Standards

Standards MT Release 2020

Discussion paper and Minutes

Corporate Actions

Distribution: Corporate Actions Maintenance Working Group

Author: Jacques Littré

Date Issued: June 6, 2019

Meeting Date: August 21 – 22, 2019

Version: 0.1

**Table of Contents**

1 Introduction 3

ISO 15022 – 20022 Maintenance Process 3

Standards Illustrations in this document 3

SR 2020 change requests 3

CR Title Colour notation (**for minutes only**) 3

Contact persons regarding this document 3

CA MWG Members for SR2020 3

2 Overview of User Change requests 5

2.1 CR 001517: Add “Market Infrastructure Transaction Identification” (MITI) Reference in Confirmation 5

2.2 CR 001518: Change definition of code CDFI to allow more generic use 10

2.3 CR 001529: Multiple URLs for Corporate Actions notifications 19

2.4 CR 001530: Removal of Event PRII 21

2.5 CR 001531: Change character set to allow e-mail address details 23

2.6 CR 001533: Add code for OPTF in DTCH events 25

2.7 CR 001551: Add Tax Rate in Instruction for Tax Breakdown 32

2.8 CR 001552: Add MCER Reason Code to Event Processing Status Pending (ISO20022 – CR0814) 35

2.9 CR 001553: Remove Meeting Option Types from CA Messages (ISO 20022 – CR0815) 37

# 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 2020 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 2020.

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

CA MWG Members for SR2020

The following people are part of the CA MWG for SR2020.

* 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
* Paul Fullam - US/ISITC
* Jean-Pierre Klak – FR
* Pillipa Morris - HK
* Jacques Littré – SWIFT, MWG Chair

Note also that the following people attend usually 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

## CR 001517: Add “Market Infrastructure Transaction Identification” (MITI) Reference in Confirmation

|  |
| --- |
| **Origin of request** |
| Requesting Country:  | DE Germany |
| **Sponsors** |
| German National Market Practice Group and Swiss National Market Practice Group. |
| **Message type(s) impacted** |
| MT 566 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| MEDIUM |
| **Commitment to implement the change** |
| Number of messages sent and received: 5000000Percentage of messages impacted: 25Commits to implement and when: The German and Swiss markets are requesting the change with other T2S countries supporting it and SMPG also supporting the change request (SMPG Spring Meeting Frankfurt, April 2019) in SR 2020 |
| **Business context**  |
| The Target 2 Securities (T2S) “Market Infrastructure Transaction Identification” (MITI) will serve as a common and unique attribute for reconciliation activities in the cross-border business for T2S actors. It is also needed by DCPs for their interaction with T2S, because the DCA cash statement has only this reference.The MITI will already be used and reported in MT54x settlement messages including market claims and transformations generated by CSDs and CCPs as suggested by the T2S Corporate Action Sub Group (CASG).The MITI is required for all DCA T2S account holders, European CSDs and T2S participants. |
| **Nature of change** |
| A new optional reference qualifier in subsequence A1 called MITI should be added to the MT 566 similar to already existing reference fields in other security messages.MITI - Market Infrastructure Transaction IdentificationIdentification of a transaction assigned by a market infrastructure other than a central securities depository, for example, Target2-Securities.C:\Users\e579070\AppData\Local\Temp\SNAGHTML166cd09c.PNG |
| **Workaround** |
| Currently, the information is transmitted in 70E narrativeThe CAMT.053 that we receive for our DCAs only contains the MITI Reference and an internal reference, there is no ISIN, CORP or SEME of the MT56n:<Ntry><NtryRef>INTREF1234567890</NtryRef><Amt Ccy="EUR">150.99</Amt><CdtDbtInd>CRDT</CdtDbtInd><Sts>BOOK</Sts><BookgDt><DtTm>2016-09-06T18:58:11.437555</DtTm></BookgDt><BkTxCd><Prtry><Cd>SETT</Cd></Prtry></BkTxCd><NtryDtls><TxDtls><Refs><InstrId>MITI123456789012</InstrId><TxId>INTREF1234567890</TxId><MktInfrstrctrTxId>MITI123456789012</MktInfrstrctrTxId><PrcgId>INTREF1234567890</PrcgId></Refs><Amt Ccy="EUR">120.21</Amt><CdtDbtInd>CRDT</CdtDbtInd><RltdPties><Prtry><Tp>CSD</Tp><Pty><Id><OrgId><AnyBIC>NECINL2AXXX</AnyBIC></OrgId></Id></Pty></Prtry>The MT54n settlement confirmation messages contain the reference in sequence A1 (LINKAGES):MITI: Market Infrastructure Transaction Identification - Identification of a transaction assigned by a market infrastructure other than a central securities depository, for example, Target2-Securities.Since the MT 566 does not contain the MITI reference in sequence A1, some actors (e.g. Clearstream) report the MITI in the free text of the message:16R:ADDINFO:70E::TXNR//INTRCRED IT0004965577 12MAR18 OIFQTY 99.990 TRANO DATYP A/C 1234567CASH CREDT2S-ACTOR-REF C1234567890123ABMITI MITI123456789012:16S:ADDINFO |
| **Examples** |
| :16R:GENL :20C::CORP//1212019101835900:20C::SEME//KAD8101619657090:23G:NEWM :22F::CAEV//DVCA :98C::PREP//20190308101600 16R:LINK :20C::MITI//XXXXXXXXXXXXXXXX:16S:LINK :16S:GENL :16R:USECU :97A::SAFE//12345000 ....Reversal:16R:GENL :20C::CORP//1202019051835300 :20C::SEME//KAD2101637000203 :23G:REVR :22F::CAEV//DVCA :98C::PREP//20190102201600 :16R:LINK :13A::LINK//566 :20C::RELA//KAD2101637000202:16S:LINK 16R:LINK :20C::MITI//XXXXXXXXXXXXXXXX:16S:LINK :16S:GENL :16R:USECU .... Market Claim::16R:GENL :20C::CORP//1202019051835300 :20C::SEME//KAD2101637000203 :23G:NEWM :22F::CAEV//DVCA :98C::PREP//20190102101637 :16R:LINK :13A::LINK//54x :20C::RELA//YYYYYYYYYYYYYYY:16S:LINK 16R:LINK :20C::MITI//XXXXXXXXXXXXXXXX:16S:LINK :16S:GENL :16R:USECU ....  |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001518: Change definition of code CDFI to allow more generic use

