Market Data Provider ISO 15022 User Group.

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Introduction

The group has met 5 times, on 27th January, 10th, 24th February, 12th March and 14th April 2004. It is important to note that the group does not, in any way, want to reinvent the market practice already established by the SMPG. In some cases, market issues have been raised that have not yet been addressed by the SMPG.

Aims of the group

The aim of the group were to establish principles and rules for the use of ISO 15022 MT564 and MT568 messages sent by Data Providers.

It was agreed that all notifications should follow the Securities Market Practice Group's Global document on Corporate Actions.

Examples have been created to illustrate the principles established by the group.

Principles

1. Definitions of PREU/PREC/COMP

COMP – it was agreed that a notification marked as Complete was – 'in the opinion of the data provider, all the information that can expect to be provided for this event.' This may include open dates and rates.

PREC - Message may not contain complete details of the CA event, however, the occurrence of the event has been confirmed with a second source, or stock exchange has made a formal announcement. *See Example 2, 1st message.*

PREU – it was agreed that this code would not be used as data providers would only report confirmed information.

Unknown data - It was agreed that some complete events could still contain unknown or undisclosed information.

Data that is not available for the particular event should be omitted from the notification.

Where a date or rate has not been established, the code word OPEN may be used, to indicate that the date or rate has not yet been established.

As there is no code word for ‘undisclosed’ it was agreed to use the code word UKWN.

2. Event Type definitions

The use of ‘Other’ was almost entirely unnecessary and was discouraged.

‘Change’ was used in some cases where Unit Trusts were converted to OEICs or where the event was unforeseen. Also Static changes for events other than ‘Name’.

3. :97A:: or :97C::

It was agreed to use the format :97A::SAFE// with NONREF. Definition: ‘Announcement applies to all safekeeping accounts that own underlying security’. This is because format :97A:: allows the use of sequence E1 and E2, whereas format :97C:: does not.

See Examples.

4. Identifying the security

Where the security is to be linked to its place of listing, it was agreed to use the Place of Listing (Market Identifier Code), with the ISIN, to identify differently traded lines of the same stock. This will be on the second line of field :35B: until it is implemented as a structured field in Standards Release 2005.

