

Corporate Actions Adaptation Plan

JP Morgan

Activity	Corporate Actions
Plan submitted by	JP Morgan Bank Luxembourg
NSG	Luxembourg
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Background

The Adaptation Plan provides information on the changes which will be implemented to meet the AMI-SeCo Standards for Corporate Actions which form part of the Single Collateral Management Rulebook for Europe (SCoRE). Full details of the Corporate Actions Standards can be found on the [ECB website](#).

The document is structured as follows: Section 1 (Cover Letter) provides a high-level summary of the changes in order to implement the AMI-SeCo Standards. Section 2 (Adaptation Plan Table) then provides a more detailed overview per Standard covering a feasibility assessment and the implementation milestones.

1 Cover Letter

JP Morgan is supportive of the harmonisation standards and attached are the responses to the required standards related to Corporate Actions. It should be noted that these responses are representative of JPM as a Triparty Agent only.

In general JP Morgan leverages its global Corporate Action teams and technology in order to support its Collateral Services business.

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For specific terminology please refer to the [ECB glossary](#) (available in English only).

2 Adaptation Plan Table

AMI-SeCo Standard			Feasibility Assessment			Implementation Milestones			
No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
1	Harmonised business process and workflows per CA event	The Business Processes & Workflows and Key Data Elements are described in the following sections of the AMI-SeCo Corporate Action Standards document. Please refer to Standards 1A to 1H below:							
1A	Corporate Action Notification	<i>The Account Servicer shall notify the Account Owner about the details of a corporate action event in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	1a. Notify [ca.1.01]	Table 1	Implemented						
	1b. Update [ca.1.02]	Table 1	Implemented						
	1c. Cancel [ca.1.03]	Table 2	Implemented						
1B	Corporate Action Instruction	<i>Instructions on elective corporate actions shall be processed in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	2a. Instruction [ca.2.01]	Table 3	Implemented						
	2b. Instruction Status Advice [ca.2.02]	Table 4	Implemented						
	2c. Instruction Cancellation Request [ca.2.03]	Table 5	Implemented						
	2d. Instruction Cancellation Request Status	Table 6	Implemented						

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	Advice [ca.2.04]								
1C	Corporate Action Advice	<i>The Account Servicer shall be able to provide Preliminary Advice notifications in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	3a. Movement Preliminary Advice [ca.3.01]	Table 7	Implemented						
	3b. Movement Preliminary Advice Cancellation [ca.3.02]	Table 8	Implemented						
1D	Corporate Action Confirmation	<i>The Account Servicer shall confirm the execution of a corporate action in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Applicable Business Processes & Workflows	Key Data Elements							
	4a. CA Event Processing Status Advice[ca.4.01]	Table 9	Adaptation Required	Current functionality does not support requirement of confirmation from Collateral Receiver	No				
	4b. Movement Confirmation [ca.4.02]	Table 10							
	4c. Payment Confirmation [ca.4.03]	Table A and B	Implemented						
1E	Corporate Action Reversal	<i>The Account Servicer shall execute the reversal of a corporate action in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Applicable Business Processes & Workflows	Key Data Elements							

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
	5a. Movement Preliminary Advice [ca.5.01]	Table 7	Implemented						
	5b. Payment Confirmation [ca.5.02]	Table A and B							
	5c. Movement Reversal Advice [ca.5.03]	Table 11	Implemented						
1F	Meeting Event Notifications	<i>The Account Servicer shall notify the Account Owner about the details of a meeting event in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	1a. Meeting Notification [me.1.01]	Table 12	Implemented						
	1b. Meeting Cancellation [me.1.02]	Table 13	Implemented						
	1c. Meeting Entitlement Notification [me.1.03]	Table 14	Implemented						
1G	Meeting Event Instructions	<i>The Account Owner (or the party holding the right to vote) shall instruct on meeting events in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	2a. Meeting Instruction [me.2.01]	Table 15	Implemented						
	2b. Meeting Instruction Cancellation Request [me.2.02]	Table 17	Implemented						
	2c. Meeting Instruction Status [me.2.03]	Table 16	Implemented						

