product by the underlying security holder either as a percentage or an amount for example, redemption price. |
| **OSUB** | **Over-subscription Deposit Price** | **Amount of money required per over-subscribed equity as defined by the issuer.** |
| PRPP | Generic Cash Price Paid per Product | Generic cash price paid per product by the underlying security holder either as a percentage or an amount or a number of points above an index, for example, reinvestment price, strike price and exercise price. |

**2. ISO 20022 Illustration**

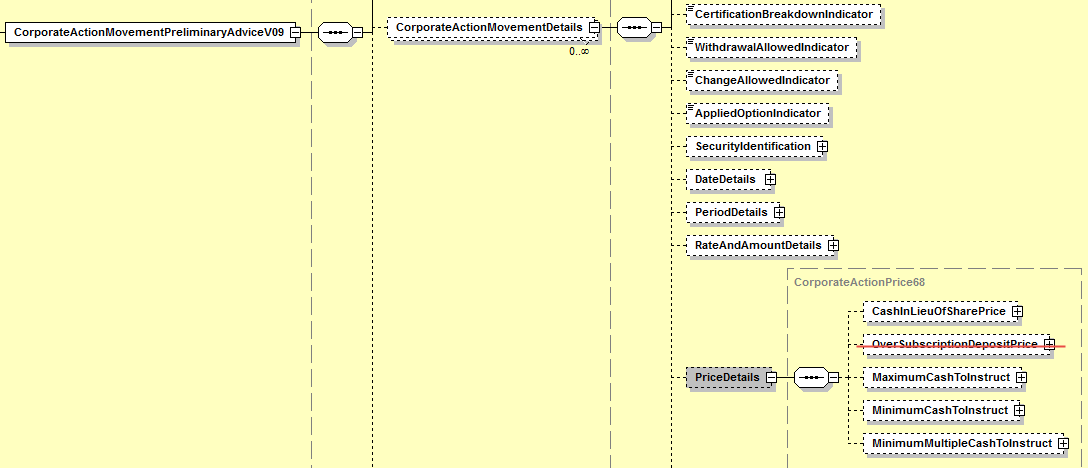
**1. Remove the Oversubscription Deposit Price from the Option sequence**

In the seev.031 (CANO – CorporateActionNotification) message in sequence *CorporateActionOptionDetails/PriceDetails*, and

In the seev.035 (CAPA – CorporateActionMovementPreliminaryAdvice) message in sequence *CorporateActionMovementDetails/PriceDetails*, and

In the seev.036 (CACO – CorporateActionMovementConfirmation) message in sequence *CorporateActionConfirmationDetails/PriceDetails*,

Delete the OverSubscriptionPrice element as illustrated below:

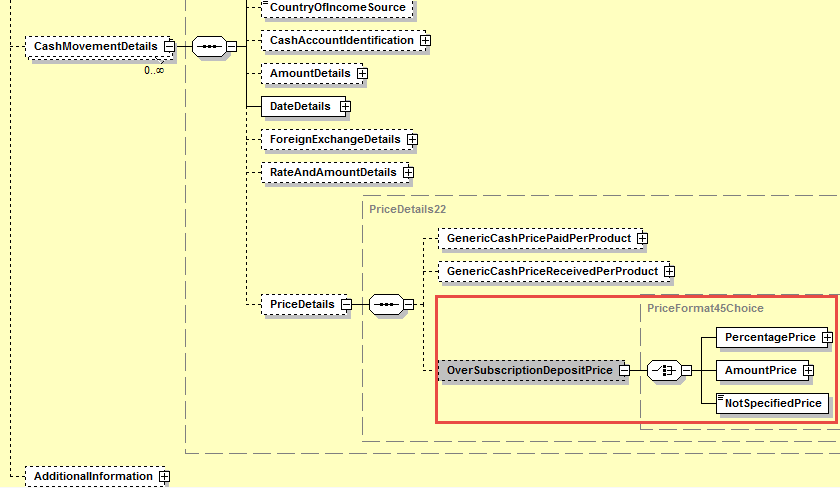


**2. Add the Oversubscription Deposit Price in the Cash Movement sequence**

In the seev.031 (CANO – CorporateActionNotification) message in sequence *CorporateActionOptionDetails/CashMovementDetails/PriceDetails*, and

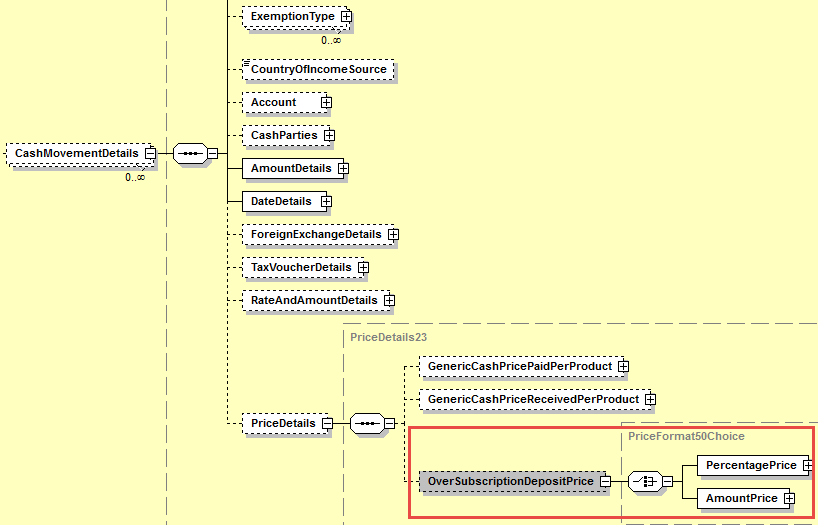
In the seev.035 (CAPA – CorporateActionMovementPreliminaryAdvice) message in sequence *CorporateActionMovementDetails/CashMovementDetails/PriceDetails*,

add the optional and non repeatable *OverSubscriptionPrice* element typed by the *PriceFormat45Choice* data type as illustrated below:



In the seev.036 (CACO – CorporateActionMovementConfirmation) message in sequence *CorporateActionConfirmationDetails/CashMovementDetails/PriceDetails*,

add the optional and non repeatable *OverSubscriptionPrice* element typed by the *PriceFormat50Choice* data type as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG cannot reach a consensus to approve the change request.  Moving or even copying the Over Subscription Deposit Price to the cash movement sequence would be for some countries inconsistent with the other decisions taken before on some CRs.  The MWG vote shows a 60% majority to reject the CR. |
| **Decision** |
| **Rejected** |

## CR 001479: Add a new Odd Lot Preference Indicator for Instructions

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| MT 565, MT 567, seev.033 (CAIN), seev.034 (CAIS), seev.041 (CACS) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| Low | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 1643652  Percentage of messages impacted: 10  Commits to implement and when: US Market in 2019 | |
| **Business context** | |
| The Odd Lot Preference feature exists in the MT 564 / CANO but does not exist in the MT 565 / CAIN message or the MT 567 CAIS message. DTC is requesting this to be in the message so as to STP instructions when there is an odd lot preference. This indicator is passed to Agents to ensure that Odd lot holders on an offer are not prorated if proration were to occur. The indicator can be used by the instructing party when the instruction is bulked amongst many holders to notify DTC that the particular instruction should be treated as an odd-lot. It also assists in the systemic processing by DTC for entitlement processing. It should be noted that in discussions within ISITC, the Investment managers and custodians stated that this indicator could also help reduce the number of options that would need to be setup by making such provisions as an indicator within a given option. | |
| **Nature of change** | |
| MT565, CAIN  Odd Lot Preference (OPLF) - Tender or Exchange with an odd-lot preference  MT565  Sequence D  22A:Indicator  OPLF | |
| **Workaround** | |
| DTCC currently will use an extension element to work around the lack of availability of this element within the MT 565 / CAIN. | |
| **Examples** | |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Odd Lot Priority Flag | 840 | 52 | REOGN2 | Bid Odd Lot |   cid:image002.png@01D3CC1C.FCBA6160  cid:image004.png@01D3CC1B.AC0F1810  cid:image006.png@01D3CC1C.3D7D0370 | |

**SWIFT Comment**

|  |
| --- |
| Don’t we need this OptionFeaturesCode “odd lot preference” in the seev.041 (CACS - CorporateActionInstructionCancellationRequestStatusAdvice) as well ? |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT565, in sequence D, in field :22a: Indicator, add a new optional and non-repeatable Option Features Indicator qualifier OPTF with a code value OPLF similarly to the OPTF Indicator qualifier defined in the MT 564 sequence E as illustrated below.**

**MT 565 Field Specifications**

39. Field 22a: Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Mandatory in mandatory sequence D

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | M | CAOP | N |  | F or H | Corporate Action Option Code Indicator |
| 2 | O | DISF | N |  | F | Disposition of Fractions Indicator |
| 3 | O | CHAN | R |  | F | Change Type Indicator |
| 4 | O | COLE | N |  | F | Collateral Pool Indicator |
| **5** | **O** | **OPTF** | **N** |  | **F** | **Option Features Indicator** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CAOP | Corporate Action Option Code Indicator | Specifies the corporate action options available to the account owner. |
| CHAN | Change Type Indicator | Specifies the type of change announced. |
| COLE | Collateral Pool Indicator | Specifies whether the corporate action instruction should be processed using the pool of securities eligible for collateral purposes. |
| DISF | Disposition of Fractions Indicator | Specifies how fractional amount/quantities are treated. |
| **OPTF** | **Option Features Indicator** | **Specifies the features that may apply to a corporate action option.** |

**CODES**

**If Qualifier is OPTF and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):**

|  |  |  |
| --- | --- | --- |
| **OPLF** | **Odd Lot Preference** | **Tender or Exchange with the Odd Lot Preference.** |

**2. In the MT567, in sequence B, in field :22a: Indicator, add a new optional and non-repeatable Option Features Indicator qualifier OPTF with a code value OPLF similarly to the OPTF Indicator qualifier defined in the MT 564 sequence E as illustrated below.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Optional Sequence B Corporate Action Details** | | | | | | |
| M | 16R |  |  | Start of Block | CADETL | *18* |
| O | 13A | CAON | Number Identification | CA Option Number | :4!c//3!c | *19* |
| **----->** | | | | | | |
| O | 22a | **~~CAOP~~** **4!c** | Indicator | **~~Corporate Action Option Code Indicator~~** **(see qualifier description)** | F or H | *20* |
| **-----|** | | | | | | |
| O | 95a | ACOW | Party | Account Owner | P or R | *21* |
| **----->** | | | | | | |
| O | 97a | 4!c | Account | (see qualifier description) | A or E | *22* |
| **-----|** | | | | | | |
| O | 94a | SAFE | Place | Place of Safekeeping | B, C, or F | *23* |
| O | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | *24* |
| **----->** | | | | | | |

**MT 567 Field Specifications**

20. Field 22a: Indicator: Corporate Action Option Code Indicator

FORMAT

|  |  |  |
| --- | --- | --- |
| Option F | :4!c/[8c]/4!c | (Qualifier)(Data Source Scheme)(Indicator) |
| Option H | :4!c//4!c | (Qualifier)(Indicator) |

PRESENCE

Conditional (see rule C2) in optional sequence B

QUALIFIER

(Error code(s): T89)

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | O | CAOP | N | C2 | F or H | Corporate Action Option Code Indicator |
| **2** | **O** | **OPTF** | **N** |  | **F** | **Option Features Indicator** |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CAOP | Corporate Action Option Code Indicator | Specifies the corporate action options available to the account owner. |

DEFINITION

This qualified generic field specifies:

|  |  |  |
| --- | --- | --- |
| CAOP | Corporate Action Option Code Indicator | Specifies the corporate action options available to the account owner. |
| **OPTF** | **Option Features Indicator** | **Specifies the features that may apply to a corporate action option.** |