|  |
| --- |
| **Origin of request** |
| Requesting Country:  | ZA South Africa |
| Requesting Group:  | NMPG |
| **Sponsors** |
| SMPG, SMPG Tax Subgroup and Australia |
| **Message type(s) impacted** |
| MT 564, MT 566 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| The impact will be minimal to none as the change request is for a definition change. The CDFI (Conduit Foreign Income) rate type and amount is already in use and the requested definition change broadens it to be more globally acceptable/applicable. |
| **Commitment to implement the change** |
| Number of messages sent and received: 30000Percentage of messages impacted: 1Commits to implement and when: ZA in 2020 |
| **Business context**  |
| The South African market has for some time now been exploring to identify an indicator that would allow for distinguishing between a foreign and local dividend. It is imperative to make this distinction as taxes withheld abroad on a foreign dividend could be allowed as a rebate on the shareholder’s South African tax obligation. Furthermore, a non-resident shareholder may file the required certification to be exempt from South African taxes on a foreign dividend. A dividend will be classified as a foreign when it is paid from outside the borders of South Africa. South Africa’s investigations began with the possible usage of the COIN qualifier (Country of Income Source) that was introduced in 2016. However, SMPG advised that the way South Africa was intending to use COIN did not align to the reason it was introduced. COIN can be used where there are multiple distributions and not where there is a single distribution as in a dividend distribution. Australia, at the Sydney meeting, then suggested that South Africa consider CDFI (Conduit Foreign Income Amount) that was part of the SRG 2018 changes. The South African Workgroup considered usage of the CDFI code and agreed that the code meets the market’s requirements. However, there was a request to investigate the usage of ITYP (Income Type). This qualifier is being used by some countries and as far as investigations indicate due to the nature of the particular security in those markets, it makes sense to utilize these qualifiers. The usage of the ITYP qualifier also requires the applicable country to publish the codes to be used on the SMPG website. The requirement to distinguish between a foreign and local dividend would need a maximum of 2 codes, e.g. 1. Local dividend and 2. Foreign dividend. South Africa is currently using the REES code (Real Estate Property Income Portion) to indicate that the distribution emanates from a REIT security (Real Estate Investment Trust). The CDFI code is on the same list. Therefore, the least impact route to distinguish between a foreign and local dividend would be to use CDFI. Furthermore, it would prove to be less costly and less effort from a maintenance perspective. The CDFI code will enhance communication and enable tax and entitlement computation.  |
| **Nature of change** |
| The CDFI code seems to align specifically to Australia. South Africa would thus like to propose a change to allow for the code to be used more widely. Current DefinitionCDFI Conduit Foreign Income Rate relating to a conduit foreign income type Proposed Change CDFI Conduit Foreign Income Rate relating to a conduit foreign income type such as conduit foreign income. |
| **Workaround** |
| Currently there is no is agreed identifier/indicator that allows for the distinguishing between a local and foreign dividend. Thus this information is communicated in the narrative (ADTX) of the MT 564. It can also be argued that this piece of information is "hidden" the narrative and therefore could be missed. The usage of the CDFI rate type and amount will immediately indicate on the MT 564 and MT 566 that the dividend is of a foreign nature. |
| **Examples** |
| Example 1A company incorporated in South Africa with the same tax jurisdiction declares and pays a dividend. The cash dividend will be paid from South Africa; i.e. local dividend.  