



# Corporate Actions Market Practice

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## **DISCLAIMER**

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This market practice document has been developed by the International Securities Association for Institutional Trade Communication (ISITC) as a statement of professional practices recommended by ISITC. Institutions providing the information recommended in this document will benefit from the efficiencies inherent in a more automated transaction process. Although all institutions are encouraged to act consistently with this document, none are required to do so, and a failure to do so is not, in and of itself, evidence of negligent or inappropriate conduct.

## Document History

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Version #	Change Date	Description of Change	Page
1.0	Oct 31, 2007	First Draft	
1.1	Nov 7, 2007	Define Roles and Actors. Review sequence and activity diagrams	
1.2	Nov 19, 2007	Updated sequence and activity diagrams. Added definitions for Roles. Reviewed business elements	
1.3	Nov 20, 2007	Updated sequence and activity diagrams. Updated sections 2.0 and 3.0	
1.4	Feb 6, 2008	Updates to the activity diagrams and Message Usage Rules from the Dec conference.	
1.5	March 10, 2008	Inserted Market Practice and Message Usage Rules for Announcements/564	
1.6	March 17, 2008	Updated Market Practice and Message Usage Rules for Announcements/564 and added MP and MU for Payments/566	
1.6a	April 28, 2008	Updated format of Market Practice and Message Usage Sections	
1.7	May 2008	Inserted new format of MP and Message Usage sections. Updated Background and Scope.	
1.8	August 2008	Updated from June conference. Added Appendix sections 3.3.1, US D vs E, 3.3.2 MT567 Status Reason Code Grid, 3.3.3 MT565 Oversubscription Guidelines	
1.8a	December 2008	Added Disclaimer to front page. Made updates to Section 2.2.1 - .4 Market Practice and Section 3 for Market Practice from feedback at Dec Conference.	
1.9	January – May 2009	Updates to Message Usage for MT564 and MT566 from feedback on various conference calls. Updated Table of Contents	
1.10	June 17 2009	Updates from Final Review conf calls. Updated section 3.3.1 D vs. E, 3.3.3 and Added 3.3.4 Stock Loan Balances 3.4.1 Lottery Example and 3.4.2 Dutch Auction Example	
1.11	July 2009	Reformatted tables and examples for consistency.	
2.0	Jan – March 2011	Updates to various sections to bring market practices up to date	
3.0	June 2012	Updates to various sections for SR2012 and market practice changes. Removed DvE guidelines, updated templates, added consents, tax on share distribution	
3.1	August 2012	Reviewed and incorporate feedback and comments from ISITC Website Committee	

Version #	Change Date	Description of Change	Page
4.0	November 2013	<p>Updates to various sections for SR2013 and market practice changes: Explain US Dividend Reinvestments, provide wording for new event type Non-Official Offers (NOOF), describe NIL Payment Process, and update MT567 Status and Reason Code Grid to be current.</p> <p>Formatting changes: Applied consistent heading, bullet / number list, table styles; Removed extra page &amp; section breaks; Applied consistent header &amp; footer content; Added cross-references for sections that will auto-update as document is maintained</p>	
5.0	November 2014	<p>Modifications to various sections for SR2014 and market practice changes:</p> <ul style="list-style-type: none"> <li>• Updates: Updated for new Reinvestment Indicator to CAEV//DVCA; new Withholding Rate Type Codes, US Market Income Type Codes &amp; US Market Withholding Tax Exemption Type Codes;</li> <li>• Additions: Stage 2A to Bankruptcy; new US Dutch Auction sub-section to Market Practice Rules incorporating new elements for basis points; Factors for Pay Down events in MT564 CA Detail; Stock Lending Deadline Date/Time; information for Beneficial Holder round up; New Securities Issuance Indicator;</li> <li>• Deletions: Removed any obsolete references to prior Lottery Processing practices; Removed Odd Lot Mini Tender Offer Type (OFFE//MINI);</li> <li>• Added significant new section for Market Practice Guidelines for US Lottery Event Processing</li> </ul>	
6.0	September 2016	<p>Modifications to various sections for SR2015, SR2016 and market practice changes:</p> <ul style="list-style-type: none"> <li>• Updates: Securities Credit and Debit sequences (E1), added additional events that are DRIP eligible, added wording to clarify stages of a Bankruptcy, added wording to clarify Tender and Exchange Offers with multiple cash movements, added wording to clarify current market practice when a Return of Capital has multiple payouts/distributions, updated wording to clarify usage for Withdrawal vs Change Allowed Flag, updated ETYP and ITYP across cash and securities movements, added new dividend type indicator code, updated US market Withholding Rates, Income Type codes and Withholding Tax Exemption Type codes</li> <li>• Additions: Added information for Cash in lieu, Beneficial Holder round up, Best Practice for cancel and new instruction processing, Best Practice for communicating when an offer is not accepted or pro-rated, added and clarified Additional Business Process codes to distinguish Full Pre-Funding, Partial Pre-Funding, Partial Put Redemptions, added new Securities Issuance Indicator</li> <li>• Deletions: Removed Narrative Qualifiers, QOVE and QREC, and MP guideline for single MT565 for Exercise and Oversubscription</li> </ul>	