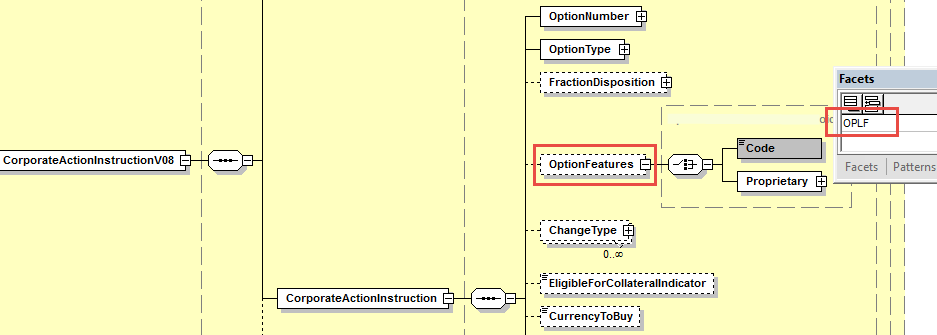
**CODES**

**If Qualifier is OPTF and Data Source Scheme is not present, Indicator must contain one of the following codes (Error code(s): K22):**

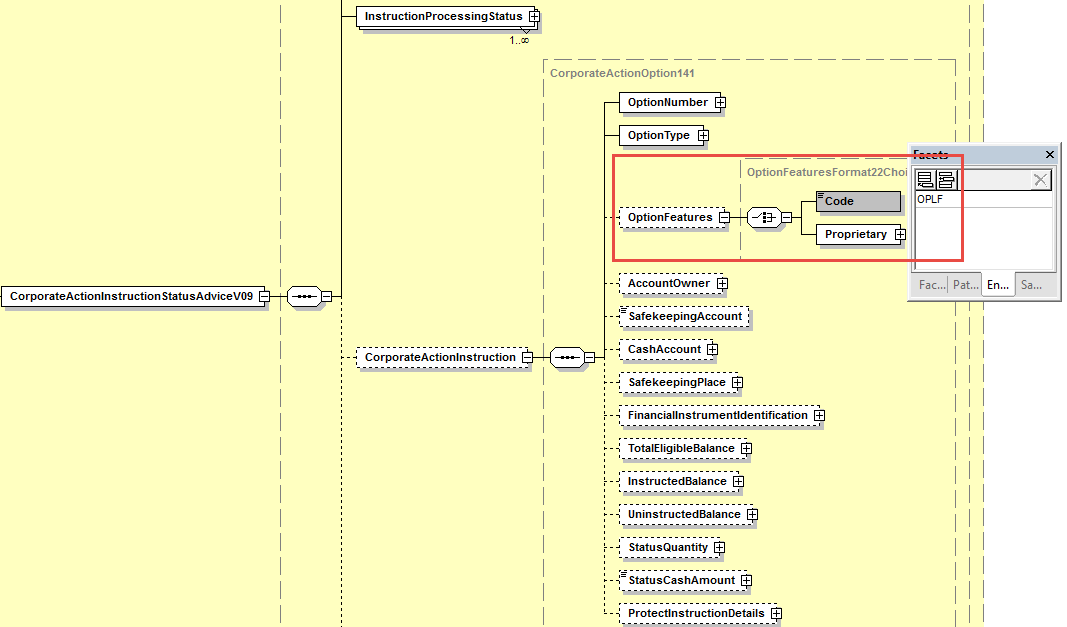
|  |  |  |
| --- | --- | --- |
| **OPLF** | **Odd Lot Preference** | **Tender or Exchange with the Odd Lot Preference.** |

**2. ISO 20022 Illustration**

**In the seev.033 (CAIN** – CorporateActionInstruction) message, in the sequence *CorporateActionInstruction*, add a new optional and non-repeatable element ***OptionFeatures*** typed with a new data type similar to ***OptionFeaturesFormat22Choice*** but with a single code value OPLF (Odd Lot Preference) from the ***OptionFeaturesCode*** data type as illustrated below.



**In the seev.034 (CAIS** – CorporateActionInstructionStatusAdvice) and seev.041 (CACS - CorporateActionInstructionCancellationRequestStatusAdvice) message, in the sequence *CorporateActionInstruction*, add a new optional and non-repeatable element ***OptionFeatures*** typed with a new data type similar to ***OptionFeaturesFormat22Choice*** but with a single code value OPLF (Odd Lot Preference) from the ***OptionFeaturesCode*** data type as illustrated below.



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG is divided on the business case.  Some oppose to the change request as there should rather be one separate specific option for the odd-lot holders rather than using the same option as the non-odd-lot holders and add an option flag.  The US/ISITC confirms that investors may specify whether they prefer to participate with pro-ration on an odd-lot (eg. sub-100 shares) holding or not.  Since a consensus cannot be achieved by the MWG to approve or reject the change request, the MWG resolves to vote. A first voting ballot shows a tie (50/50) for the support/rejection of the CR.  As per the MWG governance rule on voting outlined in section 3.5.1 of the MT Development and Maintenance Process document, the MWG resolves to go to a simple majority vote with a weighted ballot (taking into account the respective traffic volume of the 10 MWG countries). The weighted ballot shows that 57% of the votes are in favour of the business case and therefore the business case and the proposed solution are approved. |
| **Decision** |
| **Approved** |

## CR 001480: Add new Certification Conditions Flags in Instructions and Status

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Country: | US United States of America |
| Requesting Group: | ISITC |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| MT 565, MT 567, seev.033 (CAIN), seev.034 (CAIS) | |
| **Complies with regulation** | |
| None | |
| **Business impact of this request** | |
| MEDIUM | |
| **Commitment to implement the change** | |
| Number of messages sent and received: 86508  Percentage of messages impacted: 40  Commits to implement and when: US Market in 2019 | |
| **Business context** | |
| DTCC is requesting a new sequence within the CAIN / MT 565 and CAIS / MT 567 to process Conditions on voluntary offers. Within the US given that DTCC does not maintain holdings at a beneficial ownership level, voluntary events can have many different type of conditions which may need to be met. Some are mandatory and some are optional based on the given event. To process such events, DTC requires the indication of Y / N on up to six conditions per event. Instructions are not accepted without such indication. These conditions are output within the MT 564 / CANO within Option Details / Additional Information / Information to Comply With. Such conditions include :  Tenders/Exchange/Consent Offers  • Qualified Institutional Buyers  • Non-U.S. Holders  • Accredited Investors  • Canadian Resident  • Odd-Lot  • Conditional Tenders  • Deliver securities to Agent/ Delete positions  • Deemed to Consent  • Record Date Holder  • Deliver executed documentation to Agent  • Tax Exempt  • Subject to withholding  Rights/Conversions/Warrants  • Oversubscriptions  • Ownership Limitations  • Non-Affiliated  • Blue Sky Restrictions  While there is a Certification Type Indicator within the MT 565, only three values exist: Accredited Investor, QIB Certification and Non Company Related. The issue is that there can be many types of conditions as seen above and these are only some of the conditions that can arise from certain offers. To allow for a more straight thru process, DTC is requesting that there be a optional conditions sequence within the MT 565 / CAIN message which would indicate the condition number and a Boolean (Y/N) response that the instructor can respond to each condition which was noted within the MT 564 / CANO. This would then be available on the MT 567 / CAIS to state the condition received for the option.  Also, in recent meetings at ISITC, there was widespread agreement that this change could allow for the reduction of Custodian based options to deal with these certification conditions. Investment managers discussed that in many cases different custodians could create different options for these cases which resulted in more manual work. By creating certification at an option level which can relate to the conditions stated within the INCO tag on the MT 564, this would streamline the overall workflow in the US market. | |
| **Nature of change** | |
| MT 565 / CAIN  Certification Conditions (0.\*)  Condition Number (1,1)  Condition Acceptance (Y/N) (1,1)  MT 567 CAIS  Certification Conditions (0.\*)  Condition Number (1,1)  Condition Acceptance (Y/N) (1,1) | |
| **Workaround** | |
| Currently, there is narrative within the CANO for INCO but there doesn’t exists any ability to use the MT 565 (CAIN) or MT 567 (CAIS) to respond to conditions of the offer without using narrative which would not be STP. | |
| **Examples** | |
| See attached:  cid:image006.jpg@01D3CC09.FCE16C00  cid:image008.jpg@01D3CC09.FCE16C00  cid:image015.jpg@01D3CC09.FCE16C00  cid:image016.jpg@01D3CC09.FCE16C00  All of the requirements are combined into one condition for the Rights (PSOP)  cid:image017.jpg@01D3CC09.FCE16C00  cid:image018.jpg@01D3CC09.FCE16C00 | |

**SWIFT Comment**

|  |
| --- |
|  |

**Standards Illustration**

**1. ISO 15022 Illustration**

**1. In the MT 565, in sequence D Corporate Action Instruction, add a new optional and repeatable :17B: Flag fields containing 6 new optional “Certification Condition” flag qualifiers as defined and illustrated below:**

**MT 565 Format Specifications**

| **MT 565 Corporate Action Instruction** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** |

…..

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Mandatory Sequence D Corporate Action Instruction** | | | | | | |
| M | 16R |  |  | Start of Block | CAINST | *37* |
| M | 13A | CAON | Number Identification | CA Option Number | :4!c//3!c | *38* |
| **----->** | | | | | | |
| M | 22a | 4!c | Indicator | (see qualifier description) | F or H | *39* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| O | 11A | 4!c | Currency | (see qualifier description) | :4!c//3!a | *40* |
| **-----|** | | | | | | |
| O | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | *41* |
| **----->** | | | | | | |
| O | 36a | 4!c | Quantity of Financial Instrument | (see qualifier description) | B or C | *42* |
| **-----|** | | | | | | |
| O | 19B | QCAS | Amount | Instructed Amount | :4!c//3!a15d | *43* |
| O | 98a | EXRQ | Date/Time | Execution Requested Date/Time | A or C | *44* |
| **----->** | | | | | | |
| O | 92a | 4!c | Rate | (see qualifier description) | A, F, or R | *45* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| O | 90a | 4!c | Price | (see qualifier description) | A, B, E, F, J, or L | *46* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| **O** | **17B** | **4!c** | **Flag** | **(see qualifier description)** | **4!c//1!a** | ***47*** |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| O | 70E | 4!c | Narrative | (see qualifier description) | :4!c//10\*35x | *48* |
| **-----|** | | | | | | |
| M | 16S |  |  | End of Block | CAINST | *49* |

**MT 565 Field Specifications**

**47. Field 17B: Flag**

**FORMAT**

|  |  |  |
| --- | --- | --- |
| **Option B** | **:4!c//1!a** | **(Qualifier)(Flag)** |

**PRESENCE**

**Optional in optional sequence D**

**QUALIFIER**

**(Error code(s): T89)**

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| **1** | **O** | **CNDA** | **N** |  | **B** | **Certification Condition 1 Acknowledgement** |
| **2** | **O** | **CNDB** | **N** |  | **B** | **Certification Condition 2 Acknowledgement** |
| **3** | **O** | **CNDC** | **N** |  | **B** | **Certification Condition 3 Acknowledgement** |
| **4** | **O** | **CNDD** | **N** |  | **B** | **Certification Condition 4 Acknowledgement** |
| **5** | **O** | **CNDE** | **N** |  | **B** | **Certification Condition 5 Acknowledgement** |
| **6** | **O** | **CNDF** | **N** |  | **B** | **Certification Condition 6 Acknowledgement** |

**DEFINITION**

**This qualified generic field specifies:**

|  |  |  |
| --- | --- | --- |
| **CNDA** | **Certification Condition 1 Acknowledgement** | **Indicates whether certification condition 1 of this event is being accepted.** |
| **CNDB** | **Certification Condition 2 Acknowledgement** | **Indicates whether certification condition 2 of this event is being accepted.** |
| **CNDC** | **Certification Condition 3 Acknowledgement** | **Indicates whether certification condition 3 of this event is being accepted.** |
| **CNDD** | **Certification Condition 4 Acknowledgement** | **Indicates whether certification condition 4 of this event is being accepted.** |
| **CNDE** | **Certification Condition 5 Acknowledgement** | **Indicates whether certification condition 5 of this event is being accepted.** |
| **CNDF** | **Certification Condition 6 Acknowledgement** | **Indicates whether certification condition 6 of this event is being accepted.** |