Security Firstrand LimitedISIN ZAE000066304Gross Rate ZAR1.36Withholding Tax Rate (TAXR) 20%Second Level Tax (WITL) 0Net Rate ZAR1.088Country from which dividend is being paid South Africa (ZA)Eligibility 1,000 SWIFT SAMPLEMT 564:16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR:17B::DFLT//Y:16R:CASHMOVE :22H::CRDB//CRED :98A::PAYD//2019XXXX :92J::GRSS//ZAR1.36 :92J::NETT//ZAR1.088 :92A::TAXR//0, :16S:CASHMOVE :16S:CAOPTNMT 56616R:CACONF :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :16R:CASHMOVE :22H::CRDB//CRED :97A::CASH//1234XXXX :19B::PSTA//ZAR1088, ::98A::POST//2019XXX :98A::VALU//2019XXX :98A::PAYD//2019XXX::16S:CASHMOVE:16S:CACONFExample 2A United Kingdom (UK) company has its primary listing on the London Stock Exchange and maintains a secondary listing on the JSE and declares a dividend. The dividend will be paid from the United Kingdom to shareholders on the South African register, i.e. dividend is foreign. Security Investec PlcISIN GB00B17BBQ50Gross Rate ZAR0.1998734Withholding Tax Rate (TAXR) 0Second Level Tax (WITL) 20%Net Rate ZAR0.15989872Country from which dividend is being paid United Kingdom (UK)Foreign Dividend (paid from a source outside of South Africa) YesEligibility 1,000SWIFT SAMPLEMT 564:16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :17B::DFLT//Y:16R:CASHMOVE :22H::CRDB//CRED :98A::PAYD//2019XXXX :92J::GRSS//CDFI/ZAR0.1998734 :92J::NETT//CDFI/ZAR0.15989872:92A::TAXR//0, :92A::WITL//20,:16S:CASHMOVE :16S:CAOPTN  MT 566 16R:CACONF :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR:16R:CASHMOVE :22H::CRDB//CRED :97A::CASH//1234XXXX :19B::PSTA//ZAR159.90:19B::CDFI//ZAR159.90 ::98A::POST//2019XXX :98A::VALU//2019XXX:98A::PAYD//2019XXX ::16S:CASHMOVE:16S:CACONF Example 3A United Kingdom (UK) company has its primary listing on the London Stock Exchange and maintains a secondary listing on the JSE and declares a dividend. The dividend will be paid from the United Kingdom to shareholders on the South African register, i.e. dividend is foreign.DETAIL Security Old Mutual PlcISIN GB00B77J0862Gross Rate ZAR0.6535371Withholding Tax Rate (TAXR) 15%Second Level Tax (WITL) 5%Net Rate ZAR0.5228297Country from which dividend is being paid United Kingdom (UK)Eligibility 1,000Foreign Dividend (paid from a source outside of South Africa) YesSWIFT SAMPLEMT 564:16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :17B::DFLT//Y:16R:CASHMOVE :22H::CRDB//CRED :98A::PAYD//2019XXXX :92J::GRSS//CDFI/ZAR0.6535371 :92J::NETT//CDFI/ZAR0.5228297:92A::TAXR//15, :92A::WITL//5,:16S:CASHMOVE :16S:CAOPTN  MT 566 16R:CACONF :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR:16R:CASHMOVE :22H::CRDB//CRED :97A::CASH//1234XXXX :19B::PSTA//ZAR522.83:19B::CDFI//ZAR522.83:98A::POST//2019XXX :98A::VALU//2019XXX:98A::PAYD//2019XXX ::16S:CASHMOVE:16S:CACONF   Example 4A company incorporated in the United Arab Emirates, maintains its primary listing on the London Stock Exchange with a secondary listing on the JSE, declares and pays a dividend. The dividend to shareholders on the South African register will be funded from two payment sources, firstly from South African operations and then a top up payment from the UK. The dividend in this case is being funded from two countries and thus one cash rate paid from the UK will be a foreign dividend and another from South Africa a local dividend. The market announcement must communicate the two countries from where the dividend is paid.  Security MEDICLINIC INTERNATIONAL PLCISIN GB00B8HX8Z88Gross Rate ZAR2.25Split ZAR1.2115385 (local) ZAR1.0384615 (foreign)Local component Gross Rate ZAR1.2115385Withholding Tax Rate (TAXR) 20%Second Level Tax (WITL) 0Net Rate ZAR0.9692308Country from which dividend is being paid South Africa (ZA)Foreign Dividend (paid from a source outside of South Africa) NoForeign component Gross Rate ZAR1.0384615Withholding Tax Rate (TAXR) 0Second Level Tax (WITL) 20%Net Rate ZAR0.8307692Country from which dividend is being paid United Kingdom (GB)Foreign Dividend (paid from a source outside of South Africa) YesEligibility 1,000  SWIFT SAMPLE (local)MT 564:16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :17B::DFLT//Y:16R:CASHMOVE :22H::CRDB//CRED:98A::PAYD//2019XXXX :92J::GRSS//ZAR1.2115385 :92J::NETT//ZAR0.9692308:92A::TAXR//20, :16S:CASHMOVE :16S:CAOPTN MT 56616R:CACONF :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :16R:CASHMOVE :22H::CRDB//CRED :97A::CASH//1234XXXX :19B::PSTA//ZAR969.23 :98A::POST//2019XXX :98A::VALU//2019XXX:98A::PAYD//2019XXX :16S:CASHMOVE:16S:CACONFSWIFT SAMPLE (foreign)MT 564:16R:CAOPTN :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :17B::DFLT//Y:16R:CASHMOVE :22H::CRDB//CRED :98A::PAYD//2019XXXX :92J::GRSS//CDFI/ZAR1.0384615 :92J::NETT//CDFI/ZAR0.8307692:92A::TAXR//0, :92A::WITL//20,:16S:CASHMOVE :16S:CAOPTNMT 56616R:CACONF :13A::CAON//001 :22F::CAOP//CASH :11A::OPTN//ZAR :16R:CASHMOVE :22H::CRDB//CRED :97A::CASH//1234XXXX :19B::PSTA//ZAR830,77:19B::CDFI//ZAR830,77:98A::POST//2019XXX :98A::VALU//2019XXX:98A::PAYD//2019XXX :16S:CASHMOVE:16S:CACONF |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001529: Multiple URLs for Corporate Actions notifications