Version #	Change Date	Description of Change	Page
7.0	March 2019 Published November 20, 2019	<p>Modifications to various sections for SR2017 and SR2018</p> <ul style="list-style-type: none"> <li>Updated Redemption Matrix with new definitions for DRAW, PCAL and PRED based on SR2017 message standards changes</li> <li>Updated 2.2.1.4.12.2 concerning Issuer / Offeror Taxability Indicator based on SR2016 update relating to the new data element to support US requirements to characterize the taxability of events and the associated cash and share proceeds that are being paid</li> <li>Updated section 3.3.6 concerning MT567 Status and Reason code grid for various updates relating to message changes relating to SMPG CA Global market Practice Part 3 document.</li> </ul>	
8.0	November 2022	<p>Modifications to various sections for SR2020 to SR2022</p> <ul style="list-style-type: none"> <li>Updated section 2.2.1.4.4.1 for Dutch Auction changes</li> <li>Added new section 2.2.1.4.18 to reference an SMPG doc for SRD Indicator</li> <li>Added new section 2.2.1.4.19 to reference an SMPG doc for TNDP event</li> <li>Updated section 3.2.4.5 to reference an SMPG doc for providing tax breakdown</li> <li>Updated section 3.2.5.5 to incorporate the usage of Protect Balance in the MT567 message</li> <li>Updated section 3.3.2 to document US market practice for usage of ITYP and OTYP qualifiers</li> <li>Updated section 3.3.5 to remove PRII event</li> <li>Updated section 3.3.6 to incorporate addition 567 instruction confirmation codes</li> </ul>	

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# 1 Background

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This document presents the US Market Practice for Corporate Actions in accordance with the US business rules for corporate action events.

The directives in this document present the standards unanimously agreed to by member organizations of the ISITC Corporate Actions Working Group. The standards collectively comprise the US Market Practice that organizations are committed to adhere based on Corporate Actions business rules.

ISITC has been designated by the Global SMPG organization to act as the representative for the US Market. Any changes to the market practice require review and approval by the ISITC Corporate Actions Working Group.

## 1.1 SCOPE

The Market Practice document will cover the complete lifecycle of a Corporate Action from the notification of an event through instruction processing (where applicable) and the final confirmation of payment. The Corporate Action business processes in this document are outlined according to corporate actions business rules. This document is now the sole document for all market practice regarding the Corporate Actions event lifecycle. The ISITC Corporate Actions Working Group will maintain this US Market Practice document as it relates to specific Corporate Actions business rules.

This document does not cover specific Service Level Agreements (SLAs) between parties communicating corporate action messages that may differ from the market practice.

## 1.2 DEFINITIONS

The terms to be defined in this section are in progress and will be ready for a future release of the document.