**CODES**

**Flag must contain one of the following codes (Error code(s): K17):**

|  |  |  |
| --- | --- | --- |
| **N** | **No** | **No.** |
| **Y** | **Yes** | **Yes.** |

**2. In the MT 567, in sequence B Corporate Action Details, add a new optional and repeatable :17B: Flag fields containing 6 new optional “Certification Condition” flag qualifiers as defined in the MT 565 message and illustrated below:**

**MT 567 Format Specifications**

| **MT 567 Corporate Action Status and Processing Advice** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Status** | **Tag** | **Qualifier** | **Generic Field Name** | **Detailed Field Name** | **Content/Options** | ***No.*** |

……

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Optional Sequence B Corporate Action Details** | | | | | | |
| M | 16R |  |  | Start of Block | CADETL | *18* |
| O | 13A | CAON | Number Identification | CA Option Number | :4!c//3!c | *19* |
| O | 22a | CAOP | Indicator | Corporate Action Option Code Indicator | F or H | *20* |
| O | 95a | ACOW | Party | Account Owner | P or R | *21* |
| **----->** | | | | | | |
| O | 97a | 4!c | Account | (see qualifier description) | A or E | *22* |
| **-----|** | | | | | | |
| O | 94a | SAFE | Place | Place of Safekeeping | B, C, or F | *23* |
| O | 35B |  |  | Identification of the Financial Instrument | [ISIN1!e12!c] [4\*35x] | *24* |
| **----->** | | | | | | |
| O | 36B | STAQ | Quantity of Financial Instrument | Status Quantity | :4!c//4!c/15d | *25* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| O | 19B | 4!c | Amount | (see qualifier description) | :4!c//3!a15d | *26* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| O | 93B | 4!c | Balance | (see qualifier description) | :4!c/[8c]/4!c/[N]15d | *27* |
| **-----|** | | | | | | |
| **----->** | | | | | | |
| **O** | **17B** | **4!c** | **Flag** | **(see qualifier description)** | **:4!c//1!a** | ***28*** |
| **-----|** | | | | | | |
| M | 16S |  |  | End of Block | CADETL | *29* |
| **End of Sequence B Corporate Action Details** | | | | | | |

**MT 567 Field Specifications**

**28. Field 17B: Flag**

**FORMAT**

|  |  |  |
| --- | --- | --- |
| **Option B** | **:4!c//1!a** | **(Qualifier)(Flag)** |

**PRESENCE**

**Optional in optional sequence B**

**QUALIFIER**

**(Error code(s): T89)**

| **Order** | **M/O** | **Qualifier** | **R/N** | **CR** | **Options** | **Qualifier Description** |
| --- | --- | --- | --- | --- | --- | --- |
| **1** | **O** | **CNDA** | **N** |  | **B** | **Certification Condition 1 Acknowledgement** |
| **2** | **O** | **CNDB** | **N** |  | **B** | **Certification Condition 2 Acknowledgement** |
| **3** | **O** | **CNDC** | **N** |  | **B** | **Certification Condition 3 Acknowledgement** |
| **4** | **O** | **CNDD** | **N** |  | **B** | **Certification Condition 4 Acknowledgement** |
| **5** | **O** | **CNDE** | **N** |  | **B** | **Certification Condition 5 Acknowledgement** |
| **6** | **O** | **CNDF** | **N** |  | **B** | **Certification Condition 6 Acknowledgement** |

**DEFINITION**

**This qualified generic field specifies:**

|  |  |  |
| --- | --- | --- |
| **CNDA** | **Certification Condition 1 Acknowledgement** | **Indicates whether certification condition 1 of this event is being accepted.** |
| **CNDB** | **Certification Condition 2 Acknowledgement** | **Indicates whether certification condition 2 of this event is being accepted.** |
| **CNDC** | **Certification Condition 3 Acknowledgement** | **Indicates whether certification condition 3 of this event is being accepted.** |
| **CNDD** | **Certification Condition 4 Acknowledgement** | **Indicates whether certification condition 4 of this event is being accepted.** |
| **CNDE** | **Certification Condition 5 Acknowledgement** | **Indicates whether certification condition 5 of this event is being accepted.** |
| **CNDF** | **Certification Condition 6 Acknowledgement** | **Indicates whether certification condition 6 of this event is being accepted.** |

**CODES**

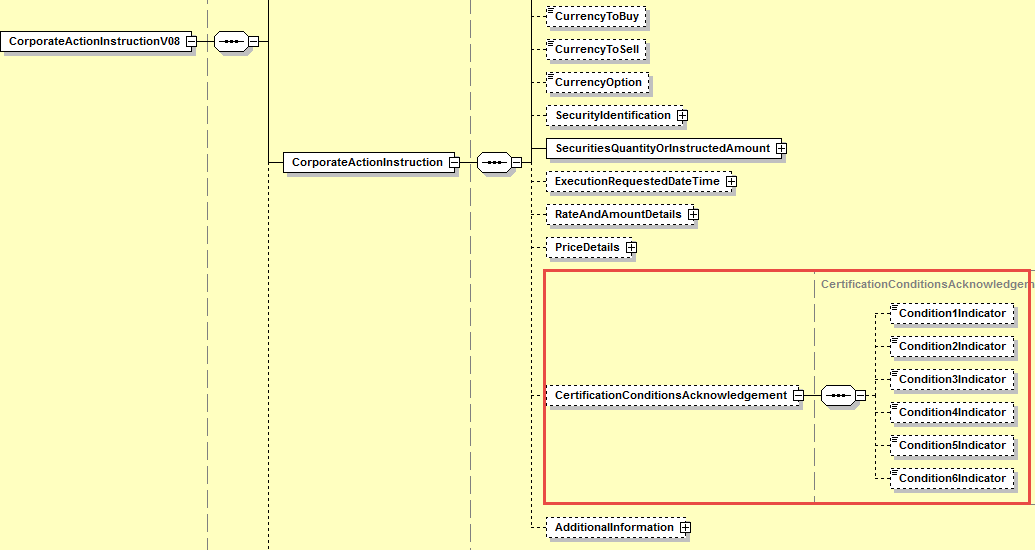
**Flag must contain one of the following codes (Error code(s): K17):**

|  |  |  |
| --- | --- | --- |
| **N** | **No** | **No.** |
| **Y** | **Yes** | **Yes.** |

**2. ISO 20022 Illustration**

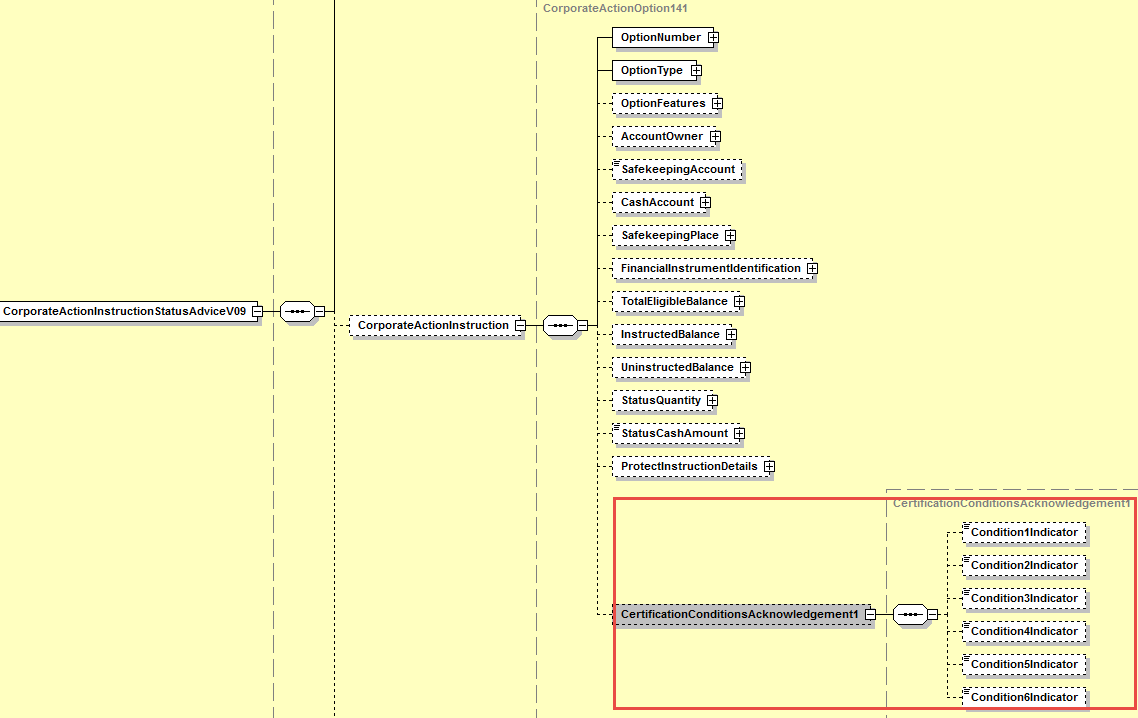
**1. Add a new optional sequence in the MT565 for certification conditions acknowledgement**

In the seev.033 (CAIN – CorporateActionInstruction) message, in sequence *CorporateActionInstruction*, add a new optional and non-repeatable *CertificationConditionsAcknowledgement* element typed by a component containing a sequence of 6 optional and non-repeatable *ConditionIndicator* elements typed by the “*YesNoIndicator*” data type as illustrated below:



**2. Add a new optional sequence in the MT567 for certification conditions acknowledgement**

In the seev.034 (CAIS – CorporateActionInstructionStatusAdvice) message, in sequence *CorporateActionInstruction*, add a new optional and non-repeatable *CertificationConditionsAcknowledgement* element typed by a component containing a sequence of 6 optional and non-repeatable *Condition****x****Indicator* elements typed by the “*YesNoIndicator*” data type as illustrated below:



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG cannot reach a consensus to approve the change request.  SG asks if there is an expectation in the CR to add validation rules around the proposed new certification codes. The US/ISITC replies that there are legal requirements associated with these conditions in the US, but that network validated rules may not be needed on the network.  LU points out that a full global list of similar conditions covering all markets would be prohibitively long. The alternative is to capture certification as part of account static data, and to deem customers as eligible based on their participation in the transaction. LU expressed concern about the ability to achieve end-to-end STP on this issue, based on end-user investors not likely being users of these MTs.  SG also questions how STP can be achieved when the conditions are specified in narrative text as well as in coded fields? How would reconciliation between these two sources be achieved?  CH sees insufficient value in that CR.  The MWG vote shows a 90% majority to reject the CR. |
| **Decision** |
| **Rejected** |

