

Exploiting synergies in harmonising the monitoring of corporate action standards – 2019 monitoring

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AMI-SeCo meeting - 2 July 2019





1 Recap of the previous AMI-SeCo agreement

- May 2019: AMI-SeCo mandated HSG to discuss how to exploit synergies and maximise efficiencies in monitoring the three sets of corporate actions (CA) standards (CAJWG, T2S CASG and CMH).
- The AMI-SeCo also explicitly highlighted the need to involve in the discussion the relevant bodies / stakeholders, notably the CAJWG and the CASG.
- In developing its proposal for 2019, the HSG took into account:
 - i. the existing arrangements for monitoring CA standards
 - ii. the previous discussions on the potential consolidation of monitoring of implementation of CASG and CAJWG standards
 - iii. the necessary technical expertise needed to monitor and discuss compliance with CA harmonisation standards

The Chairs of the CAJWG, CASG and CMH-TF were consulted on the proposal.





2 Background details and working assumptions

Interlinkages of Standards

- The three sets (CAJWG, CASG, CMH) of CA standards are consistent and linked.
- CASG and CMH are more granular and build on CAJWG standards and wider messaging standards (e.g. ISO20022)
 - CAJWG (E-MIG) forms the basis of both CASG and CMH, compliance monitoring at a higher level

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- CASG probably the highest level of compliance, monitoring via NSGs
- CMH specifying detailed business processes and workflows per CA event, monitoring via NSGs

Different geographical scope

- CAJWG applies to EU markets
- CASG applies to T2S markets
- CMH applies to all AMI-SeCo markets (EU + CH)



2 Background details and working assumptions

Ownership of standards

The working assumption is that ownership of standards should not be changed:

- AMI-SeCo owns and maintains CASG and CMH standards
- CAJWG owns and maintains CAJWG standards

(Messaging standards ownership remaining with ISO / SWIFT of course)

Feedback on consolidated monitoring at local market level

Support: no issues detected at local market level (NSGs):

- Overall support for consolidated monitoring at European level
- Single point of contact for monitoring of all three sets of standards (e.g. via NSG secretary / chair)
- Modalities of cooperation to be decided at local market level (e.g. up to local markets whether they merge NSG and MIG or not)

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Local market CA expertise needs to be ensured





3 Proposal for 2019 compliance monitoring

HSG proposal

- HSG members confirmed the need to streamline CA standards compliance monitoring in Europe in light of the CAJWG, CASG and CMH CA standards.
- Also at local level there seems to be strong support for a coordinated/consolidated CA monitoring. It should be up to local NSG / MIG how they cooperate. Local markets want and should get a single contact point in the monitoring exercise.
- Streamlined monitoring should include the following steps:
 - i. supporting local markets in understanding / adopting the standards;
 - ii. preparing and circulating questionnaires;
 - iii. following up / collecting responses from local markets;
 - iv. validating responses / self-assessments;
 - v. preparing and presenting compliance assessments; and
 - vi. reacting to non-compliance.
- The geographical scope of a coordinated CA monitoring framework should be the widest possible (i.e. EEA – where relevant + CH).
- The 2019 CA monitoring represents a first step towards an efficient and effective consolidated CA monitoring. Based on this year's experience, further steps might be envisaged for 2020 based on the lessons learned.





3 Proposal for 2019 compliance monitoring

- Coordinating the 2019 monitoring of the CAJWG standards and of the CASG standards:
 - AMI-SeCo Secretariat forms the single contact point including distribution, reception and follow-up of the questionnaires.
 - Questionnaires for CAJWG and CASG will be distributed at the same time with the same deadline to a combined contact list of NSGs and MIGs.
 - AMI-SeCo Secretariat channels the feedback to the questionnaire to the secretariats of the specific industry groups (i.e. CAJWG and CASG).

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- Given that the ownership of the standards remains unchanged, the findings of the CAJWG will be considered by the CAJWG, while the findings of the CASG (and also by the CMH-TF on their implementation plans) will be reported to the AMI-SeCo via HSG. The respective findings and reports will be shared among these industry groups.
- This year's CMH TF monitoring consists of monitoring the implementation plans not yet of the specific standards. Therefore, the process and timeline is somewhat separate from the CAJWG and CASG for 2019, however, for the next monitoring round in 2020 this could be combined.
- CAJWG and CASG questionnaires will be reviewed by the respective Secretariats for consistency to avoid and eliminate overlaps.