## 1.3 ACTORS AND ROLES

**Roles:** the functional role played by a business actor in a particular business process or business transaction.

**Actors:** the organization playing the role.

In order to effectively communicate corporate action information in the market, Roles and Actors have been identified to highlight the information flow between the sender and receiver of corporate action messages. The Roles and Actors will be referenced in diagrams throughout the document and are defined as follows:

**Role 1 – Event Initiator:** The party who is authorized to announce and relay details of the corporate action event to the market.

**Role 2 – Market Information Provider:** The party who receives the announcement from the Event Initiator and distributes the corporate action details in the market. The party is the conduit between the Event Initiator and Service Provider.

**Role 3 – Service Provider:** The party who receives the announcement from the Event Initiator. The Service Provider will collect, validate and disseminate the corporate action details to the Entitled Party. The actors identified in this role may also engage in activities to communicate corporate action processing information such as instruction and payment confirmations.

**Role 4 – Entitled Party:** The party who receives the announcement from the Service Provider. The Entitled Party will provide corporate action instructions for applicable events and also receive and reconcile corporate action entitlement data.

**Note:** At any point in the business process of a corporate action, an Actor may take part in multiple roles. Please see sequence and activity diagrams for more detail.

<b>Role 1: Event Initiator</b>	<b>Role 2: Market Information Provider</b>	<b>Role 3: Service Provider</b>	<b>Role 4: Entitled Party</b>
Actors: <ul style="list-style-type: none"> <li>• Company</li> <li>• Issuer</li> <li>• Issuer Agent</li> <li>• Proxy Tabulator</li> </ul>	Actors: <ul style="list-style-type: none"> <li>• Information Agent</li> <li>• Vendor</li> </ul>	Actors: <ul style="list-style-type: none"> <li>• CSD/ICSD</li> <li>• Custodian</li> <li>• Outsource Agent</li> <li>• Stock Loan Agent</li> </ul>	Actors: <ul style="list-style-type: none"> <li>• Beneficial Account Owner</li> <li>• Investment Manager</li> </ul>