## CR 001481: Add Protect and Cover Protect Supporting Elements in Instruction Process (ISO20022 – CR0738)

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Group: | ISITC Corporate Actions Working Group |
| Requesting Country: | United States of America |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| seev.033, seev.034, seev.040, seev.041 | |
| **Complies with regulation** | |
| NA | |
| **Business impact of this request** | |
| HIGH | |
| **Commitment to implement the change** | |
| Commits to implement and when: US in 2019 | |
| **Business context** | |
| To allow for the usage of the ISO20022 instruction message flow to allow for the sending of Protect, Cover Protect or *Protect on Behalf of Another* *Participant* instructions to the Depository and receive back confirmations of such messages.  By providing ISO message capability, there could be both efficiency and risk reduction improvements.  This change request will outline changes to the above messages to allow for the automation of the Protect / Cover Protect instruction process via ISO Corporate Action Instruction Messaging. This capability cannot be achieved via ISO messaging without this proposed enhancement.  DTCC as part of its service offering allows for the submission of instructions with a "**Notice of Guaranteed Delivery**". The notice allows holders who do not have their securities readily available to accept a voluntary offer such as Rights or Tenders by the expiration date and deliver the securities within the period prescribed by the offer. Holders wishing to participate in the guaranteed delivery program would submit a "Protect" instruction to the Agent who can either accept or reject the "protect" instruction. Within the CANO announcement message several fields are outlined regarding the process. The ***Protect Date*** stipulates the last date that a holder can request to defer delivery of securities pursuant to the notice of guaranteed delivery. The ***Cover Expiration Date*** which is the last date that a holder can deliver the securities that it had previously protected. Also the ***Depository Cover Expiration Date*** which is the last day that a participant of the depository can deliver securities for the protect instruction.  Within the service offering, DTC also allows participants to Cover on Behalf of another holder (participant). This service allows a participant to cover a protect instruction on behalf of another participant who submitted the protect instruction.  While these fields reside in the Announcement message, there is no ability to send Protect or Cover Protect instructions in relation to this process.  During 2017, DTCC processed approximately 9200 protect and cover protect instructions on a yearly basis:  Tenders:  Total Protects 4958  Total Covers:                                   3725  Total Covers on Behalf of Another:      12  Rights Exercise:  Total Protects:                                    260  Total Covers:                                      265  Total Covers on Behalf of Another:       35 | |
| **Nature of change** | |
| ISO 20022 RA ID: CR 0738  **Proposed Change**  DTCC as part of its Corporate Action Transformation program wishes to utilize the ISO instruction workflow to facilitate this process so that clients can automate the Protect and Cover Protect instructions by utilizing the ISO20022 workflow. The following messages would be utilized in ISO20022:  CAIN (Corporate Action Instruction)  CAIS (Corporate Action Instruction Status)  CAIC (Corporate Action Instruction Cancellation)  CACS (Corporate Action Cancellation Status)  **CAIN Instruction Message Enhancements**  The CAIN instruction message would be expanded to contain a new optional *Protect Instruction* sectionwhich would allow the sender to specify whether the instruction is to “Protect” (PROT) “Cover”(COVR)or “Cover on behalf of another participant” (COVB). The **Protect Indicator** would be a mandatory element within the block.  Certain fields from a DTCC perspective would only be used when the **Protect Indicator** is COVR or COVB. The ***Protect Transaction ID***and ***Protect Date*** would be necessary to match to the original protect transaction and would have been received from the CAIS message from the original protect instruction. (please see workflow powerpoint). Likewise for a COVB instruction, the *Protect Safekeeping account* would be required to indicate which account initiated the protect instruction.  Lastly, DTCC is requesting that the Party information in the Additional Information section be expanded to include ***Party Contact Name*** *and* ***Party Contact Phone number*** as this is required from a DTCC perspective for inbound Cover or Protect Transactions.  DTCC is proposing several new fields to be used in this process:  CorporateActionInstruction  ***ProtectInstruction* (0..1)** – relates to protects or cover protect instructions only  ***Protect Indicator (1..1)*:** Specifies type of cover or protect instruction to be sent.  PROT – Protect Instruction  COVR –Cover Protect Instruction  COVB - Cover instruction on behalf of another participant  CorpActnInstr/ProtectInstruction/ProtectIndicator  ***Protect Transaction Identification (0..1)*** – unique identifier of the protect transaction. Used for cover protect validation.  CorpActnInstr/ProtectInstruction/ProtectTransactionID  ***Protect Safekeeping Account (0..1)*** – For cover protect instructions whereby one safekeeping account is covering on behalf of another safekeeping account. The protect safekeeping account will be the account which submitted the original protect instruction  CorpActnInstr/ProtectInstruction/ProtectSafekeepingAccount  ***Protect Date (0..1)***  – date of the protect transaction. (Used for Cover protect validation).  CorpActnInstr/ProtectInstruction/ProtectDate  ***Party Contact Name (0..1) –*** contact name for the instruction  *AddInf/PartyContactName*  ***Party Contact Phone Number*** (0..1) – contact phone number for the instruction  *AddInf/PartyPhoneNumber*  CAIS – Corporate Action Instruction Status Message  For the instruction status message, The *Protect Indicator* would be mandatory similar to the CAIN message. The *Protect Status code* would indicate whether the Protect is Open (not covered) , Fully Covered or Expired. The *Protect Transaction ID* and *Protect Date* would be sent for both Protect and Cover instructions to provide identification for the Protect instruction or to cross reference the origination Protect ID if it is a Cover instruction confirmation. For Cover instruction confirmations, the *Uncovered Protect quantity* would be utilized to confirm the remaining uncovered position if the original protect instruction has not been fully covered.  ***ProtectInstruction* (0..1)** – relates to protects or cover protect instructions only  ***Protect Indicator (1..1)* -**  Specifies type of cover or protect instruction to be sent.  PROT – Protect Instruction  COVR – Cover Protect Instruction  COVB - Cover instruction on behalf of another participant  ***Protect Status Code (1..1)*** – Status of the Protect or Cover Transaction  CorporateActionInstruction/ProtectInstruction//ProtectStatusCode  OPEN – Protect instruction partially covered and not fully covered  FULL – Protect instruction fully covered  EXPI – Protect instruction expired  ***Protect Transaction Identification (0..1)*** – unique identifier of the protect transaction. Used for cover protect validation.  CorpActnInstr/ProtectInstruction/ProtectTransactionID  **Protect Date (0..1)** – date of the protect transaction. (Used for Cover protect validation).  CorpActnInstr/ProtectInstruction/ProtectDate  **Uncovered Protect Quantity (0..1) –** Remaining quantity of protect instruction which has not been covered  CorpActnInstr/ProtectInstruction/UncoveredProtectQuantity  ***Protect Safekeeping Account (0..1)*** – For cover protect instructions whereby one safekeeping account is covering on behalf of another safekeeping account. The protect safekeeping account will be the account which submitted the original protect instruction  CorpActnInstr/ProtectInstruction/ProtectSafekeepingAccount  Additional Information  ***Party Contact Name (0..1) –*** contact name for the instruction  *AddInf/PartyContactName*  ***Party Contact Phone Number*** (0..1) – contact phone number for the instruction  *AddInf/PartyPhoneNumber*  CAIC – Corporate Action Instruction Cancellation Message  A protect instruction may be cancelled and would require the *Protect Indicator*, the *Protect Transaction Identification* and the *Protect Date*.  ***ProtectInstruction* (0..1)** – relates to protect instructions only  ***Protect Indicator (0..1)* -** Specifies type of cover or protect instruction to be sent.  PROT – Protect Instruction  ***Protect Transaction Identification (0..1)*** – unique identifier of the protect transaction. Used for cover protect validation.  /ProtectInstruction/ProtectTransactionID  ***Protect Date (0..1)*** – date of the protect transaction. (Used for Cover protect validation).  CorpActnInstr/ProtectInstruction/ProtectDate  Additional Information  ***Party Contact Name (0..1) –*** contact name for the instruction  *AddInf/PartyContactName*  ***Party Contact Phone Number*** (0..1) – contact phone number for the instruction  *AddInf/PartyPhoneNumber*  CACS – Corporate Action Cancellation Request Status Advice  The CACS cancel confirmation message would request the same fields added to the CAIC message to confirm details of the cancel instruction.  ***ProtectInstruction* (0..1)** – relates to protects or cover protect instructions only  ***Protect Indicator (0..1)*:** Specifies type of cover or protect instruction to be sent.  PROT - Protect Instruction  ***Protect Transaction Identification (0..1)*** – unique identifier of the protect instruction. Used for cover protect validation.  /ProtectInstruction/ProtectTransactionID  ***Protect Date (0..1)*** – date of the protect transaction. (Used for Cover protect validation).  CorpActnInstr/ProtectInstruction/ProtectDate  **Uncovered Protect Quantity (0..1) –** Remaining quantity of protect instructions which have not been covered (CAIS, CAST)  CorpActnInstr/ProtectInstruction/UncoveredProtectQuantity  ***Protect Status Code (1..1)*** – Status of the Protect cancellation.  CorpActnInstr /ProtectInstruction/ProtectStatusCode  OPEN – Protect cancel instruction only partially cancels the protect and a remaining portion of the protect instruction is still in open status. | |
| **Workaround** | |
| Have this information as supplementary data. | |
| **Examples** | |
|  | |

**SWIFT Comment**

|  |
| --- |
|  |

**Standards Illustration**

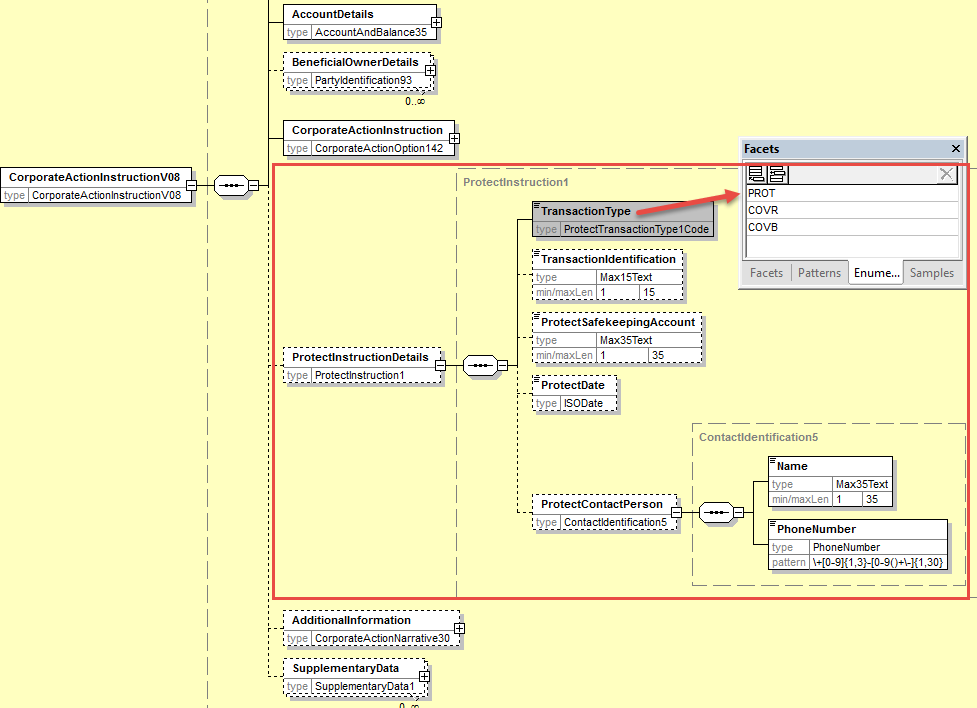
**1. ISO 20022 Illustration**

**1. In the seev.033 (CAIN – CorporateActionInstruction) message**, add a new optional and non-repeatable Building block *ProtectInstructionDetails* typed by the new message component *ProtectInstruction1* which is made up of the 4 following elements:

* TransactionType - Mandatory – typed by the new *ProtectTransactionType2Code* data type which contains the following code values:
  + PROT: Protect Transaction
  + COVR: Cover Protect Transaction
  + COVP: Cover on behalf of another participant transaction
* TransactionIdentification – optional & non-repeatable – typed by *Max15Text*
* ProtectSafekeepingAccount - optional & non-repeatable – typed by *Max35Text*
* ProtectDate - optional & non-repeatable – typed by *ISODate*
* ProtectContactPerson - optional & non-repeatable – typed by the *ContactIdentification5* component containing the *Name* and *PhoneNumber*.

**As illustrated below and with the following definitions:**

* ProtectInstructionDetails: provides detailed information on protect and cover protect instructions.
* TransactionType: Indicates whether the instruction is a protect or cover protect instruction..
  + PROT: Protect Transaction: Reorganisation is a protect transaction type.
  + COVR: Cover Protect Transaction: Reorganisation is a cover protect transaction type..
  + COVP Cover on behalf of another participant transaction: Reorganisation is a cover on behalf of another participant transaction type.
* TransactionIdentification: unique reference of the protect transaction assigned by the depository and used for cover protect validation.
* ProtectSafekeepingAccount: Account which submitted the original protect instruction used for cover protect instructions whereby one safekeeping account is covering on behalf of another safekeeping account.
* ProtectDate: Date at which the protect instruction was created and used for cover protect validation.
* ProtectContactPerson: Contact information for protect and cover protect instruction transactions.