|  |
| --- |
| **Origin of request** |
| Requesting Group:  | Hong Kong CA Market Practice Group |
| **Sponsors** |
| Hong Kong Corporate Actions Market Practice Group |
| **Message type(s) impacted** |
| MT 564, seev.031 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| medium |
| **Commitment to implement the change** |
| Number of messages sent and received: 9500000Percentage of messages impacted: 50Commits to implement and when: HK market practice group institutions in 2020 |
| **Business context**  |
| This request came up when the group, together with Hong Kong Exchange, was reviewing the HKEX and downmarket specs for the seev.031. For alignment and message flow the changes should be implemented in the MT564 as well for downstream compatibility without data loss. The challenge is that /Document/CorpActnNtfctn/CorpActnDtls/AddtlInf/URLAdr can be present only once, which is a hindrance for complete information reference, not only for the Hong Kong market. This is similar to the MT564, 70G::WEBB can also only be present once, and it should be repeatable.In addition, it would be helpful for better information linking to have similar, dedicated URL fields for each of the Additional Information elements under /Document/CorpActnNtfctn/CorpActnOptnDtls/AddtlInf and in /Document/CorpActnNtfctn/AddtlInf, and in the corresponding MT564/566/seev.036 fields. This allows for easier linking or related URLs rather than embedding them in the narrative blocks; and in the MT 564/566 version, the use of a dedicated, repeatable WEBB field with G option for Z character set allows more flexibility for URLs than those that can be put in the current X character set narrative fields. And it is easier for processing as well to use a dedicated field. |
| **Nature of change** |
| Add Repetition for URL in seev.031 field /Document/CorpActnNtfctn/CorpActnDtls/AddtlInf/URLAdrAdd dedicated URL fields for all the Additional Information blocks in seev.031 under /Document/CorpActnNtfctn/CorpActnOptnDtls/AddtlInf , plus similar z-character set compatible fields in MT564 |
| **Workaround** |
| Continuing to put urls in narrative, which hinders automation and with limitation of the x character set in MT |
| **Examples** |
| The HKEX will issue the market announcement for each event. Should there be any update to or additional information pertaining to the event terms, a subsequent announcement would be released. These would be separate documents with different URL's to access them. Clients would want to be provided with each URL to access the correct documents. |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001530: Removal of Event PRII