## 1.4 SEQUENCE DIAGRAMS

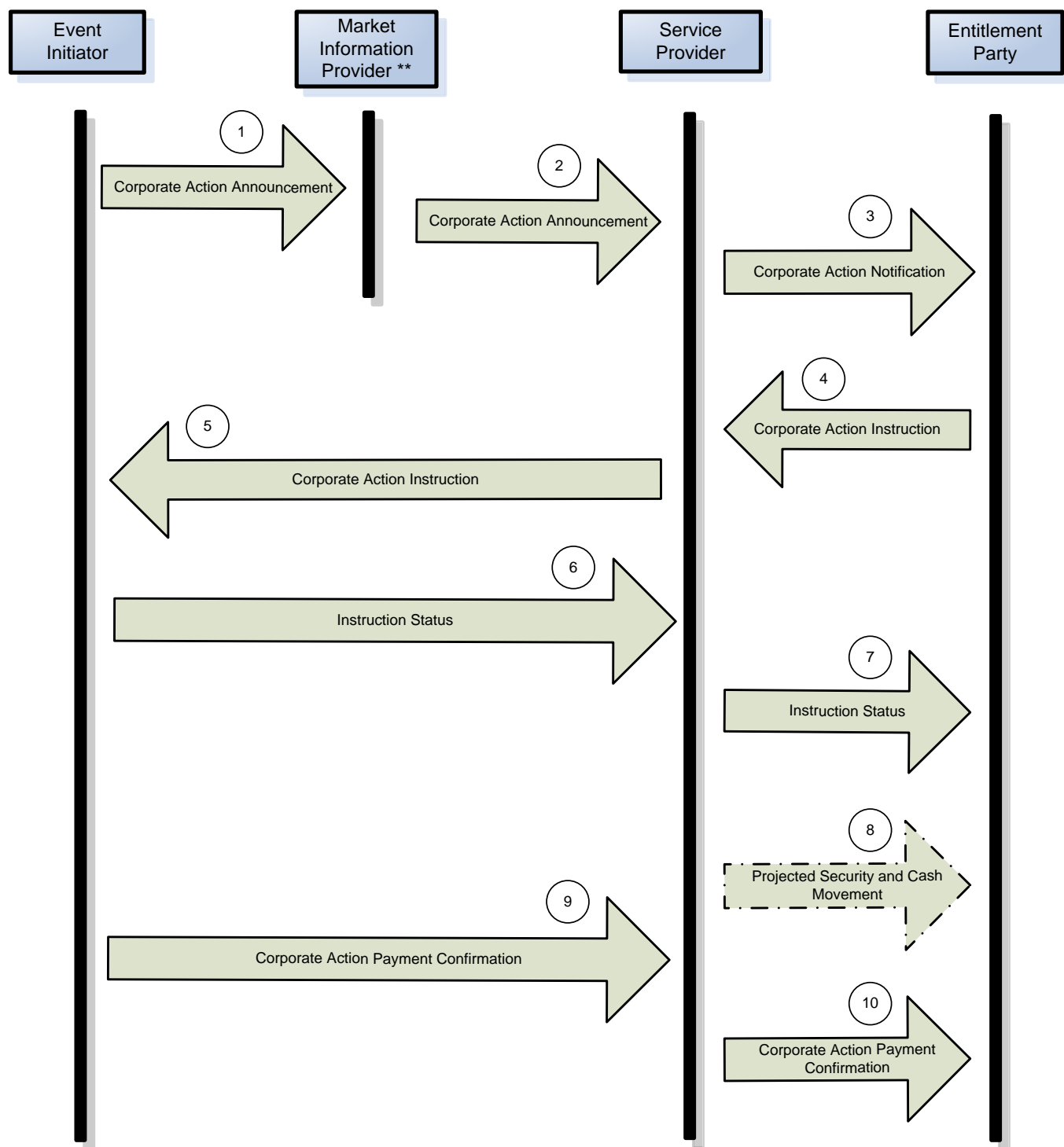
The Sequence Diagram describes the high-level communication flow between the Roles and Actors that support the Corporate Action Business Process.

In **green**: the main communication requirements for this process.

In **blue**: the surrounding communication requirements.

In **dotted line**, the optional/potential supporting communication requirements.