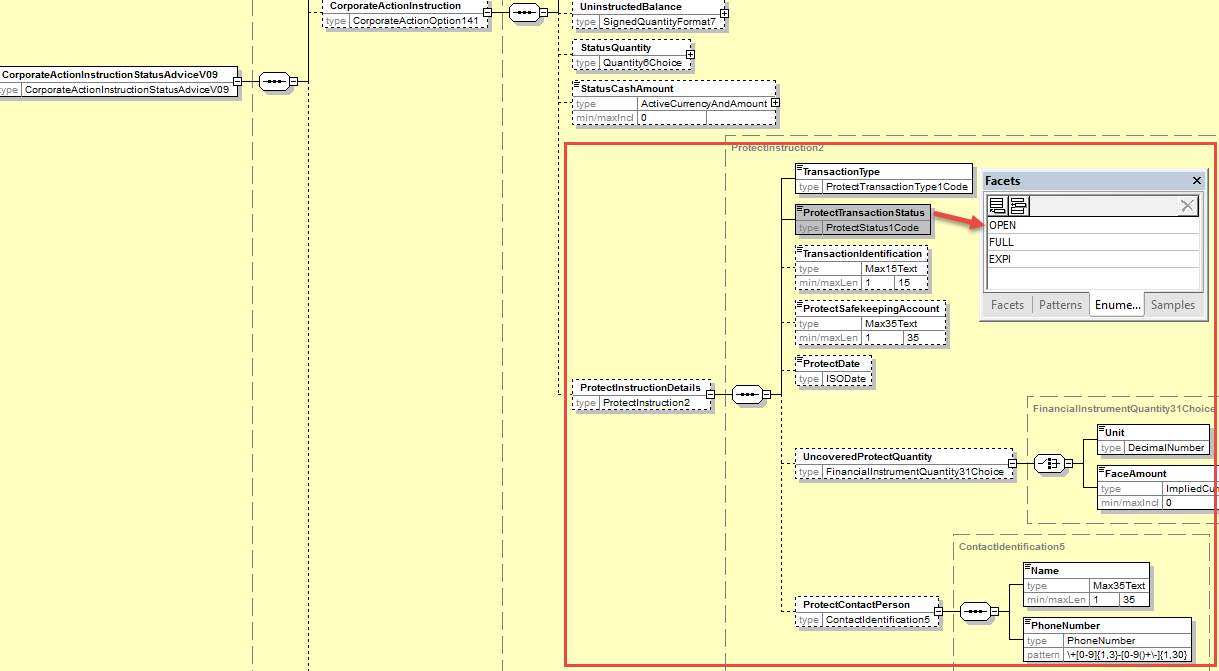


**2. In the seev.034 (CAIS – CorporateActionInstructionStatusAdvice) message,** add a new optional and non-repeatable element *ProtectInstructionDetails* typed by the new message component *ProtectInstruction2* which is made up of the 7 following elements:

* TransactionType - Mandatory – typed by the new *ProtectTransactionType2Code* data type which contains the following code values:
  + PROT: Protect Transaction
  + COVR: Cover Protect Instruction
  + COVP: Cover on behalf of another participant transaction
* ProtectTransactionStatus – Mandatory – typed by the new ProtectInstructionStatus3Code data type which contains the following code values:
  + OPEN: Open
  + COVR: Fully Covered
  + EXPI: Expired
* TransactionIdentification – optional & non-repeatable – typed by *Max15Text*
* ProtectSafekeepingAccount - optional & non-repeatable – typed by *Max35Text*
* ProtectDate - optional & non-repeatable – typed by *ISODate*
* UncoveredProtectQuantity - optional & non-repeatable – typed by *FinancialInstrumentQuantity18Choice*
* ProtectContactPerson - optional & non-repeatable – typed by the *ContactIdentification5* component containing the *Name* and *PhoneNumber*.

**As illustrated below and with the following definitions:**

* ProtectInstructionDetails: provides detailed information on protect and cover protect instructions.
* TransactionType: Indicates whether the instruction is a protect or cover protect instruction..
  + PROT: Protect Transaction: transaction is a protect instruction.
  + COVR: Cover Protect Transaction: Reorganisation is a cover protect transaction type.
  + COVP: Cover on Behalf of Another Participant Transaction: Reorganisation is a cover on behalf of another participant transaction type.
* ProtectTransactionStatus – Status of the protect transaction.
  + OPEN: Open: Protect instruction which has not been fully covered. Will include partial cover.
  + COVR: Fully Covered: Protect instruction has been fully covered.
  + EXPI: Expired: Protect instruction has expired.
* TransactionIdentification: unique reference of the protect transaction assigned by the depository and used for cover protect validation.
* ProtectSafekeepingAccount: Account which submitted the original protect instruction used for cover protect instructions whereby one safekeeping account is covering on behalf of another safekeeping account.
* ProtectDate: Date at which the protect instruction was created and used for cover protect validation.
* UncoveredProtectQuantity: Remaining quantity of protect instruction which has not been covered.
* ProtectContactPerson: Contact information for protect and cover protect instructions transactions.

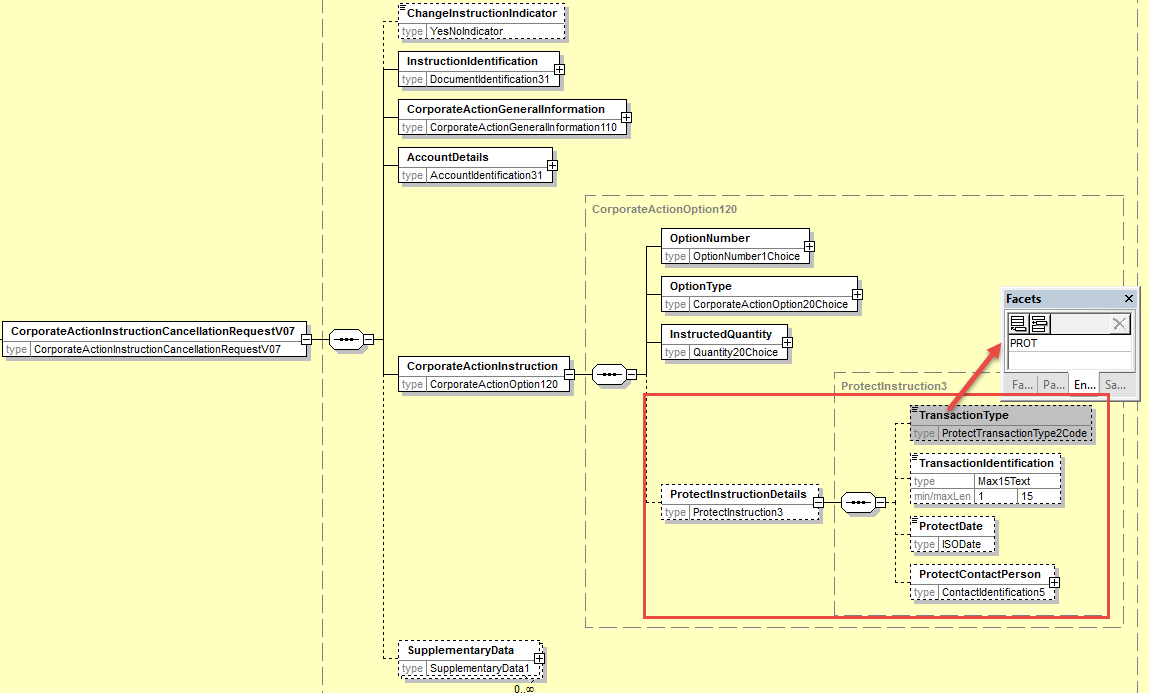


**3. In the seev.040 (CAIC – CorporateActionInstructionCancellationRequest) message,** add a new optional and non-repeatable element *ProtectInstructionDetails* typed by the new message component *ProtectInstruction3* which is made up of the 4 following elements:

* TransactionType - Mandatory – typed by the new *ProtectTransactionType3Code* data type which contains the following code values:
  + PROT: Protect Transaction
* TransactionIdentification – optional & non-repeatable – typed by *Max15Text*
* ProtectDate - optional & non-repeatable – typed by *ISODate*
* ProtectContactPerson - optional & non-repeatable – typed by the *ContactIdentification5* component containing the *Name* and *PhoneNumber*.

**As illustrated below and with the following definitions:**

* ProtectInstructionDetails: provides detailed information on protect and cover protect. instructions.
* TransactionType: Indicates whether the instruction is a protect or cover protect instruction.
  + PROT: Protect Transaction: Reorganisation is a protect transaction type.
* TransactionIdentification: unique reference of the protect transaction assigned by the depository and used for cover protect validation.
* ProtectDate: Date at which the protect instruction was created and used for cover protect validation.
* ProtectContactPerson: Contact information for protect and cover protect instructions transactions.

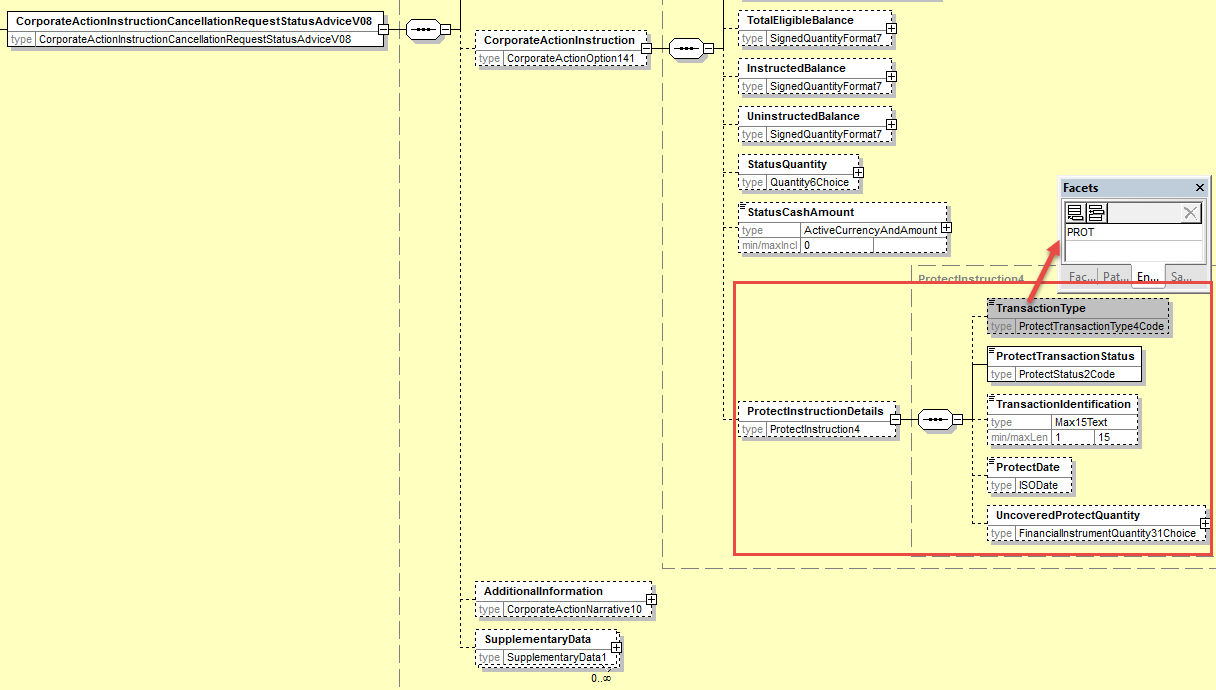


**4. In the seev.041 (CACS – CorporateActionInstructionCancellationRequestStatusAdvice) message,** add a new optional and non-repeatable element *ProtectInstructionDetails* typed by the new message component *ProtectInstruction4* which is made up of the 5 following elements:

* TransactionType - Mandatory – typed by the new *ProtectTransactionType3Code* data type which contains the following code values:
  + PROT: Protect Transaction
* ProtectTransactionStatus – Mandatory – typed by the new ProtectStatus1Code data type which contains the following code values:
  + OPEN: Open Protect Instruction
* TransactionIdentification – optional & non-repeatable – typed by *Max15Text*
* ProtectDate - optional & non-repeatable – typed by *ISODate*
* UncoveredProtectQuantity - optional & non-repeatable – typed by *FinancialInstrumentQuantity18Choice*
* ProtectContactPerson - optional & non-repeatable – typed by the *ContactIdentification5* component containing the *Name* and *PhoneNumber*.