|  |
| --- |
| **Origin of request** |
| Requesting Group:  | SMPG |
| **Sponsors** |
| SMPG CA WG members |
| **Message type(s) impacted** |
| MT 564, MT 565, MT 566, MT 567, MT 568, MT 536 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| LOW |
| **Commitment to implement the change** |
| Number of messages sent and received: 3000000Percentage of messages impacted: 1Commits to implement and when: SMPG members previously using PRII 2020 |
| **Business context**  |
| The SMPG would like to remove the Interest Payment with Principal event type code (PRII: An event which consists of two components, the decrease of the amortized value of a pool factor security and an interest payment.) removed from the ISO 15022 / ISO 20022 standards. The SMPG has for many years recommended that markets not use this event type, and instead process an interest payment and a partial redemption in two separate events as this make processing and reconciliation of the event proceeds much easier - especially in markets where the interest payment may be subject to withholding tax, but not the capital repayment/partial redemption. The only SMPG member that has reported usage of this in its market practice has been the US. Now that the US CSD and market have stopped using the event type, we believe it should be removed. |
| **Nature of change** |
| Deletion of the Interest Payment with Principal event type code (PRII: An event which consists of two components, the decrease of the amortized value of a pool factor security and an interest payment.) from the ISO 15022 / ISO 20022 standards. |
| **Workaround** |
| N/A since we are proposing a deletion of a code. |
| **Examples** |
| N/A since we are proposing a deletion of a code. The US market was the last market (known to the global SMPG) that used to process interest payments and partial redemptions as combined events. All SMPG member countries report that their markets now process these events as separate events, i.e. one INTR event and one PCAL/PRED event. |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001531: Change character set to allow e-mail address details