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	2d. Meeting Vote Execution Confirmation [me.2.04]	Table 18	Implemented						
1H	Meeting Event Results	<i>The Account Servicer shall disseminate meeting results in accordance with a set of harmonised business processes, workflows and key data elements.</i>							
Additional Information	Business Processes & Workflows	Key Data Elements							
	3a. Meeting Result Dissemination [me.3.01]	Table 19	Implemented	Not offered to Collateral Receivers.					
2	Provision of data necessary for calculation of proceeds	<i>The corporate action notification, as communicated by the Account Servicer, shall include the necessary data elements required to calculate the cash and / or securities movements.</i>							
Business Processes & Workflows									
	CA Event ID	CA Event Name							
1.	ACTV	Trading Status: Active	Implemented						
2.	BIDS	Repurchase Offer / Issuer Bid / Reverse Rights	Implemented						
3.	BMET	Bond Holder Meeting	Implemented						
4.	BPUT	Put Redemption	Implemented						
5.	BRUP	Bankruptcy	Implemented						
6.	CAPI	Capitalisation	Implemented						
7.	CERT	Non-US TEFRA D Certification	N/A						
8.	CHAN	Change	Implemented						
9.	CLSA	Class Action / Proposed Settlement	N/A						
10.	CMET	Court Meeting	N/A						
11.	CONS	Consent	Implemented						
12.	CREV	Credit Event	Implemented						
13.	DFLT	Bond Default	Implemented						

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
	14. DLST	Trading Status: Delisted	N/A						
	15. DRAW	Drawing	Implemented						
	16. DSCL	Disclosure	Implemented						
	17. DTCH	Dutch Auction	Implemented						
	18. EXOF	Exchange	Implemented						
	19. EXTM	Maturity Extension	Implemented						
	20. INCR	Increase in Value	Implemented						
	21. INFO	Information	Implemented						
	22. INTR	Interest Payment	Implemented						
	23. LIQU	Liquidation Payment	Implemented						
	24. MCAL	Full Call / Early Redemption	Implemented						
	25. OTHR	Other Event	Implemented						
	26. PARI	Pari-Passu	Implemented						
	27. PCAL	Partial Redemption Without Pool Factor Reduction	Implemented						
	28. PINK	Payment in Kind	Implemented						
	29. PLAC	Place of Incorporation	Implemented						
	30. PPMT	Instalment Call	Implemented						
	31. PRED	Partial Redemption With Pool Factor Reduction	Implemented						
	32. REDM	Final Maturity	Implemented						
	33. REDO	Redenomination	Implemented						
	34. REMK	Remarketing Agreement	Implemented						
	35. RHDI	Intermediate Securities Distribution	Implemented						
	36. SUSP	Trading Status: Suspended	N/A						
	37. TEND	Tender / Acquisition / Takeover / Purchase Offer	Implemented						
	38. TREC	Tax Reclaim	N/A						
	39. WTRC	Withholding Tax Relief Certification	N/A						
	40. WRTH	Worthless	Implemented						
3	Consistency of information provided by Issuer CSDs, Investor CSDs & Custodians	<i>Investor (I)CSDs and Custodians shall remit information on CA events in accordance with the information received from the Issuer (I)CSD. All CA event types announced by the Issuer CSD must be supported by all Investor</i>							