**As illustrated below and with the following definitions:**

* ProtectInstructionDetails: provides detailed information on protect and cover protect instructions.
* TransactionType: Indicates whether the instruction is a protect or cover protect instruction.
  + PROT: Protect Transaction: Reorganisation is a protect transaction type.
* ProtectTransactionStatus – Status of the protect transaction.
  + OPEN: Open: Protect instruction which has not been fully covered. Will include partial cover.
* TransactionIdentification: unique reference of the protect transaction assigned by the depository and used for cover protect validation.
* ProtectDate: Date at which the protect instruction was created and used for cover protect validation.
* UncoveredProtectQuantity: Remaining quantity of protect instruction which has not been covered.
* ProtectContactPerson: Contact information for protect and cover protect instructions transactions.



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

|  |
| --- |
| **Discussion** |
| The MWG agrees with the business case and the proposed solution at the condition that there is no reverse engineering of that solution in ISO 15022 messages.  The US/ISITC confirms that there is no need to enhance the ISO 15022 messages with those functionalities. |
| **Decision** |
| **Approved** |

## CR 001482: Instruction Statement Report Enhancements for Options Instructions Details (ISO20022 – CR0739)

|  |  |
| --- | --- |
| **Origin of request** | |
| Requesting Group: | ISITC Corporate Actions Working Group |
| Requesting Country: | United States of America |
| **Sponsors** | |
| ISITC | |
| **Message type(s) impacted** | |
| seev.042 | |
| **Complies with regulation** | |
| NA | |
| **Business impact of this request** | |
| HIGH | |
| **Commitment to implement the change** | |
| Commits to implement and when: US in 2019 | |
| **Business context** | |
| To provide new capability to the CAST message by expanding both the balance section of the message as well as a new Options Instructions detail section. The Instruction Details section will provide significant value by showing all instruction activity for a client for a given event. It will also recap status changes in one message for instructions by including an instruction status code. For large events with many instructions, this recap statement will now provide a true statement giving both summary balances and detailed instructions. It will allow status messaging of both Corporate Action instructions, Protect Instructions and Cover Protect Instructions for a corporate action event. | |
| **Nature of change** | |
| ISO 20022 RA ID: CR 0739  Currently, the CAST Message (seev.042) primary purpose is for an account service to send to an account owner or designated agent to report balances at the safekeeping account level for one or more corporate action events or at the corporate action event level for one or more safekeeping accounts. This message is primarily used for Voluntary or Choice Corporate Action events to display the events’ *uninstructed balance* and the *instructed balance* at both an event and option level.  This request seeks to expand upon the CAST’s purpose by adding two main features:   1. Ability to show *Daily Instruction* totals at the event and option level 2. Ability to show instruction detail with status information within CAST statement. 3. A new***Option Instruction*** section would display corporate action instructions at the option level and would include Protect and Cover Protect Instructions messaging (including Cover Protect Status) within the US Market. .   These expanded features give the message a true statement capability incorporating daily activity with daily instruction balance totals. The Option Instruction Detail capability would have the following mandatory elements: ***Instruction ID, Instruction Quantity, Instruction Date* and *Instruction Status****.* The optional fields include *customer reference number, bid price, conditional quantity* and *oversubscription quantity*.  These option instruction fields provide several key capabilities:   1. **Customer Reconciliation Benefit** – by adding key fields such as Customer Reference, Bid Price or Conditional Quantity, customers will be able to better reconcile complex events with a large number of instructions 2. **Instruction Status** and Reason Code– would provide a change in status at the instruction level due to instruction cancellation, event withdrawal, message rejection or acceptance. Such status messaging may aid operations in taking necessary action due to a status change. Supplying the appropriate reason code for pending or cancelled items will also bring parity with the CAIS, CACS and MT567 messages 3. **Protect / Cover Protect Workflow status** – Option Instruction detail would also add the capability of messaging for Protects and Cover Protect instruction reporting via DTCC in the US market. The CAST message would provide the protect instruction details including Protect Instruction ID, the Protect and Cover Protect Date and the Instruction Status (Covered, Open or Expired).   Please note, these requested changes do not supersede the use of the MT567 (CAIS) at the individual instruction confirmation basis. Instead, they provide a summarized means of viewing instruction activity especially for very active events with numerous instructions.  Below are the requested changes:   1. ***New Balance Fields:***   **Statement General Details**  **Statement Type (existing qualifier) New Definition – “Indicates whether the statement is a balance only notification or if it includes missing instructions. “ Previous definition “**Indicates whether the statement contains missing instructions only or all instructions.”  **MISS – Statement contains missing instructions (existing)**  **ALLL Statement contains all instructions (existing)**  **BALO – Balance only notification. No instruction details provided**  **BALI – Balance information with instruction details**  **Instruction Aggregation Type (0,1) – Indicates the period of instruction details within the statement**  **LA24 Last 24 hours**  **LA48 Last 48 hours**  **WEEK Last 1 week**  **STRT From Instruction Start date**  **Corporate Action Event and Balance Details**   * **Total Instructed Balance Details –daily balances for instructions, cancel instruction and protect instructions**   *Daily Total Accepted Instruction Balance* (0..1) The daily total of all accepted instructions for given day. Cover Protect instructions will be included in this total balance.  *Daily Total Cancelled Instruction Balance (0,1)* The daily total of instructions for a given day.  *Daily Total Pending Instruction Balance (0,1)* The daily total of pending instructions in pending status. This will include cancel pending instructions.  *Daily Total Rejected Instruction Balance (0,1)* The daily total of rejected instructions  *Daily Total Protect Instructed Balance (0,1*) Daily total of all protect instructions sent in a given day  **Options Details**  *Daily Option Accepted Instructed Balance* (0..1) The daily total of instructions received for a given option.  *Daily Option Cancelled Instruction Balance (0,1)* The daily total of instructions for a given option.  *Daily Option Pending Instruction Balance (0,1)* The daily total of pending instructions in pending status for a given option. This will include cancel pending instructions.  *Daily Option Rejected Instruction Balance (0,1)* The daily total of rejected instructions for a given option.  *Daily Option Protect Instructed Balance (0,1*) Daily total of all protect instructions for a given option.     1. **Option Details / Event Deadlines**   ~~Protect Deadline (0.1) - Deadline for submitting protect instructions~~  Protect Deadline (0.1) – Deadline for protect instructions  Cover Protect Deadline (0.1) - Deadline for covering a protect instruction   1. **Instruction Details New CAST block**   The new Instruction section within the CAST message would be optional and would be output per option The mandatory elements per instruction would include: *Instruction ID*, *Quantity*, *Instruction Status* and *Instruction Date*.  ***Corporate Action Event and Balance***  ***Total Instructed Balance Details***  ***Option Details***  ***Option Number***  ***Instructed Balance***  *Option Instruction Details (0.\*)* Instructions received for the given option  *Instruction ID* (1.1)– Identification of the instruction or protect instruction  *Instruction Sequence Number (0.*1) Sequence Number of the instruction  *Protect Indicator (0,1)* Details whether the instruction is a Protect or Cover Transaction  *PROT –* Protect Instruction  *COVR – Cover Protect* Instruction  *COVB –*  Cover behalf of another account  *Instruction Quantity (1.1)* – Quantity of the instruction  *Instruction Date* (1.1)– Date of the instruction  *Protect Date (*0*.*1) – Date of the client protect instruction  *Cover Protect Date (*0.1) Date of the Cover Protect Instruction  *Bid Price* (0..1)– Bid price of the instruction  *Conditional Quantity* (0..1)– Conditional Quantity of the instruction  *Customer Reference (0..1)*–Customer related narrative information  *Instruction Narrative (0,1) –* Narrative information from the submitted instruction  *Instruction Status* (1..1) Status for a particular instruction Accepted - Instruction Accepted  Pending – Instruction has not been completed    Accepted for further processing -.This means that the instruction has been received, is processable and has been validated for further processing  Rejected – Instruction rejected by receiver  Canceled – Instruction canceled by client instruction  Cancel Pending – Cancel instruction pending  Covered – Protect Instruction has been full covered  ~~Expired – Protect instruction has expired~~  Uncovered –Cover Protect instruction accepted but has not fully covered the protect instructionRE  Reject Reason Code (0;\*)   |  |  | | --- | --- | | Account Servicer Deadline Missed | Received after the account servicer's deadline. | | Cancelled | Option is not valid; it has been cancelled by the market or service provider, and cannot be responded to. Any responses already processed against this option aPendingCancellationre considered void and new responses will be required. | | Incorrect Certification | Instruction is rejected since the provided certification is incorrect or incomplete. | | Rejected Since Already Cancelled | Cancellation request was rejected since the instruction has already been cancelled. | | Rejected Since In Progress | Cancellation request has been rejected because the instruction process is in progress or has been processed. | | Instruction Type Rejection | Invalid use of instructed amount (QCAS) or of instructed quantity (QINS) qualifiers. | | Currency Rejection | Invalid instructed currency. | | Amount Rejection | Unrecognized or invalid instructed cash amount. | | Quantity Rejection | Unrecognized or invalid instructed quantity. | | Security Rejection | Unrecognized or invalid financial instrument identification. | | Unrecognized Corporate Action Event Number Rejection | Unrecognized corporate action event number. | | Missing Beneficiary Owner Details | Rejected due to missing beneficiary owner details. | | Instruction Irrevocable | The instruction is irrevocable. | | Inactive | Option is not active and can no longer be responded to. Any responses already processed against this option will remain valid, for example, expired option. | | Invalid for Tax Authorities | For tax reclaim, the reclaim is invalid for the tax authorities. | | Lack of Securities | Instructed position exceeds the eligible balance. | | Market Deadline Missed | Received after market deadline. | | Narrative Reason | See narrative field for reason. | | Mismatch Option Number and Option Type Rejection | Mismatch between option number and option type. | | Option Number Rejection | Unrecognised option number. | | Option Type Rejection | Invalid option type. | | Refused by the Tax Authorities | Reclaim is refused by the tax authorities. | | Safekeeping Account Rejection | Unrecognised or invalid message sender's safekeeping account. | | Unknown | Linked reference is unknown. |   Canceled Reason Code (0.1)   |  |  | | --- | --- | | Cancelled By Yourselves | Instruction has been cancelled as per your request. | | Cancelled by Another Party | Instruction has been cancelled by another party than the instructing party, for example market infrastructure such as a Stock Exchange. | | Cancelled By System | Instruction has been cancelled by the system. | | Cancelled By Subcustodian | Instruction has been cancelled by the agent, for example, due to an event deadline extension. | | Narrative Reason | See narrative field for reason. |   Cancel Pending Reason (0,\*):   |  |  | | --- | --- | | Account Servicer Deadline Missed | Received after the account servicer's deadline. Processed on best effort basis. | | Disagreement on Cash Amount | Unrecognised or invalid instructed cash amount. | | Disagreement on Quantity | Unrecognised or invalid instructed quantity. | | Market Deadline Missed | Received after market deadline. | | Narrative Reason | See narrative field for reason. | | |
| **Workaround** | |
| Have this information as supplementary data. | |
| **Examples** | |
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 <Unit>**600**</Unit>  </Qty>  </QtyChc>  </Bal>  </InstdBal>  </**DailyOptnInstdBal> Daily instructed total for Option 2 300 units**  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) <Bal>  <ShrtLngPos>**LONG**</ShrtLngPos>  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) <QtyChc>  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) <Qty>  <Unit>**300**</Unit> Sum of the two accepted instructions below  </Qty>  </QtyChc>  </Bal> </**DailyOptnInstdBal>**  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) <DfltActn>  <DfltOptnInd>**false**</DfltOptnInd>  </DfltActn>  <DdlnDtTm>**2017-03-02T20:00:00**</DdlnDtTm>  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) <DdlnTp>  <Cd>**RDDT**</Cd>  </DdlnTp>  </OptnDtls>  </TtlInstdBalDtls>  </Bal>  </CorpActnEvtAndBal>  [**-**](file:///\\corp\Users\SSloan\My%20Documents\SR2018\cast2.xml) **<OptnInstructionDtls>**  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**SWIFT Comment**

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**Standards Illustration**

**1. ISO 20022 Illustration**

**1. In the seev.042 (CAST – CorporateActionInstructionStatementReport) message, amend the definition of the element StatementGeneralDetails/StatementType as follows:**

StatementType: Indicates whether the statement **~~contains~~** **is a balance only notification or if it includes** missing instructions only or all instructions.