|  |
| --- |
| **Origin of request** |
| Requesting Country:  | UK United Kingdom |
| Requesting Group:  | UK NMPG |
| **Sponsors** |
| UK NMPG |
| **Message type(s) impacted** |
| MT 565 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| MEDIUMThe "@" sign is only allowed in the “Z” character set in 70F (568) and 70G (564 seq. D). We also would like to be added to the MT565 (BENODET sequence) to record the email address of the beneficial owner, if and when requested. |
| **Commitment to implement the change** |
| Number of messages sent and received: 700000Percentage of messages impacted: 10Commits to implement and when: UK 2020 |
| **Business context**  |
| The "@" sign is only allowed in the “Z” character set in 70F (568) and 70G (564 seq. D). We also would like to be added to the MT565 (BENODET sequence) to record the email address of the beneficial owner, if and when requested. |
| **Nature of change** |
| Add the "@" sign to the MT565 (BENODET sequence) to record the email address of the beneficial owner, if and when requested. |
| **Workaround** |
| The email address is reported using "at" instead of "@" |
| **Examples** |
| Not provided |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001533: Add code for OPTF in DTCH events

|  |
| --- |
| **Origin of request** |
| Requesting Country:  | LU Luxembourg |
| **Sponsors** |
| CLEARSTREAM |
| **Message type(s) impacted** |
| MT 564 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| MEDIUMBack-end and front-end systems will need to be adapted |
| **Commitment to implement the change** |
| Number of messages sent and received: 40Percentage of messages impacted: 1Commits to implement and when: LU in 2020 |
| **Business context**  |
| 1. Will increase the transparency of MT 564 CAN messages for Dutch Action (DTCH) events.2. The change is needed in order to inform the users whether an OFFR needs to be put in an MT 565 CA instruction (competitive option) or not (non-competitive option.There are indeed more and more so called modified Dutch Auction events that include both competitive and non-competitive options.Replacing that text by a structured field will increase the standardization and allows to further increase according system validations. |
| **Nature of change** |
| Add a code to the qualifier OPTF.That Code OPTF//CPTT would be mapped each time an option on a DTCH event is Competitive, ie when the sender must supply an OFFR.When there is no OPTF//CPTT it means no OFFR must be provided and the corresponding system validation can be skipped. cid:image005.png@01D5163D.83C883B0 |
| **Workaround** |
| Currently this has to be 'explained' by a comment at option level (INCO).Replacing that text by a structured field will increase the standardization and allows to further increase according system validations. |
| **Examples** |
| 159907805 - XS1599078059 MONGOLIAN MINING Modified DTCH037213497 - IM00B2RDSS92 SHS ARGO GROUP LTD ORD REG Modified DTCH010275156 - CA39138C1068 GREAT-WEST LIFECO. INC. Modified DTCHHereafter is a notification example of a modified DTCHOption 1 is a competitive option (INCO option level narrative) whereas Options 2 and 3 are non-competitive options.As such the INCO at option 1 could be replaced by the requested new flaf (eg OPTF//CPTT) whilst at option 2 and 3 nothing would necessarily need to be mapped.:16R:GENL:20C::CORP//0000000625198898:20C::SEME//000000000000001S:23G:NEWM:22F::CAEV//DTCH:22F::CAMV//VOLU:98C::PREP//20190515152025:25D::PROC//COMP:16S:GENL:16R:USECU:35B:ISIN XS1599078059CMC 159907805USD FL.R MONGOLIAN MINING CORP(REGS) 17-XXXX:16R:FIA:11A::DENO//USD:36B::MINO//FAMT/1000,:16S:FIA:16S:USECU:16R:CADETL:98A::ANOU//20190318:92F::BIDI//USD2,5:90B::MINP//ACTU/USD450,:90B::MAXP//ACTU/USD510,:36B::QTSO//FAMT/1,:36B::MQSO//FAMT/50000000,:17B::ACIN//N:70E::OFFO//MONGOLIAN MINING:70G::WEBB//https://sites.dfkingltd.com/mmc:16S:CADETL:16R:CAOPTN:13A::CAON//001:22F::CAOP//CASH:11A::OPTN//USD:17B::DFLT//N:98C::EARD//20190401160000:98C::MKDT//20190401170000:98C::BORD//20190329160000:98C::DEPO//20190401170000:69A::PWAL//20190318/20190401:69A::REVO//20190318/20190401:36B::MIEX//FAMT/1000,:36B::MILT//FAMT/1,:16R:SECMOVE:22H::CRDB//DEBT:35B:ISIN XS1599078059CMC 159907805USD FL.R MONGOLIAN MINING CORP(REGS) 17-XXXX:98A::PAYD//20190412:16S:SECMOVE:16R:CASHMOVE:22H::CRDB//CRED:98A::PAYD//20190412:98A::VALU//20190412:90A::OFFR//PRCT/51,:16S:CASHMOVE:70E::INCO//COMPETITIVE OFFER PRIOR EARLYDEADLINE - STATED BID PRICE SHOULDINCLUDE PERPETUAL SECURITIES EARLYTENDER PREMIUM:16S:CAOPTN:16R:CAOPTN:13A::CAON//002:22F::CAOP//CASH:11A::OPTN//USD:17B::DFLT//N:98C::EARD//20190401160000:98C::MKDT//20190401170000:98C::BORD//20190329160000:98C::DEPO//20190401170000:69A::PWAL//20190318/20190401:69A::REVO//20190318/20190401:36B::MIEX//FAMT/1000,:36B::MILT//FAMT/1,:16R:SECMOVE:22H::CRDB//DEBT:35B:ISIN XS1599078059CMC 159907805USD FL.R MONGOLIAN MINING CORP(REGS) 17-XXXX:98A::PAYD//20190412:16S:SECMOVE:16R:CASHMOVE:22H::CRDB//CRED:98A::PAYD//20190412:98A::VALU//20190412:90A::OFFR//PRCT/51,:16S:CASHMOVE:70E::INCO//NON-COMPETITIVE OFFER PRIOR TOEARLY DEADLINE:16S:CAOPTN:16R:CAOPTN:13A::CAON//003:22F::CAOP//CASH:11A::OPTN//USD:17B::DFLT//N:98C::RDDT//20190425100000:98C::MKDT//20190425110000:98C::BORD//20190424100000:98C::DEPO//20190425110000:69A::PWAL//20190318/20190425:36B::MIEX//FAMT/1000,:36B::MILT//FAMT/1,:16R:SECMOVE:22H::CRDB//DEBT:35B:ISIN XS1599078059CMC 159907805USD FL.R MONGOLIAN MINING CORP(REGS) 17-XXXX:98A::PAYD//20190503:16S:SECMOVE:16R:CASHMOVE:22H::CRDB//CRED:98A::PAYD//20190503:98A::VALU//20190503:90A::OFFR//PRCT/46,:16S:CASHMOVE:70E::INCO//NON-COMPETITIVE OFFER - AFTER THEEARLY DEADLINE:16S:CAOPTN:16R:CAOPTN:13A::CAON//004:22F::CAOP//NOAC:17B::DFLT//Y:70E::ADTX//NARRATIVE PRESENT IN INSTRUCTIONBLOCK (:16R:CAINST16S:CAINST) AND/OR ADDITIONALINFORMATION BLOCK OF MT 565 (:16R:ADDINFO.16S:ADDINFO) WILL BE DISREGARDED.CLEARSTREAM WILL NOT VALIDATE ANYOF THE INFORMATION IN THESE BLOCKS.:16S:CAOPTN |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001551: Add Tax Rate in Instruction for Tax Breakdown