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
		<i>(I)CSDs / Custodians. All Issuer CSDs shall use corporate action event types in a consistent manner.</i>							
		<i>The corporate action events listed in the table below shall be processed in a consistent manner across Europe in accordance with the details specified in Section 4 of this document, so that there is consistency in the usage of event types both within an individual CSD, and across different CSDs. The CA events listed below are in the scope of the Standard. Please indicate for each CA event whether adaptations are required in order to adhere to the Standard.</i>							
	CA Event ID	CA Event Name							
1.	ACTV	Trading Status: Active	Implemented						
2.	BIDS	Repurchase Offer / Issuer Bid / Reverse Rights	Implemented						
3.	BMET	Bond Holder Meeting	Implemented						
4.	BPUT	Put Redemption	Implemented						
5.	BRUP	Bankruptcy	Implemented						
6.	CAPI	Capitalisation	Implemented						
7.	CERT	Non-US TEFRA D Certification	N/A						
8.	CHAN	Change	Implemented						
9.	CLSA	Class Action / Proposed Settlement	Implemented						
10.	CMET	Court Meeting	Implemented						
11.	CONS	Consent	Implemented						
12.	CREV	Credit Event	Implemented						
13.	DFLT	Bond Default	Implemented						
14.	DLST	Trading Status: Delisted	Implemented						
15.	DRAW	Drawing	Implemented						
16.	DSCL	Disclosure	Implemented						
17.	DTCH	Dutch Auction	Implemented						
18.	EXOF	Exchange	Implemented						
19.	EXTM	Maturity Extension	Implemented						
20.	INCR	Increase in Value	Implemented						
21.	INFO	Information	Implemented						
22.	INTR	Interest Payment	Implemented						

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
	23. LIQU	Liquidation Payment	Implemented						
	24. MCAL	Full Call / Early Redemption	Implemented						
	25. OTHR	Other Event	Implemented						
	26. PARI	Pari-Passu	Implemented						
	27. PCAL	Partial Redemption Without Pool Factor Reduction	Implemented						
	28. PINK	Payment in Kind	Implemented						
	29. PLAC	Place of Incorporation	Implemented						
	30. PPMT	Instalment Call	Implemented						
	31. PRED	Partial Redemption With Pool Factor Reduction	Implemented						
	32. REDM	Final Maturity	Implemented						
	33. REDO	Redenomination	Implemented						
	34. REMK	Remarketing Agreement	Implemented						
	35. RHDI	Intermediate Securities Distribution	Implemented						
	36. SUSP	Trading Status: Suspended	Implemented						
	37. TEND	Tender / Acquisition / Takeover / Purchase Offer	Implemented						
	38. TREC	Tax Reclaim	N/A						
	39. WTRC	Withholding Tax Relief Certification	N/A						
	40. WRTH	Worthless	Implemented						
4	Rounding rules	Harmonised rounding rules shall be applied for the calculation of cash payments and securities movements.							
Additional Information	Rounding rule no. 1	For cash payments, the cash amount to be paid is to be rounded down to the number of decimals permissible in the payment currency (i.e. to 2 decimals in case of EUR payments).Accordingly, and as an example, a cash amount of EUR 2.556 should be rounded down to EUR 2.55	Implemented						
	Rounding rule no. 2	For securities movements, the securities amount should be rounded down to the nearest full	Implemented						

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		unit.							
	Rounding rule no. 3	For the calculation of cash payment amounts or securities movement amounts relating to a specific securities account, the ratio applicable to the entire issue should be applied to the total holding in the parent ISIN on the securities account. (There should be no intermediate step whereby a ratio per 1,000 nominal is calculated, and then applied).	Implemented						
	Rounding rule no. 4	The ratio specified by the Issuer CSD in the event notification should be passed on in its entirety in the event notification sent by all Account Servicers and Custodians in the custody chain. (There should be no rounding up, or rounding down, or truncation, of the ratio).	Implemented						
5	Negative cash flows	<i>Issuer CSDs and Investor CSDs shall support the processing of corporate actions where the underlying security has a fixed negative interest rate or a floating rate coupon. Any negative interest shall result in a cashflow from the Investor to the Issuer which shall be processed using the Interest Payment (INTR) event.</i>	Implementation Started	Partially implementation and expected to be completed by Q4 2020		Client Comms complete			
		<i>Securities with a fixed negative interest rate, or with a floating interest rate, may result in a payment from the Investor to the Issuer of the security. The Standard is applicable to CSDs acting in their role as both Issuer CSD and Investor CSD. If a CSD accepts only securities with a positive interest rate, or with a floating rate coupon with a floor of zero or above (fixed in the terms and conditions of the security), so that negative cash payments do not occur, then the CSD is deemed to comply with this standard.</i>							
6	Business day rule	<i>If the payment date of a corporate action falls on a non-business day (in the country of the currency in which the payment is due), the payment shall be made on the next business day.</i>	Implemented						
		<i>Payment amounts are always calculated on the positions at the end of day on record date. In the event that the payment date falls on a non-business day in the country of the currency in which the payment is due , the payment shall be</i>							