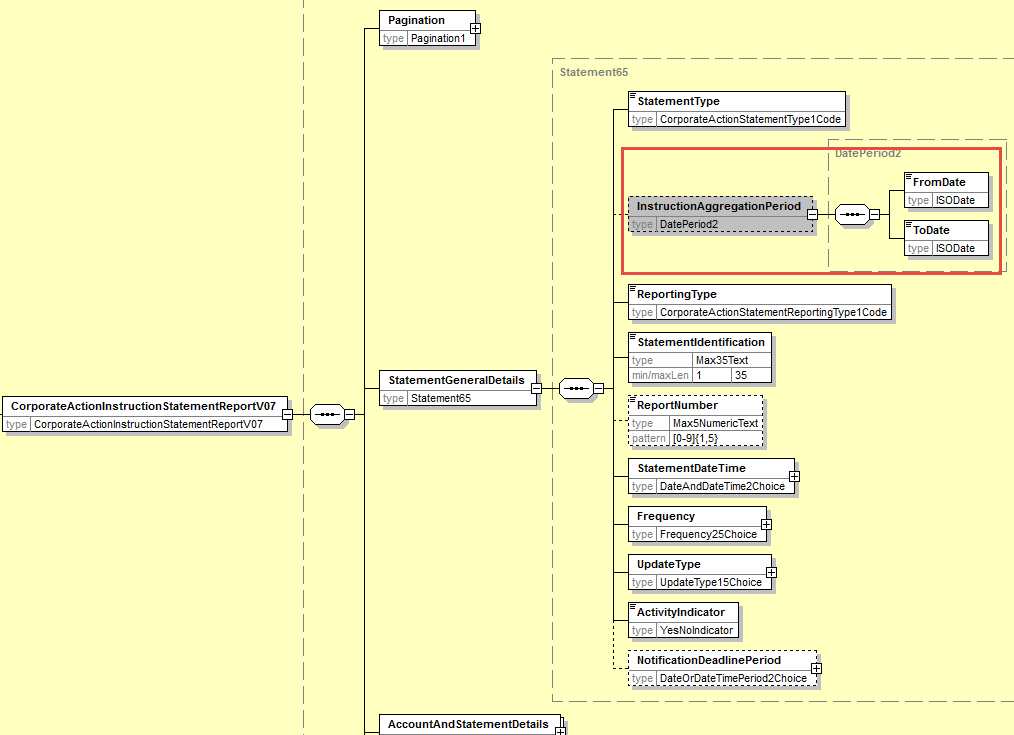
**2. In the data type *CorporateActionStatementType1Code*, add 2 new code values as follows:**

* **BALO – Balance only notification – Balance information with no instruction details provided.**
* **BALI - Balance information – Balance information with instruction details.**

1. **In the sequence *StatementGeneralDetails*, add a new optional and non-repeatable element *InstructionAggregationPeriod* defined as followed:**

***InstructionAggregationPeriod: “Indicates the period of instruction details within the statement.”***

and typed by a data type ***DatePeriod2*** with ***FromDate*** and ***ToDate*** elements typed by ISODate.



* **In the sequence** *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/****TotalInstructedBalanceDetails***, add the following 5 new optional and non-repeatable elements typed by the data type *SignedQuantityFormat6:*

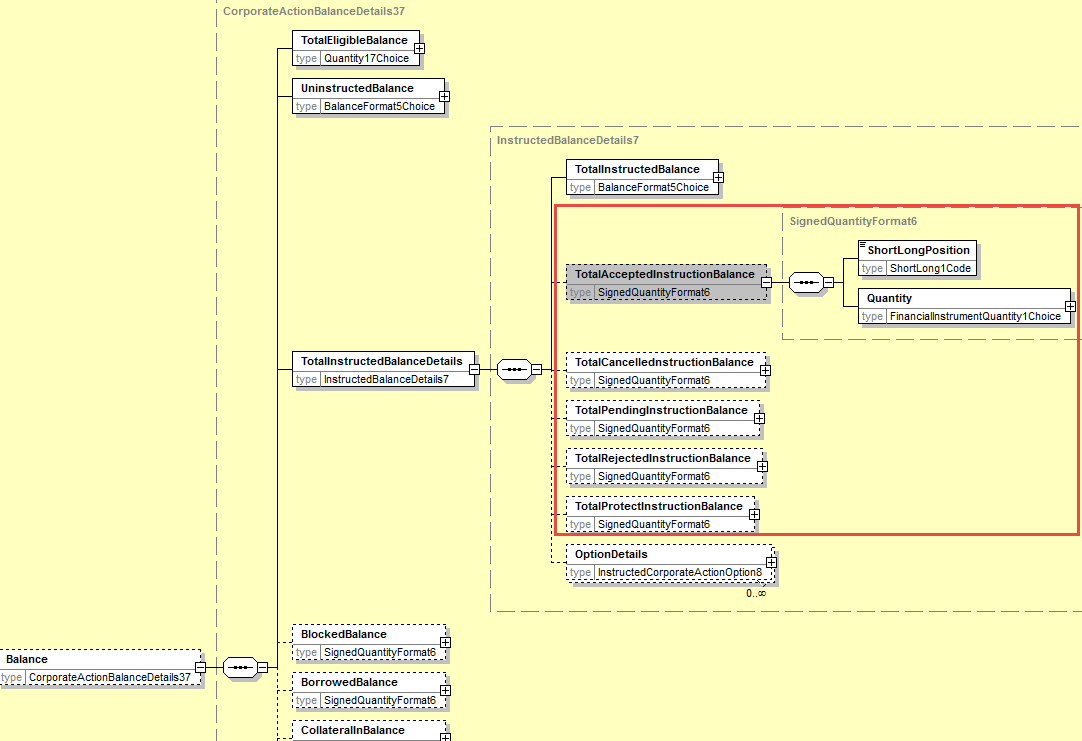
*Total Accepted Instruction Balance* (0..1) The daily total of all accepted instructions for given day. Cover Protect instructions will be included in this total balance.

*Total Cancelled Instruction Balance (0,1)* The daily total of instructions for a given day.

*Total Pending Instruction Balance (0,1)* The daily total of pending instructions in pending status. This will include cancel pending instructions.

*Total Rejected Instruction Balance (0,1)* The daily total of rejected instructions

*Total Protect Instruction Balance (0,1*) Daily total of all protect instructions sent in a given day



* **In the sequence** *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails/****OptionDetails***, add the following 5 new optional and non-repeatable elements typed by the data type *SignedQuantityFormat6:*

*Option Accepted Instructed Balance* (0..1) The daily total of instructions received for a given option.

*Option Cancelled Instruction Balance (0,1)* The daily total of instructions for a given option.

*Option Pending Instruction Balance (0,1)* The daily total of pending instructions in pending status for a given option. This will include cancel pending instructions.

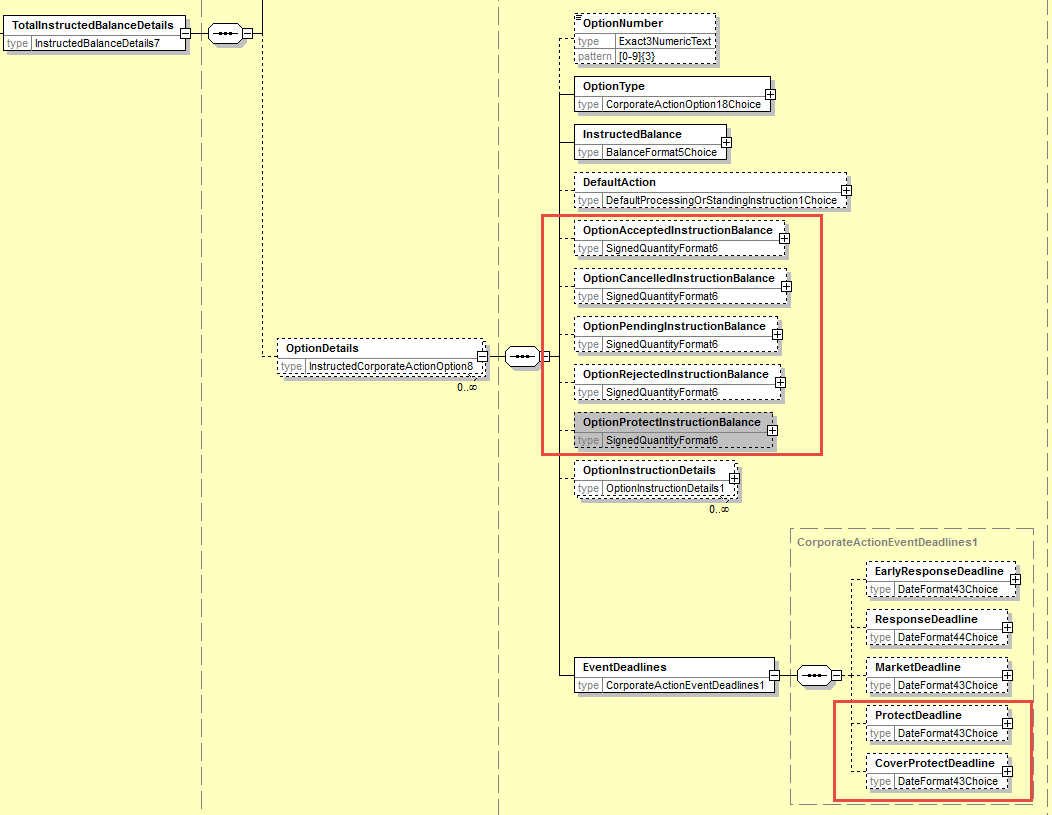
*Option Rejected Instruction Balance (0,1)* The daily total of rejected instructions for a given option.

*Option Protect Instruction Balance (0,1*) Daily total of all protect instructions for a given option.

In the OptionDetails/EventDeadlines, add the 2 following deadlines typed by DateFormat43Choice component:

Protect Deadline (0.1) – Deadline for protect instructions

Cover Protect Deadline (0.1) - Deadline for covering a protect instruction



**7. In the sequence** *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails/****OptionDetails***, add a new optional and repeatable element *OptionInstructionDetails* typed by the new component *OptionInstructionDetails1* and containing the following elements:

*Instruction ID* (1.1)– Identification of the instruction or protect instruction

*Instruction Sequence Number (0.*1) Sequence Number of the instruction

*Protect Indicator (0,1)* Indicates whether the instruction is a protect or a cover protect instruction.

*PROT –* Protect Transaction

*COVR – Cover Protect* Transaction

*COVP –*  Cover On Behalf of Another Participant Transaction.