|  |
| --- |
| **Origin of request** |
| Requesting Group:  | SMPG |
| **Sponsors** |
| SMPG CA WG members |
| **Message type(s) impacted** |
| MT 565, MT 567 |
| **Complies with regulation** |
| None |
| **Business impact of this request** |
| MEDIUMWhen an income payment is due in an omnibus account in countries that require a tax breakdown with full disclosure of the beneficial owner (e.g. Italy), the recipient of the income can, in the BENODET sequence of a MT565, indicate the beneficial owner details. However, currently, there is no way to report the tax rate at which the beneficial owner is to be paid. |
| **Commitment to implement the change** |
| Number of messages sent and received: 35000Percentage of messages impacted: 15Commits to implement and when: SMPG 2020 |
| **Business context**  |
| When an income payment is due in an omnibus account in countries that require a tax breakdown with full disclosure of the beneficial owner (e.g. Italy), the omnibus account holder can, in the BENODET sequence of a MT565, provide the beneficial owner details to its account servicer. However, it is currently not possible to include the tax rate at which the beneficial owner is to be paid.Since MT565s cannot be used for all details, users tend to rely on MT599, fax messages or excel spreadsheets. To improve STP processing, we would like to add the tax rate to be applied at beneficial owner level in the BENODET sequence. We would also like to add reason codes in the MT567 message to report possible issues with the instruction: - a missing tax rate,- an incorrect tax rate (e.g. outside the values acceptable for that investment country),- a tax rate that is not consistent with the documentation in place |
| **Nature of change** |
| 1. Add TAXR to sequence C (BENODET) of the MT 5652. Add new reasons code to status PEND and REJT of the MT 567 to inform the recipient of:- a missing tax rate,- an incorrect tax rate (e.g. outside the values acceptable for that investment country),- a tax rate that is not consistent with the documentation in place |
| **Workaround** |
| Fax messages, MT 599 and excel spreadsheet |
| **Examples** |
| Cash dividend events in multiple markets are affected by this. Examples includeIT0003497168 – Telecom ItaliaFI0009000681 – Nokia Corporation shares JP3885780001 – MIZUHO FINANCIAL GROUP INC |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001552: Add MCER Reason Code to Event Processing Status Pending (ISO20022 – CR0814)