Example:
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:35B:ISIN GB1234567890
/PLIS/XLON
AB Global 25p ORD
```

See also Example 1.

5. Nil payments

In the case where the stock paid no dividend when one was expected this can be indicated by using ‘zero’ values for the rate.

6. Use of Sequence D & E

It was agreed to follow the Global Market Practice. The same details shouldn’t be repeated in both sequences. In addition, the pay date, rates and prices were always to appear in sequence E, with the option to which they apply.

7. The use of securities and cash movement sequences

Data providers will not use the cash movement sequence, since they can not identify account movements. However, the use of the securities movement sequence was acceptable, where the movement was a **credit**. This is on the understanding that the credit movement is to indicate that the security was to be derived as a part of the event and not an indication of account postings. The pay date would need to be in each securities movement sequence for ISO 15022 format rules and therefore may appear more than once. The securities movement sequence would be used in **all** cases, when there was a resulting security from an event. *See Examples 1 and 2.*

8. Using the NOAC code word

Data providers would not provide this option.

9. Annual and Actual Interest Rates

Although the SMPG has decided that only the Annual Rate and the period needs to be shown, there is a requirement from the clients of Data Providers to have the rate for the period calculated.

As a solution, Data Providers will show the actual rate in sequence E, when it is required and always reserve sequence D for the annual rate and the period. With all Data Providers holding to this convention, clients will be able to distinguish the rates from each other until a more precise solution can be provided in separate code words. *See Example 3.*

10. Dividend Reinvestment Plans

Bearing in mind that the DRIP option is often not announced at the same time as the dividend, it was key to identify a solution that made sense over the lifecycle of the event. If the event was initially announced as a cash dividend, subsequently becoming a cash dividend with a drip option, Data Providers will identify the replacement event as a Dividend Reinvestment or Dividend Option, as a Choice event and give the options of CASH and DRIP. *See Example 2.*

11. Name Changes when the security identifier stays the same

In the situation that the ISIN remains the same but the security definition changes. The Securities movement sequence should not be used. To be able to mention the new name of the securities, the narrative field in sequence D will be used with ADTX//NAME/ until SR 2005. For SR2005 there will be the addition of a code word for 70E in sequence D. *See Example 4.*

12. Events with intermediate securities.

It was agreed by consensus to show these events using 2 notifications. *See Example 5.*

If the event was subject to a further pari-passu, for example, it was agreed that corporate action reference, message reference or both could link the events.

Examples

Example 1. Use of the Securities movement sequence.

:16R:GENL	
:20C::SEME//1997189-012	Senders Reference
:20C::CORP//DIVGLAX123	Corporate Action Reference
:23G:NEWM	New message
:22F::CAEV//DVOP	Dividend Option
:22F::CAMV//CHOS	Choice indicator
:25D::PROC//COMP	Details are complete
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0007123466 /PLIS/XLON GLAXO HOLDINGS	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General Information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::XDTE//20030901	Ex date
:98A::RDTE//20030907	Record date
:98A::MKDT//20030925	Market Deadline
:22F::DIVI//FINL	Final Dividend
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	CA Option Number
:22F::CAOP//CASH	Cash Option
:17B::DFLT//Y	This is the default
:98A::PAYD//20031002	Date cash will be credited
:92F::NETT//GBP0,0153	Net Rate per share
:16S:CAOPTN	
:16R:CAOPTN	
:13A::CAON//002	CA Option Number
:22F::CAOP//SECU	Securities Option
:17B::DFLT//N	This is not the default
:16R:SECMOVE	
:22H::CRDB//CRED	Credit Indicator
:35B:ISIN GB0007123466 /PLIS/XLON GLAXO HOLDINGS	New shares
:92D::ADEX//1,/37,	Ratio (1 for 37)
:98A::PAYD//20031002	Date securities will be credited
:16S:SECMOVE	
:16S:CAOPTN	

Example 2, notifying a Dividend Reinvestment Option

1st Message, announcing the Cash Dividend

:16R:GENL	
:20C::SEME//1997189-012	Senders Reference
:20C::CORP//DRIPGLAX123	Corporate Action Reference
:23G:NEWM	New message
:22F::CAEV//DVCA	Cash Dividend
:22F::CAMV//MAND	Mandatory indicator
:25D::PROC//PREC	Preliminary confirmed information
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0009252881 GLAXO SMITHKLINE ORD 25P	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General Information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::XDTE//20030507	Ex date
:98A::RDTE//20030509	Record date
:22F::DIVI//FINL	Final Dividend
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	CA Option number
:22F::CAOP//CASH	Cash Option
:17B::DFLT//Y	Default if no election is made
:98A::PAYD//20030703	Date the cash will be credited
:92F::NETT//GBP0,09	Net Rate per share
:16S:CAOPTN	

2nd Message, announcing the Dividend Reinvestment Option

:16R:GENL	
:20C::SEME//1997189-013	Senders Reference
:20C::CORP//DRIPGLAX123	Corporate Action Reference
:23G:REPL	Replacement message
:22F::CAEV//*DRIP or DVOP*	*Dividend Reinvestment or Option*
:22F::CAMV//CHOS	Choice indicator
:25D::PROC//COMP	Complete Information
:16R:LINK	
:13A::LINK//564	Linked Message Type
:20C::PREV//1997189-012	Previous message reference
:16S:LINK	