*Instruction Quantity (1.1)* – Securities Quantity instructed in the instruction

*Instruction Date* (1.1)– Date of the instruction

*Protect Date (*0*.*1) – Date of the client protect instruction

*Cover Protect Date (*0.1) Date of the Cover Protect Instruction

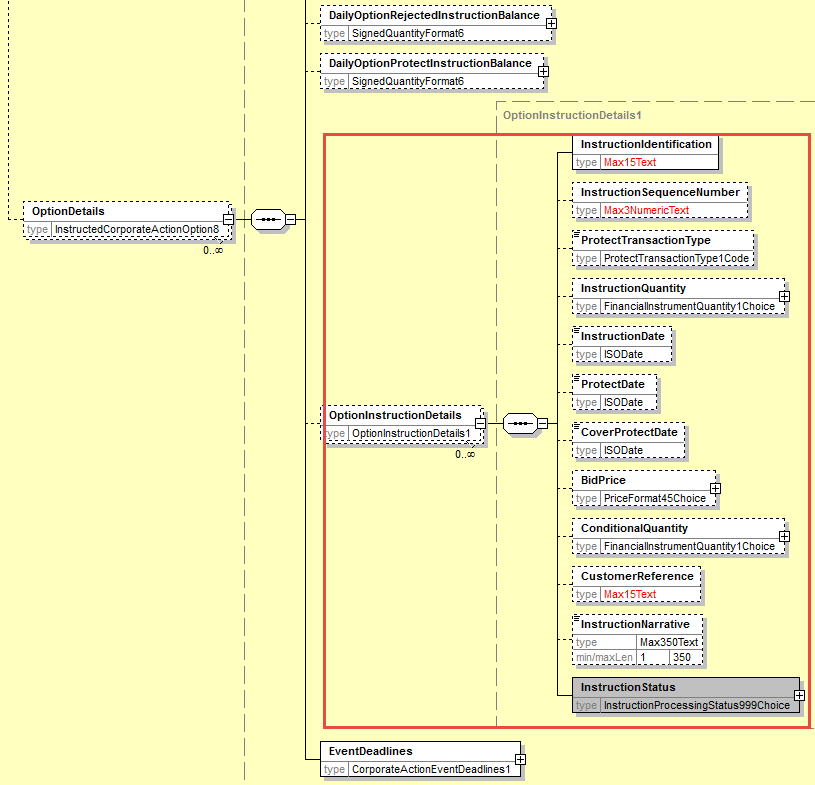
*Bid Price* (0..1)– Bid price of the instruction

*Conditional Quantity* (0..1)– Conditional Quantity of the instruction

*Customer Reference (0..1)*–Customer related narrative information

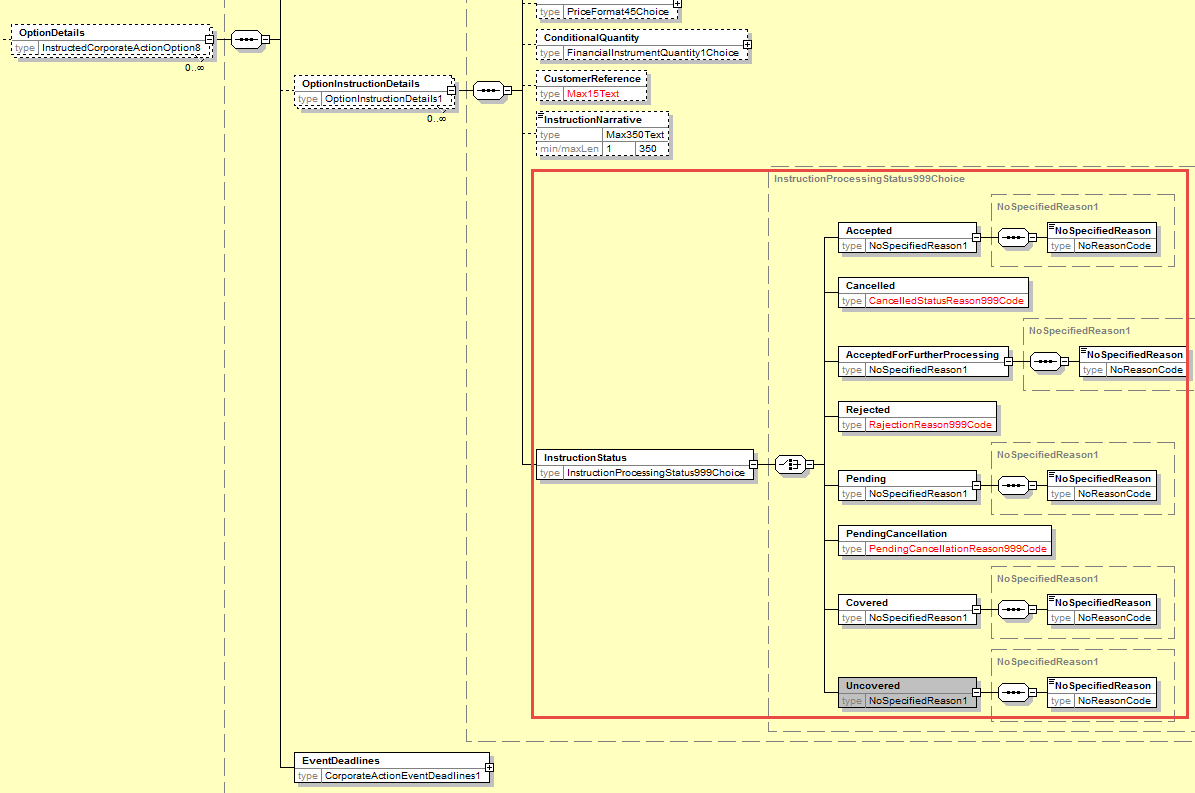
*Instruction Narrative (0,1) –* Narrative information from the submitted instruction

*Instruction Status* (1..1) Status for a particular instruction



**8. In the sequence** *AccountAndStatementDetails/CorporateActionEventAndBalance/Balance/TotalInstructedBalanceDetails/OptionDetails*/*OptionInstructionDetails, for the element* ***InstructionStatus, create a new data type* com**ponent containing the following status elements:

* Accepted - Instruction Accepted
* Pending – Instruction has not been completed
* Accepted for further processing -.This means that the instruction has been received, is processable and has been validated for further processing
* Rejected – Instruction rejected by receiver
* Canceled – Instruction canceled by client instruction
* Cancel Pending – Cancel instruction pending
* Covered – Protect Instruction has been full covered
* Uncovered –Cover Protect instruction accepted but has not fully covered the protect instruction



**9. Additional technical data type modification**

In the seev.042, in sequence *StatementGeneralDetails*, the data type *DateOrDateTimePeriod2Choice* of the element *NotificationDeadlinePeriod* should be replaced by the identical component *DateOrDateTimePeriod1Choice* as this component has the correct definitions but is identical in the structure.

*DateOrDateTimePeriod2Choice* was erroneously created to replace *DateOrDateTimePeriodChoice.*

**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

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| **Discussion** |
| The MWG supports globally the business case. UK expressed some reservations about this CR but has accepted it in the interests of global consensus.  The MWG agrees globally with the proposed solution with the following changes:   * Amend the definition of the StatementType element as follows: “*Indicates whether the statement is a balance only notification or if it includes missing instructions only or all instructions.”;* * Rename the “*InstructionAggregationType*” element as “*InstructionAggregationPeriod*”; * For the “*InstructionAggregationPeriod”,* donot implement the proposed data type with codes LA24, LA48, WEEK and STRT but instead assign the data type *DatePeriod2* with “FromDate” and “ToDate” elements only; * Remove the term “*Daily*” from all new message elements proposed in this CR.   SG asks what the meaning of the code MISS (“missing instructions”) might be in the StatementType. If it is not clear, the MWG agrees that the MISS statement type code should be removed.  Definitions of Instructed and Uninstructed balances need to be clearer as well. The MWG recommends to the SMPG to review those codes and definitions and to raise a CR for next release if these elements/definitions need to be amended. |
| **Decision** |
| **Approved with comments** |

# Overview of ISO 20022 RA Change requests

## CR 001473: Change the Pattern of Datatype Related to BIC (ISO20022 - CR0751)

|  |  |
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| **Origin of request** | |
| Requesting Country: | ISO 20022 Registration Authority |
| **Sponsors** | |
| N/A | |
| **Message type(s) impacted** | |
| All message definitions that use the AnyBICIdentifier or the BICIdentifier or the BICNonFIIdentifier.  It impacts the following CA MX messages (amongst more than 250 other ISO 20022 messages impacted in all business area):  (CA) seev.031, seev.033, seev.034, seev.035, seev.036, seev.037, seev.038, seev.039, seev.040, seev.041, seev.042, seev.044. | |
| **Complies with regulation** | |
| NA | |
| **Business impact of this request** | |
| No business impact. | |
| **Commitment to implement the change** | |
| Because the current datatypes have been marked as “obsolete”, all new messages will have to use the new datatypes.  All existing messages that use these datatypes will need to be updated at the occasion of their next maintenance (i.e. if another CR impacts these messages), unless decided otherwise by the relevant SEG/TSG. | |
| **Business context** | |
| The patterns of the current datatypes AnyBICIdentifier , BICFIIdentifier and BICNonFIIdentifier are not fully aligned with the patterns described in ISO 9362. | |
| **Nature of change** | |
| ISO 20022 RA ID: CR0751   * Change the pattern of datatype AnyBICIdentifier from:   + [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}   To:   * + [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1} * Change the pattern of datatype BICFIIdentifier from:   + [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}   To:   * + [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1} * Change the pattern of datatype BICNonFIIdentifier from:   + [A-Z]{6,6}[A-Z2-9][A-NP-Z0-9]([A-Z0-9]{3,3}){0,1}   To:   * + [A-Z0-9]{4,4}[A-Z]{2,2}[A-Z0-9]{2,2}([A-Z0-9]{3,3}){0,1}   For this purpose, the RA has created three new datatypes:   * AnyBICDec2014Identifier * BICFIDec2014Identifier * BICNonFIDec2014Identifier   And, to avoid further re-use of the current datatypes, the RA has changed the registration status of the current AnyBICIdentifier , BICFIIdentifier and BICNonFIIdentifier to “Obsolete”. | |
| **Workaround** | |
| N/A | |
| **Examples** | |
| EXAMPLE of a BIC that will go through validation with this change and not currently: ”***WG11****US335AB”.* | |

**SWIFT Comment**

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| The change request assumes that the change will be implemented only on the MX messages that are subject to a maintenance which is the case for all CA messages **except the 4 following ones seev.037, seev.38, seev.39, seev.44.** |

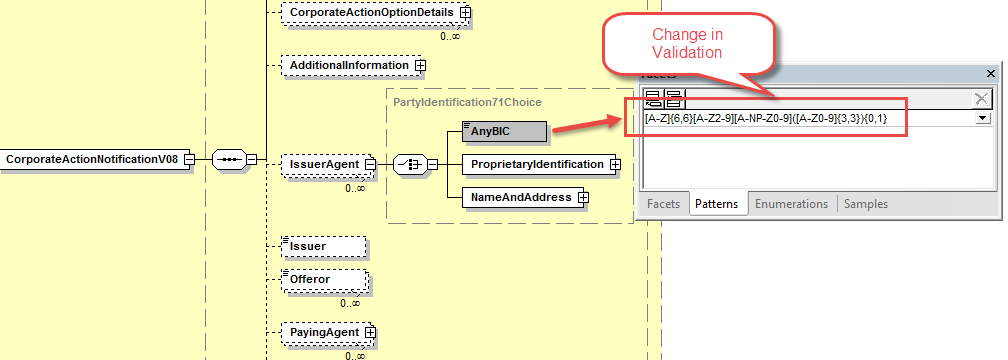
**Standards Illustration**

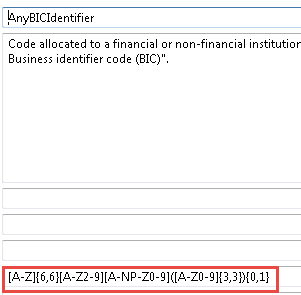
**1. ISO 20022 Illustration**

The data type AnyBICIdentifier occurs 67 times in the corporate action MX messages i.e. about 5 times in each message.

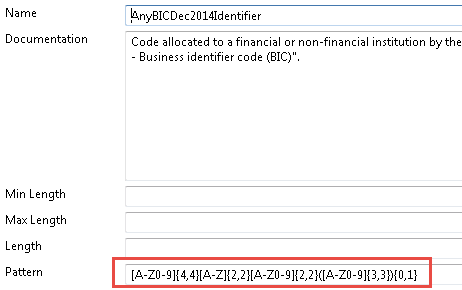
This change has no impact on the structure of the messages, it only changes the “validation pattern” of the data type and therefore it impacts the schema.

The current pattern of the AnyBICIdentifier in the MX messages is illustrated below for the seev.031.





**In SR2019 the validation pattern will change as follows:**



**Working Group Meeting**

*To be completed by Standards after the meeting in August.*

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| **Discussion** |
| The MWG agrees with the business case and based on the comment from SWIFT, resolves to recommend to implement this change in all CA MX messages even if they are not impacted by another CR (which is the case for seev.037, seev.038, seev.39, seev.044). Seev.032 does not contain the AnyBICIdentifier data type. |
| **Decision** |
| **Approved** |

**End of document**

1. MWG maintenance meeting minutes are distributed around first week of September. [↑](#footnote-ref-1)