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		<i>made on the next business day. The terms and conditions of the security must not have operational requirements stipulating that if the next business day would fall in the following month, the payment needs to be made in the same month (with the payment day being moved to precede the original payment date).</i>							
7	Securities amount data	Securities amount data shall be defined using nominal value for debt instruments (FAMT) and units for non-debt instruments (UNIT).	N/A						
		<i>The EU's standard practice for defining securities amount data is consistent usage of FAMT for debt instruments and UNIT for equities. This Standard builds upon the standard currently applicable in T2S markets and which should be applied on a pan-European basis.</i>							
8	Payment time	Corporate action cash proceeds shall be distributed as early as possible, but no later than 12 noon, on the corporate action payment date. For any corporate action event involving a partial or full redemption, the cash proceeds should be made available by the Issuer CSD at the same time as the processing of the partial or full redemption on the payment date so that relevant parties are compensated/paid in a timely fashion for the partial or full redemption.	N/A						
	Payment time for government bonds	For government bonds issued in domestic CSDs cash proceeds are paid no later than open for business of the payment system (i.e. 07:00 for TARGET2).	N/A						
	Payment time for corporate bonds	For corporate bonds, the current minimum requirement is that cash proceeds be distributed no later than noon in the time zone of the Issuer CSD (consistent with existing CAJWG Standards). In line with recent improvements in market infrastructure in Europe (e.g. through the introduction of T2S) there are opportunities to improve the current latest time by which payments should be made with a latest cut-off time of 10:30 already feasible in many markets.	N/A						

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
9	Notification of processing status	<i>In the event that an issuer, issuer agent, or Issuer CSD cannot process a Corporate Action on the previously announced Payment Date, then all Account Servicers shall inform Account Owners about the delay as soon as possible and based on information received from higher up the custody chain.</i>	Implemented						
		<i>When a Corporate Action cannot be processed on the previously announced Payment Date. Issuers and their respective agents shall be responsible for providing information to the Issuer CSD on the reasons for the delay in the processing of the Corporate Action. A notification message containing this information shall be provided on a mandatory basis from the Issuer CSD to its clients. Intermediaries shall pass on the notification message through the custody chain to ensure all impacted parties are informed of the delay.</i>							
10	Blocking of securities	<i>For all Mandatory with Choice and Voluntary CA events involving a debit of securities, the Issuer CSD and all relevant intermediaries shall ensure that the elected security position is subject to blocking.</i>	Implementation Started	Analysis ongoing to ensure full compliance with standard, only minor gaps anticipated and completion in Q4 2020	No				
		<i>Underlying Securities on which an election is made should be separated accounting-wise from non-elected Underlying Securities by the (I)CSD and all Intermediaries. Accordingly there shall be a harmonised set of CA events where participation requires the blocking of securities (blocking refers to a period of time in which an investor's securities are prevented from being accessed). On this basis, Account Servicers shall include an indicator in the CA notification message to identify if a security position will be blocked. A "Follow-the-Issuer CSD" principle shall be applied. Blocking of securities should take place when the following criteria are met simultaneously: 1. The CA event participation type is either Mandatory with Choice (CHOS) or Voluntary (VOLU) 2. The option results in a debit of a security position In the case of debt instruments, the following CA events and CA option combinations are subject to blocking:</i>							
	CA Event	Participation Type (Mandatory /							