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0009252881 GLAXO SMITHKLINE ORD 25P	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General Information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::XDTE//20030507	Ex date
:98A::RDTE//20030509	Record date
:98A::MKDT//20030625	Market Deadline
:22F::DIVI//FINL	Final Dividend
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	CA Option number
:22F::CAOP//CASH	Cash Option
:17B::DFLT//Y	Default if no election is made
:98A::PAYD//20030703	Date the cash will be credited
:92F::NETT//GBP0,09	Net Rate per share
:16S:CAOPTN	
:16R:CAOPTN	
:13A::CAON//002	CA Option number
:22F::CAOP//DRIP	Reinvestment Option
:17B::DFLT//N	This is not the default
:16R:SECMOVE	
:22H::CRDB//CRED	Credit Indicator
:35B:ISIN GB0009252881 GLAXO SMITHKLINE ORD 25P	New Securities
:98A::PAYD//20030710	Date the securities will be credited
:16S:SECMOVE	
:16S:CAOPTN	

Example 3, Interest Payment showing both interest rates.

:16R:GENL	
:20C::SEME//1997189-012	Senders Reference
:20C::CORP//CPN3437592	Corporate Action Reference
:23G:NEWM	New message
:22F::CAEV//INTR	Interest Payment
:22F::CAMV//MAND	Mandatory Indicator
:25D::PROC//COMP	Details are complete
:16S:GENL	
:16R:USECU	
:35B:ISIN GB31331HJM08 COUNTRY CREDIT BANK	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General Information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::XDTE//20031129	Ex date
:98A::RDTE//20031202	Record date
:69A::INPE//20030602/20031202	Interest Period
:92A::INTR//5,4	Interest Rate
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	Option number
:22F::CAOP//CASH	Cash Option
:11A::OPTN//GBP	Currency Offered
:17B::DFLT//Y	Default option
:98A::PAYD//20031204	Pay Date
:92A::INTR//2,7	Interest Rate for this payment
:16S:CAOPTN	

Example 4, Name change when the security identifier stays the same.

:16R:GENL	
:20C::SEME//1997189-012	Senders Reference
:20C::CORP//PAR3437592	Corporate Action Reference
:23G:NEWM	New Message
:22F::CAEV//NAME	Name Change
:22F::CAMV//MAND	Mandatory Indicator
:25D::PROC//COMP	Details are complete
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0008943002 TOREX GROUP ORD 10P	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General Information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::RDTE//20030418	Record date
:98A::EFFD//20030421	Effective date
:70E::ADTX//NAME/AB Global Group Ord 10p	*Interim solution until the new code word NAME is available (SR 2005).*
:16S:CADETL	

Example 5, Event with intermediate securities.

Rights distribution

:16R:GENL	
:20C::SEME//1997189-012	Senders Reference
:20C::CORP//RTS3437592	Corporate Action Reference
:23G:NEWM	New Message
:22F::CAEV//RHDI	Rights Distribution
:22F::CAMV//MAND	Mandatory Indicator
:25D::PROC//COMP	Details are complete
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0000120628 BARR ORD	Underlying Securities
:16R:ACCTINFO	
:97A::SAFE//NONREF	General information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::RDTE//20030126	Record date
:98A::XDTE//20030126	Ex date
:22F::SELL//RENO	Rights can be sold
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	CA Option Number
:22F::CAOP//SECU	Securities option
:22F::DISF//RDDN	Fractions are discarded
:17B::DFLT//Y	This is the default
:98A::EXPI//20030208	Expiration date of rights
:69A::TRDP//20030126/20030208	Period where rights are tradable
:16R:SECMOVE	
:22H::CRDB//CRED	Credit indicator
:35B:ISIN GB0000125931 BARR RIGHTS	Identification of rights
:92D::ADEX//1,/1,	1 right for every 1 underlying shares
:98A::PAYD//20030126	Date securities will be credited
:16S:SECMOVE	
:16S:CAOPTN	

Call payment

:16R:GENL	
:20C::SEME//154802473	Senders Reference
:20C::CORP//RHTS21754	Corporate Action Reference
:23G:NEWM	New Message
:22F::CAEV//EXRI	Call on rights
:22F::CAMV//CHOS	Choice Indicator
:25D::PROC//COMP	Details are complete
:16R:LINK	
:13A::LINK//564	Previous message type
:20C::PREV//1997189-012	Previous message reference
:16S:LINK	
:16R:LINK	
:20C::CORP//RTS3437592	Previous corporate action reference
:16S:LINK	
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0000125931 BARR RIGHTS	Underlying Securities (Rights)
:16R:ACCTINFO	
:97A::SAFE//NONREF	General information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::MKDT//20030208	Market deadline date for subscription
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	CA Option Number
:22F::CAOP//EXER	Exercise option
:17B::DFLT//N	This is NOT the default
:69A::IACC//20030126/20030208	Exercise period
:90B::SUPR//ACTU/GBP2,5	Subscription price for new share
:16R:SECMOVE	
:22H::CRDB//CRED	Credit Indicator
:35B:ISIN GB0000120746 BARR NEW	Security derived if Rights are Exercised
:92D::NWRT//1,/8,	New shares for rights (1 for 8)
:98A::PAYD//20030226	Date securities will be credited
:16S:SECMOVE	
:16S:CAOPTN	
Optional	
:16R:CAOPTN	
:13A::CAON//002	*CA Option Number*
:22F::CAOP//LAPS	*Lapse Option*
:17B::DFLT//Y	*This is the default*
:16S:CAOPTN	

Example 6, Interest rate shown as amount per minimum nominal quantity

:16R:GENL	
:20C::SEME//040226-140226378	Senders reference
:20C::CORP//003092225100	Corporate action reference
:23G:NEWM	New message
:22F::CAEV//INTR	Interest Payment
:22F::CAMV//MAND	Mandatory indicator
:25D::PROC//COMP	Information is complete
:16S:GENL	
:16R:USECU	
:35B:ISIN GB0001777886 NATIONWIDE BLDG 7,859	Underlying securities
:16R:FIA	
:36B::MINO//FAMT/100000,	Minimum Nominal Quantity
:16S:FIA	
:16R:ACCTINFO	
:97A::SAFE//NONREF	General information
:16S:ACCTINFO	
:16S:USECU	
:16R:CADETL	
:98A::XDTE//20040225	Ex date
:98A::RDTE//20040227	Record date
:69A::INPE//20040825/20040225	Interest Period
:92A::INTR//7,859	Interest Rate
:16S:CADETL	
:16R:CAOPTN	
:13A::CAON//001	Option number
:22F::CAOP//CASH	Option type
:17B::DFLT//Y	Default option
:98A::PAYD//20040315	Pay date
:92A::INTR//3,9295	Interest Rate for this payment
:92F::GRSS//GBP3929,5	Rate for this payment
:16S:CAOPTN	