SWIFT Asset Servicing Messaging

ISO15022 and ISO 20022 Corporate Actions

January 16th 2018 - Fifth meeting of the AMI-SeCo HSG’s Collateral Management Harmonisation Task Force (CMH-TF)
Corporate Actions – ISO15022 / ISO20022 Coverage

- Issuer
- Agent
- Exchange
- CSD
- Investment Manager
- Asset Manager
- Broker / Dealer
- Custodian
- Sub-Custodian

ISO 15022
ISO 20022
Generic Business Processes
Corporate Actions Messages
High Level Flows
Generic Corporate Actions Flows (1/2)

Mandatory Corporate action events sequence

Announcement | Entitlement | Pre-advice | Confirmation

Account Servicer

Ex-Date / Record Date / Effective Date

Payment Date

Time-Line

Account Owner

Announcement of Event | Notification of Entitled Position | Securities / cash Movements Preliminary Advice | Confirmation of Account Posting
Generic Corporate Actions Flows (2/2)

Voluntary/elective Corporate action events sequence

- Announcement
- Eligibility
- Instruction
- Status
- Entitlement
- Pre-advice
- Confirmation

Account Servicer

- Ex-Date / Record Date / Effective Date
- Response deadline
- Payment Date

Account Owner

- Announcement of Event
- Eligible balance
- Instruction
- Status of Event/Instruction/Reminder of event details and/or instructed/uninstructed balance
- Notification of Entitled Position
- Securities / cash Movements
- Preliminary Advice
- Confirmation of Account Posting

Time-Line
ISO 15022 Corporate Actions Messages
Generic Corporate Actions
Business Process Flows

Mandatory & Voluntary/elective Corporate action events sequence

<table>
<thead>
<tr>
<th>Announcement</th>
<th>Eligibility</th>
<th>Instruction</th>
<th>Status</th>
<th>Entitlement</th>
<th>Pre-advice</th>
<th>Confirmation</th>
</tr>
</thead>
</table>

Account Servicer

Ex-Date / Record Date / Effective Date
Response deadline
Payment Date

Time-Line

Account Owner

MT 564
MT 564
MT 565
MT 567
MT 564
MT 564
MT 566

Announcement of Event
Eligible balance
Instruction
Status of Event/Instruction/details and/or instructed/uninstructed balance
Notification of Entitled Position
Securities / cash Movements
Confirmation of Account Posting

MT 564
MT 565
MT 567
MT 564
MT 564
MT 566
Corporate Action – ISO 15022 Messages

CA JWG Compliant

MT 564
Corporation Action Notification
- Announcement
- Eligibility
- Entitlement
- Pre-advice of Payment

MT 565
Corporate Action Instruction
- Instruction

MT 566
Corporate Action Confirmation
- Payment Confirmation

MT 567
Corporate Action Status and Processing Advice
- Instruction Status
- Instruction Cancellation status
- Event processing Status

MT 568
Corporate Action Narrative
instead of MT 599 Free Format Message

Hinders STP
MT 56x – Sequence of Messages - Plain Vanilla scenario

Account Servicer → MT 564 (announcement) → MT 565 (Instruction) → MT 566 (Confirmation) → Account Owner

MT 568 (announcement Narrative)
### Corporate Action Notification (2) - Function of the Message -

<table>
<thead>
<tr>
<th>23G Qualifier</th>
<th>Full Name</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>NEWM</td>
<td>New</td>
<td>New message.</td>
</tr>
<tr>
<td>REPL</td>
<td>Replacement</td>
<td>Message replacing a previously sent message.</td>
</tr>
<tr>
<td>REPE</td>
<td>Eligible Balance Notification</td>
<td>Message reporting an eligible balance that may or may not include an entitlement calculation or a revised entitlement calculation.</td>
</tr>
<tr>
<td>CANC</td>
<td>Cancellation Advice</td>
<td>Message to cancel a corporate action event previously announced by the account servicer or a previously sent Preliminary Advice of Payment message (:22F::ADDB//CAPA in sequence D).</td>
</tr>
<tr>
<td>WITH</td>
<td>Withdrawal</td>
<td>Message sent to void a previously sent notification due to the withdrawal of the event or offer by the issuer.</td>
</tr>
<tr>
<td>RMDR</td>
<td>Reminder</td>
<td>Message sent as a reminder of an event taking place.</td>
</tr>
<tr>
<td>ADDB</td>
<td>Additional Business Process</td>
<td>Message sent to notify an additional business process to a corporate action. Applicable for <a href="#">Market Claims, Tax Refund and Notification of Reversal</a>.</td>
</tr>
</tbody>
</table>
## ISO 20022 Corporate Actions Messages