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
		Voluntary)							
	BIDS	VOLU	Implementation Started	Change required on blocking flag to meet standards					
	BPUT	VOLU	Implementation Started						
	CERT	CHOS	Implementation Started						
	CONS	VOLU	Implementation Started						
	DSCL	VOLU	Implementation Started						
	DTCH	VOLU	Implementation Started						
	EXOF	VOLU	Implementation Started						
		CHOS	Implementation Started						
	EXTM	CHOS	Implementation Started						
	INTR	CHOS	Implementation Started						
	LIQU	CHOS	Implementation Started						
	MCAL	CHOS	Implementation Started						
	OTHR	CHOS	Implementation Started						
		VOLU	Implementation Started						
	REDM	CHOS	Implementation Started						
	TEND	VOLU	Implementation Started		No				
11	Availability of default options	<i>Account Servicers shall ensure that a Corporate Action event notification message identifies the default option for that event.</i>	Implemented						
	<i>A default option should be present in all Corporate Action events that have more than one option. The default option as identified by the Issuer CSD must be transmitted unchanged through the custody chain.</i>								

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	User Communication	Internal Adaptation	Start of User Testing	Implemented by Nov. 2022?
12	Handling of fees for meeting related CA events	All fees (e.g. solicitation fees, consent fees) to be credited / debited as a result of participation in an event shall be confirmed via a CA confirmation message.	Implemented						
		<i>Account Servicers should support harmonised procedures for the handling of solicitation fees and consent fees accrued as a result of participation in a meeting related event, which shall be confirmed via a CA Confirmation message.</i>							
13	Reversal of CA movements	A pre-advice message shall be issued in advance of any reversal of a CA. In case of a cash reversal, the pre-advice shall be sent sufficiently in advance of the reversal so that recipients have adequate time for cash management.	Implemented						
		<i>The Account Servicer shall send a reversal announcement before the reversal is processed to allow the recipient of the CA payment sufficient time to pre-fund the reversal of the CA proceeds before the reversal takes place.</i>							
14	Processing of foreign currency CA payments	To process payment in currencies not eligible in the settlement system, the CSD must instruct the cash correspondent to debit the account of the paying agent and to pay the funds to an account of the security holder. The CSD must send the corporate action confirmation to the security holder only upon receipt of the confirmation from the cash correspondent that the cash has been transferred successfully.	N/A						
		<i>Before accepting securities paying cash proceeds in a currency not eligible in the settlement system, the CSD should put in a place a process to handle payments in that currency.</i>							

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15	ISO 20022 messages for corporate actions	<i>Account Servicers shall have the capability to support ISO 20022 messages for the processing of corporate actions.</i>							
	Message Name	Message Identifier							
	Corporate Action Notification	seev.031	N/A	Managed as part of JPM global COAC ISO 20022 project					
	Corporate Action Event Processing Status Advice	seev.032	N/A						
	Corporate Action Instruction	seev.033	N/A						
	Corporate Action Instruction Status Advice	seev.034	N/A						
	Corporate Action Movement Preliminary Advice	seev.035	N/A						
	Corporate Action Movement Confirmation	seev.036	N/A						
	Corporate Action Movement Reversal Advice	seev.037	N/A						
	Corporate Action Cancellation Advice	seev.039	N/A						
	Corporate Action Instruction Cancellation Request	seev.040	N/A						
	Corporate Action Instruction Cancellation Request Status Advice	seev.041	N/A						
	Corporate Action Instruction Statement Report	seev.042	N/A						
	Corporate Action Movement Preliminary Advice Cancellation Advice	seev.044	N/A						
	Meeting Notification	seev.001	N/A						

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	Meeting Cancellation	seev.002	N/A						
	Meeting Entitlement Notification	seev.003	N/A						
	Meeting Instruction	seev.004	N/A						
	Meeting Instruction Cancellation Request	seev.005	N/A						
	Meeting Instruction Status	seev.006	N/A						
	Meeting Vote Execution Confirmation	seev.007	N/A						
	Meeting Result Dissemination	seev.008	N/A						