

SMPG (Security Market Practice Group) Working C (Corporate Action) Activity Report

2009年7月9日

みずほコーポレート銀行 決済営業部

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July 9, 2009

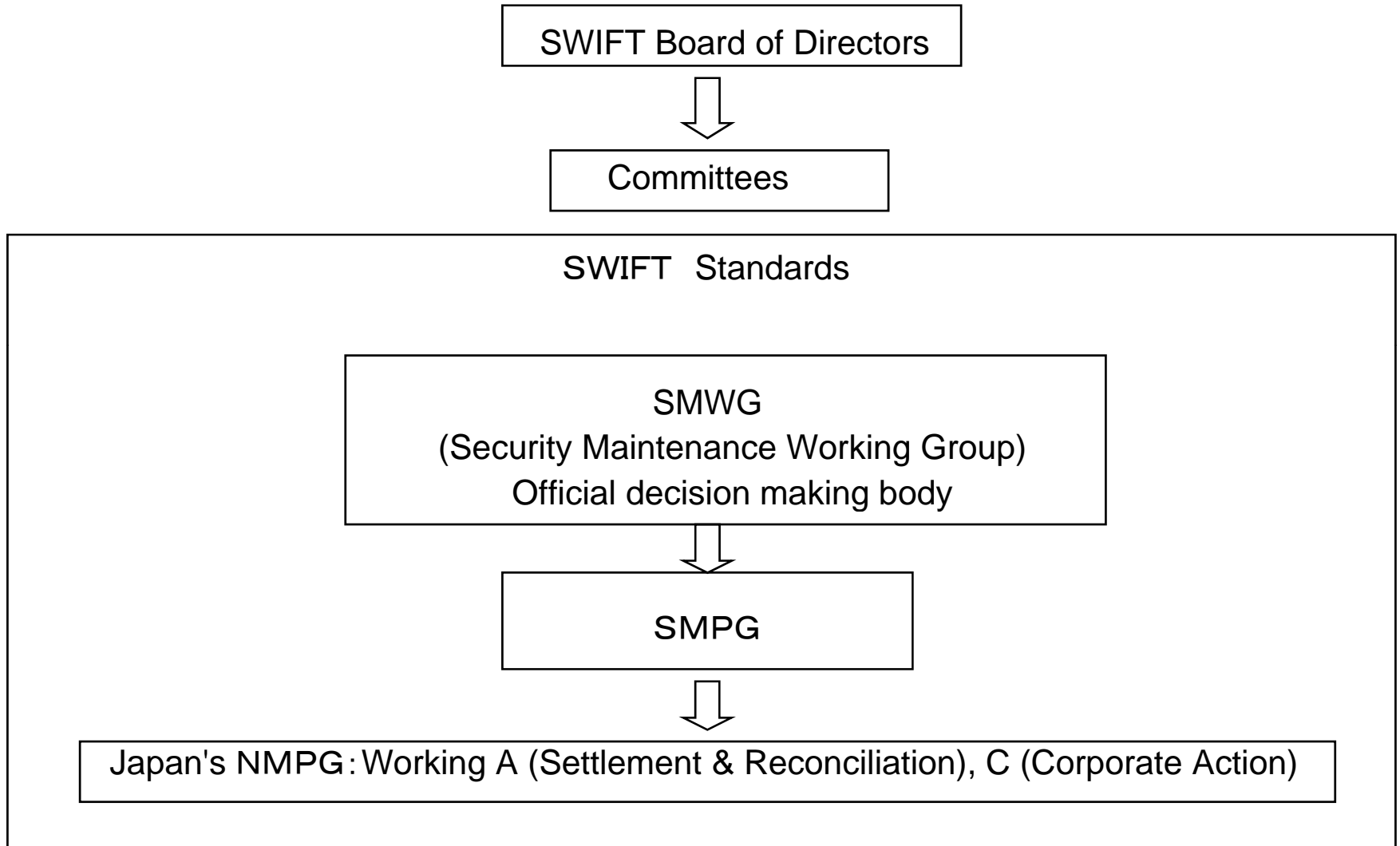
**Mizuho Corporate Bank
Custody & Proxy Dept.**

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1. Objectives of SMPG (Security Market Practice Group)

- In July 1998, SWIFT sponsored the organization of the Securities Market Practice Group (SMPG). The formation of the SMPG resulted in the establishment of National Market Practice Groups (NMPG) in more than 35 geographic markets comprised of brokers/dealers, investment managers, custodian banks, central securities depositories and regulators. The membership of the SMPG and NMPGs are committed to the vision that standards in conjunction with defined market practices, will bring the industry closer to its **goal of achieving STP.**
- The SMPG is a tactical initiative focused on enhancing the current securities industry practices. The group realizes the benefit of industry utilities and other industry groups in dictating conformance to standards and market practices. As such, there is active dialogue between the SMPG and other similar initiatives (ie. OMGEO, ECSDA, ISITC, ISSA, etc.), in order to ensure that the tactical work of the SMPG provides a first step toward the restructuring of the securities industry. (Source : SMPG web site)

2. Organisation Structure



3. Activities of 2008 (Last half) - 2009 (First half)

- Conference Calls

 - 2008: 6/26, 7/30, 11/13

 - 2009: 1/15, 3/18, 4/09, 5/29, 6/18

 - (plus a number of ISO20022 related meetings in 2009)

- Annual Conferences

 - 2008 Autumn (at the same time of Sibos), Vienna

 - 2009 May Moscow

- National Conferences

 - Co-ordinate Japanese community's view and formulate a common policy in concert with SMPG Meetings

 - Review SR2009 (⇒ Rescheduled to SR2010)

 - Discussion on various issues related to SWIFT Securities messages

4. Discussions/Reviews (1/3)

Matters on the table from last year

1. EIG (Event Interpretation Grid) Matrix

- Organize Corporate Action events in each country
⇒ Will be proposed as a part of SR2010 with a minor adjustment

2. Date/Period/Rate/Price Review (Consolidated Matrix)

- Specify the location of data element which should be placed in Sequence D, E

⇒ To be proposed at SR2010

4. Discussions/Reviews (2/3)

3. Corporate Action Option Number Information

- For Corporate Action with options, the Account Servicer will allocate option codes accordingly and the Account Owner will instruct an appropriate option based on that code

- After '06/4 Stockholm Meeting, we have been reviewing US's proposal

- ⇒ Further review called off due to objections from a number of NMPGs

- ⇒ However, the US is planning to propose a change request on specifying options ("Identification of the source of the option") at SR2010

4. Discussions/Reviews (3/3)

4. Official Body Identification

- Identify which organisation acts as the Official Body who releases Corporate Action information in each country
- As the US (DTCC) is leading in this area, other countries are studying the US model
- Information on after ISO20022, relevance with repository

5. Other Issues

- Organise Redemption Matrix
- Organise Return of Capital ⇒ Close study at SMPG2010
- Border of Corporate Action and Juristic Act, Simplified Merger, Class Action

5. 2009 Activities Overview

- Post financial crisis --- Postponement of SR (Regular modification) 2009
 - Linkage of Cost shifting power and Agent (Account Service) vs. Principal (Account Owner)
 - Costs ---- Able to see clearly in figures
 - Benefits ---- Ambiguous
- <Example: Chain of Command>
- Plan Sponsor ⇒ Investment Company ⇒ Account Owner ⇒ Account Servicer
- Requests regarding ICDS (DTCC, Euroclear, Clearstream) have increased relatively

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