<table>
<thead>
<tr>
<th>MX Identifier</th>
<th>Proposed ISO 20022 Messages Names</th>
<th>Abbreviated Name</th>
<th>Equivalent ISO 15022 Messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>seev.031.002.01 Corporate Action Notification</td>
<td>CANO</td>
<td>MT564 (+MT568)</td>
</tr>
<tr>
<td>2</td>
<td>seev.033.002.01 Corporate Action Instruction</td>
<td>CAIN</td>
<td>MT565</td>
</tr>
<tr>
<td>3</td>
<td>seev.036.002.01 Corporate Action Movement Confirmation</td>
<td>CACO</td>
<td>MT566</td>
</tr>
<tr>
<td>4</td>
<td>seev.037.002.01 Corporate Action Movement Reversal Advice</td>
<td>CARE</td>
<td>MT566</td>
</tr>
<tr>
<td>5</td>
<td>seev.039.002.01 Corporate Action Cancellation Advice</td>
<td>CACN</td>
<td>MT564</td>
</tr>
<tr>
<td>6</td>
<td>seev.040.002.01 Corporate Action Instruction Cancellation Request</td>
<td>CAIC</td>
<td>MT565</td>
</tr>
<tr>
<td>7</td>
<td>seev.032.002.01 Corporate Action Event Processing Status Advice</td>
<td>CAPS</td>
<td>MT567</td>
</tr>
<tr>
<td>8</td>
<td>seev.034.002.01 Corporate Action Instruction Status Advice</td>
<td>CAIS</td>
<td>MT567</td>
</tr>
<tr>
<td>9</td>
<td>seev.041.002.01 Corporate Action Instruction Cancellation Request Status Advice</td>
<td>CACS</td>
<td>MT567</td>
</tr>
<tr>
<td>10</td>
<td>seev.035.002.01 Corporate Action Movement Preliminary Advice</td>
<td>CAPA</td>
<td>MT564</td>
</tr>
<tr>
<td>11</td>
<td>seev.038.002.01 Corporate Action Narrative</td>
<td>CANA</td>
<td>Stand-Alone MT 568 (Restricted Funct.)</td>
</tr>
<tr>
<td>12</td>
<td>seev.042.002.01 Corporate Action Instruction Statement Report</td>
<td>CAST</td>
<td>X</td>
</tr>
<tr>
<td>13</td>
<td>seev.044.002.01 Corporate Action Movement Preliminary Advice Cancellation Advice</td>
<td>CAPC</td>
<td>MT564</td>
</tr>
</tbody>
</table>
ISO 20022 Corporate Actions Messages
Detailed Flows
Mandatory events in ISO 20022 vs. ISO 15022 - Example 1 with Movement Pre-Advice
Mandatory events in ISO 20022 vs. ISO 15022 -
Example 2 with delayed Payment

CSD

CorporateActionNotification – seev.031 (NEWM)

CorporateActionNotification – seev.031 (REPL)

CorporateActionMovementPreliminaryAdvice – seev.035

CorporateActionEventProcessingAdvice – seev.032

CorporateActionMovementConfirmation – seev.036

Account Servicer

MT 564 (NEWM)

MT 564 (REPL)

MT 564

REPE + CAPA

Account Owner

MT 567 (EVST)

MT 566
Voluntary Events or Mandatory w/options
ISO 20022 vs. ISO 15022

CorporateActionNotification – seev.031 (NEWM)

CorporateActionNotification – seev.031 (REPL)

CorporateActionInstruction – seev.033

CorporateActionInstructionStatusAdvice – seev.034

CorporateActionMovementPreliminaryAdvice – seev.035

CorporateActionMovementConfirmation – seev.036

MT 564 (NEWM)

MT 564 (REPL)

MT 565

MT 567

MT 566

REPE + CAPA
Corporate Actions Flows

*Generic flows - Non elective events with Pre-Advice and Reversal*

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**Account Servicer**

- CorporateActionNotification – New Message (NEWM)
- CorporateActionNotification – Replacement (REPL)
- CorporateActionNotification – Replacement with balance and entitlement
- CorporateActionMovementConfirmation
- CorporateActionMovementPreliminaryAdvice (of Reversal)
- CorporateActionMovementReversalAdvice
- CorporateActionMovementPreliminaryAdvice
- CorporateActionMovementConfirmation

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**Account Owner**
Corporate Actions Flows

_Election flows + Status and Instruction Statement_

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Account Servicer —> CorporateActionNotification – New Message (NEWM), etc… —> CorporateActionNotification – Reminder (RMDR) —> CorporateActionInstruction

CorporateActionInstruction —> CorporateActionInstructionStatusAdvice —> CorporateActionInstructionCancellationRequest

CorporateActionInstructionCancellationRequest —> CorporateActionInstructionCancellationRequestStatusAdvice —> CorporateActionInstruction

CorporateActionInstruction —> CorporateActionInstructionStatusAdvice

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CorporateActionInstructionsStatementReport

(Multiple event or multiple safekeeping account)

Account Owner
Corporate Actions Flows

Movement Preliminary Advice Cancellation flows

Account Servicer

CorporateActionNotification – New Message (NEWM)

CorporateActionNotification – Replacement with balance and entitlement

CorporateActionInstruction

CorporateActionInstructionStatusAdvice

CorporateActionMovementPreliminaryAdvice

CorporateActionInstructionCancellationRequest

CorporateActionInstructionCancellationRequestStatusAdvice

CorporateActionMovementPreliminaryAdviceCancellationAdvice

CorporateActionMovementPreliminaryAdvice

CorporateActionMovementConfirmation

Account Owner
Corporate Actions Flows

Corporate Action Event Cancellation Process

- CorporateActionCancellationAdvice – WITH
  Withdrawal of event by issuer

- CorporateActionCancellationAdvice – PROC
  Cancellation of event by Account Servicer

OR
Corporate Actions Flows

Corporate Action Event Processing Status Advice

Account Servicer → Account Owner

- CorporateActionNotification – New Message (NEWM), etc…
- CorporateActionInstruction and related messages (for elective events)
- CorporateActionMovementPreliminaryAdvice
- CorporateActionEventProcessingStatusAdvice
- CorporateActionMovementConfirmation
Q & A