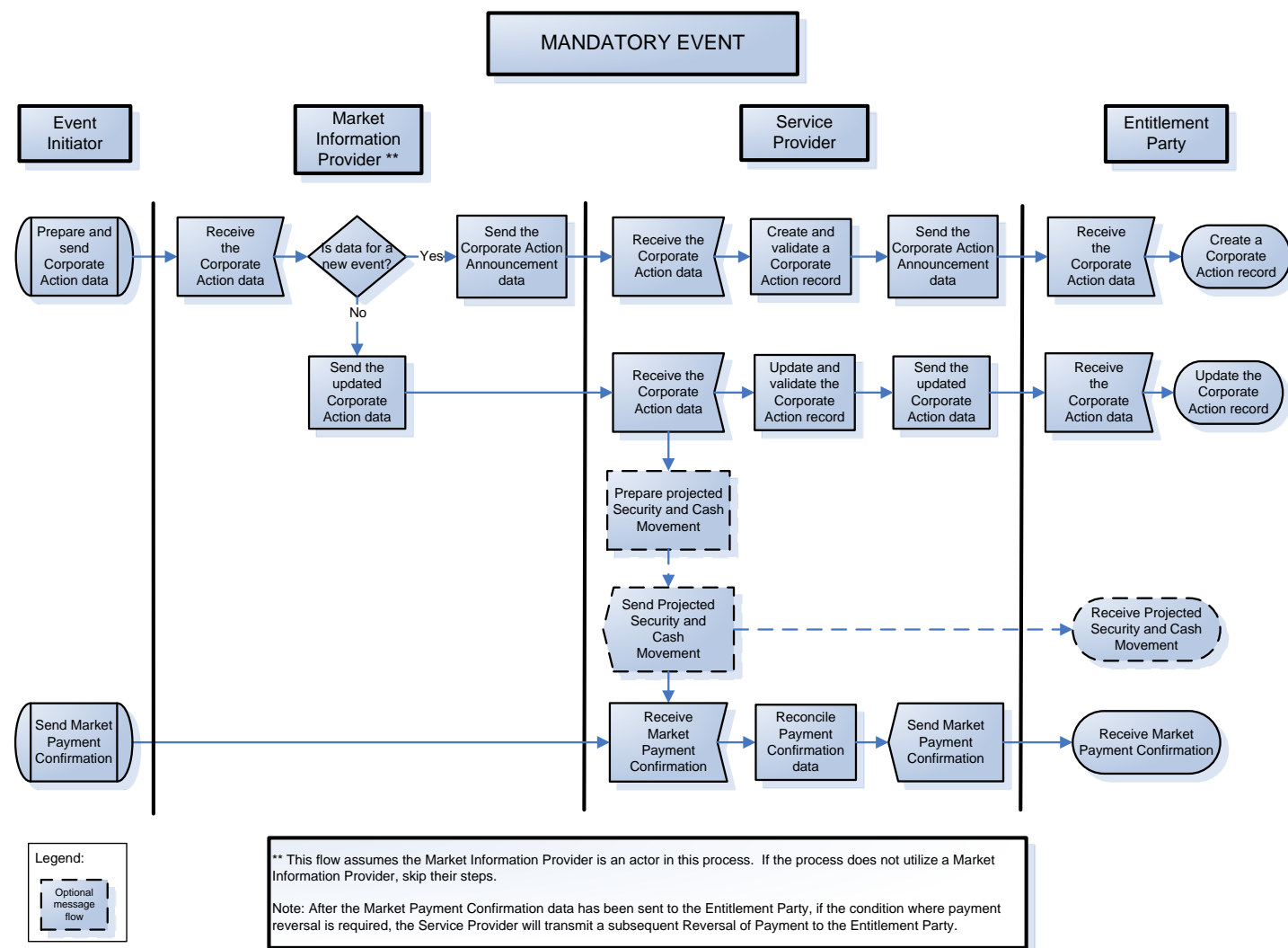
Legend:

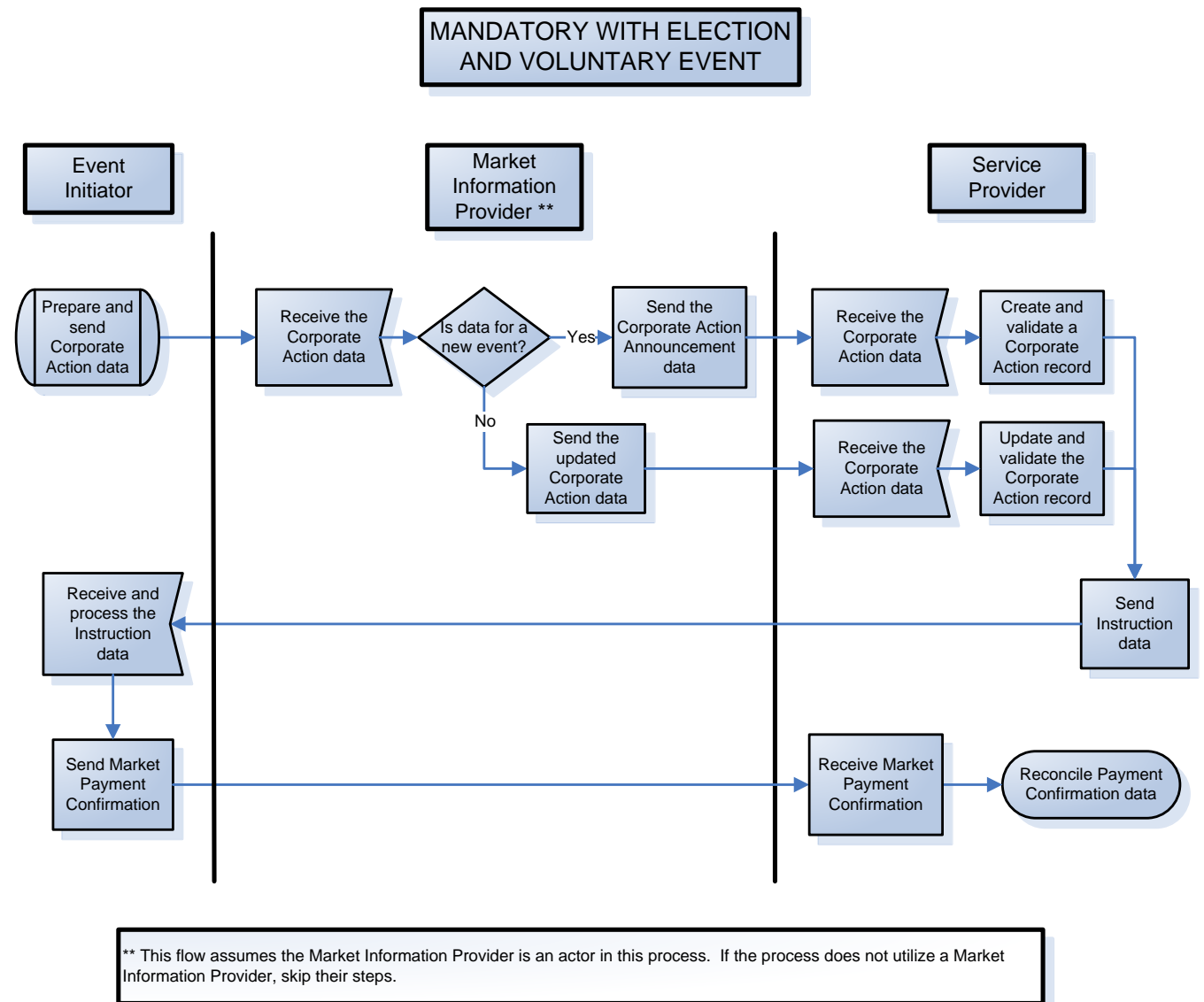


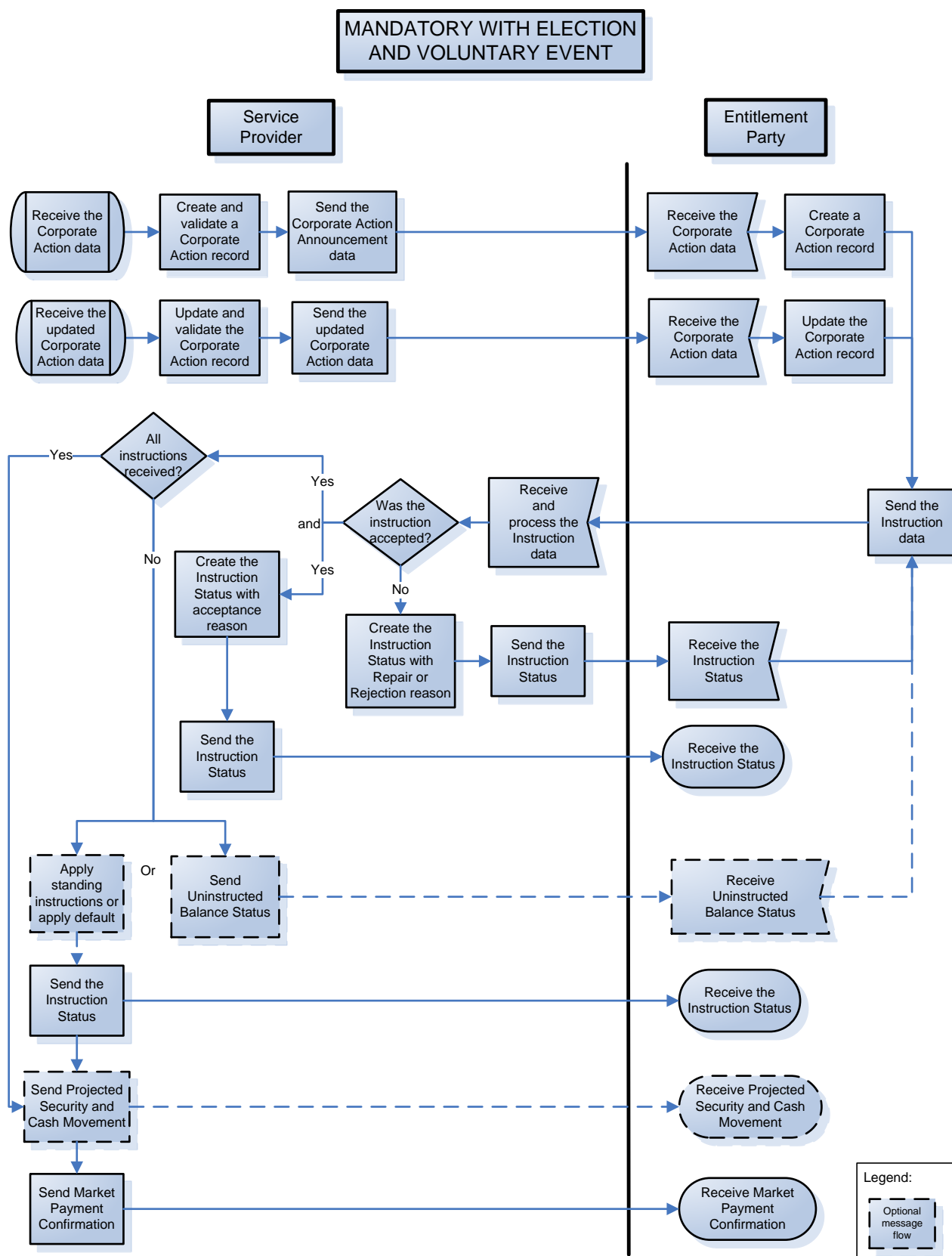
\*\* This flow assumes the Market Information Provider is an actor in this process. If the process does not utilize a Market Information Provider, skip their steps.

## 1.5 ACTIVITY DIAGRAMS

The Activity Diagram provides the detailed communication flow and is broken down by activities for Mandatory Events and activities for Mandatory with Election and Voluntary events.







## 2 Business Definition

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### 2.1 BUSINESS DATA REQUIREMENTS

The ISITC Corporate Actions Working Group fully endorses the SMPG Consolidated Event Interpretation Grid “EIG” for the placement and use of data elements. The EIG contains requirements for the events supported in each market, the relationship between the event type and the mandatory / voluntary indicator, the relationship between the event type and the applicable options associated with the event, as well as presence of rates, dates, periods, and prices that are critical for each event. The EIG also highlights the global standard and tracks exceptions where a market may deviate from the global standard. The EIG is posted on the SMPG website, [www.smpg.info](http://www.smpg.info), in Public Documents > 2. Corporate Actions > A. Final Global Documents > SMPG\_CA\_Global\_Market\_Practice\_Part\_2.

### 2.2 MARKET PRACTICE RULES

#### 2.2.1 Corporate Action Announcement

##### 2.2.1.1 Announcement Flow

US Market Practice supports the following announcement flow:

- A new announcement message is sent the first time the event is communicated to the Entitled Party.
- Replacement messages are sent throughout the lifecycle of the event as Corporate Action (CA) details are updated. Replacement messages must link back to the previously message sent. It is assumed that the account servicer will generate updated notices once the internal system(s) detects a change in the corporate action event information.
- Replacement messages for position changes are optional and determined by Service Level Agreements between the Service Provider and Entitled Party.
- Reminder messages are optional in the flow and are sent to inform the Entitled Party that all or a portion of their eligible balance is uninstructed.