|  |
| --- |
| **Origin of request** |
| Requesting Group:  | SWIFT |
| **Sponsors** |
| None |
| **Message type(s) impacted** |
| Seev.032 |
| **Complies with regulation** |
| NA |
| **Business impact of this request** |
| LOW |
| **Commitment to implement the change** |
| Commits to implement and when: in 2020 |
| **Business context**  |
| The MCER reason code is part of the SMPG CA WG MP part 3 and should be one of the reason code that can be provided for an event processing status “pending”.The reason code is available in ISO 15022 for the MT567 for the 25D::EPRC status but is missing in the ISO 20022 equivalent status in the seev.032 message.Due to the coexistence between ISO 15022 and ISO20022, this misalignment should be corrected. |
| **Nature of change** |
| Add the reason code value “Missing or Invalid Certification” [MCER] as a pending reason code in the CAEventProcessingStatus message. |
| **Workaround** |
| None |
| **Examples** |
| None |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

## CR 001553: Remove Meeting Option Types from CA Messages (ISO 20022 – CR0815)

|  |
| --- |
| **Origin of request** |
| Requesting Country:  |  |
| Requesting Group:  | SMPG |
| **Sponsors** |
| SMPG CA WG members |
| **Message type(s) impacted** |
| seev.031, seev.033, seev.034, seev.035, seev.036, seev.037, seev.040, seev.041, seev.042. |
| **Complies with regulation** |
| NA |
| **Business impact of this request** |
| LOW |
| **Commitment to implement the change** |
| Commits to implement and when: in 2020 |
| **Business context**  |
| The 4 option type code values listed above are specifically meant to be used for meeting events and are therefore supported in the ISO 20022 Proxy Voting messages. These option types cannot be used consistently with the corporate action events defined in the ISO 20022 CA messages and therefore need to be removed to avoid any misuse or confusion. |
| **Nature of change** |
| In all corporate action messages listed above where an “option type” is included, remove the following predefined code values which are related to option types for meetings:* SplitInstruction [SPLI]
* ProxyCard [PROX]
* VoteAgainstManagement [AMGT]
* VoteWithManagement [MNGT]

These code values are present in the following code lists:* CorporateActionOption7Code
* CorporateActionOption8Code
* CorporateActionOption9Code
* CorporateActionOption10Code
 |
| **Workaround** |
| NA |
| **Examples** |
| NA |

**Standards Illustration**

##ILLUSTRATION##

**SWIFT Comment**

|  |
| --- |
|  |

**Working Group Meeting**

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

|  |
| --- |
| **Discussion** |
|  |
| **Decision** |
|  |

**Legal Notices**

**Copyright**

SWIFT SCRL © 2019. All rights reserved.

**Disclaimer**

The information in this publication may change from time to time. You must always refer to the latest available version.

**SWIFT Standards Intellectual Property Rights (IPR) Policy - End-User License Agreement**

SWIFT Standards are licensed subject to the terms and conditions of the SWIFT Standards IPR Policy -

End-User License Agreement, available at www.swift.com > About Us > Legal > IPR Policies > SWIFT Standards IPR Policy.

**Translations**

The English version of SWIFT documentation is the only official and binding version.

**Trademarks**

SWIFT is the trade name of S.W.I.F.T. SCRL. The following are registered trademarks of SWIFT:

3SKey, Innotribe, MyStandards, Sibos, SWIFT, SWIFTNet, SWIFT Institute, the Standards Forum logo, the SWIFT logo and UETR. Other product, service, or company names in this publication are trade names, trademarks, or registered trademarks of their respective owners.

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