- **Note:** ISITC submitted a proposal to move the Reminder of uninstructed positions from the Announcement flow to the Processing Status flow for Instructions. SMPG is in agreement with the concept; however official changes to the Announcement flow have not been accepted at this time.

- Withdrawal of Event versus Cancellation Request – Withdrawal of Event is used to notify the recipient that the offeror has withdrawn the event from the market. Cancellation Request is used to notify the recipient that the previous announcement message sent has been cancelled.
- Bulk (aggregate) messages can be used when reporting multiple accounts for the same event. Bulk messages will not contain resulting entitlements. These are optional in the flow and can be provided based on Service Level Agreements between the Service Provider and Entitled Party.
- Details that are relevant to the Event/Offer as a whole are to be reported at the Event Level (i.e. ex date, offer period).
- Details that are specific to an option or can vary by option are to be reported at the Option Level (i.e. option code, response deadline).

- Details that are specific to the outturn of the event/option are to be reported at the Movement Level, (i.e. share ratio, resulting entitlement, pay date).
- The default option is to be identified for Mandatory with Choice events. It represents the account servicer's default option that may not be the same as the Local Market Agent or Company's default.
- Optionally the service provider may provide information on cash in lieu servicing by the agent, beneficial holder round-up after a mandatory event has been processed or paid out.
- Additional Information - The market practice is to use structured fields to communicate notification details. Free format text is to only be used when a structured field does not exist.

#### **2.2.1.2 Official Corporate Event Reference ID**

DTCC is the official entity in the US market to establish the COAF for US events that are DTCC eligible. Effective November 2011, DTCC started communicating the COAF on ISO 20022 Corporate Action Notification (CANO) and Corporate Action Cancellation Advice (CANC) messages. In October 2010, the ISITC Corporate Action Working Group approved a COAF Recommendation Paper regarding guidelines for DTCC to follow when establishing the Event Reference ID for the US Market. Please refer to [www.isitc.org](http://www.isitc.org) for the document.

When the Official Corporate Action Event Reference ID is announced, it is expected that the ID be reported on all CA messages in the lifecycle of the event. Please refer to section [3.2.1.1 General Information](#) for further message details.

Guidelines:

- Multi listed securities – recommendation to have a unique COAF for each listing. Corporate Action details may differ across markets.
- Multi staged events – recommendation for each event to have a unique COAF. Recognize challenge whereby the Issuer will announce a Rights Issue consisting of a distribution of rights and exercise of rights. From a processing perspective these are two separate events.
- ISITC follows the SMPG guidelines for the COAF ([www.smpg.info](http://www.smpg.info) )

#### **2.2.1.3 Entitlement Process - This process will be defined in a future release.**

#### **2.2.1.4 Market Practice Guidelines for US Events**

The following section details Market Practice guidelines that apply to specific US Events.

##### **2.2.1.4.1 Rights Offers**

The US Market processes Rights Offers as two separate events. The two events must be linked to each other either using the Official Corporate Action ID or by linking the processing IDs to each other:

1. Rights Distribution as a mandatory event

## 2. Exercise of Rights as a voluntary event

### 2.2.1.4.2 Redemption Events

#### 2.2.1.4.2.1.1 Lottery

The US Market supports Lottery Events. Please refer to Appendix for [Guidelines for Lottery Event Processing](#) for the US Market including a sample message flow.

#### 2.2.1.4.2.2 Partial Defeasance and Partial Pre-refunding Redemption Events

Effective with SR2015, two Additional Business Process Codes FPRE (Full Prerefunding) and PPRE (Partial Prerefunding) have been introduced to differentiate events involving the Corporate Action Event type PDEF.

A PDEF event with the Additional Business Process indicator of FPRE indicates that the event is a Full Prerefunding. A Full Prerefunding Event by definition is *“The exercise of a privilege by the issuer to repay, in full, any debt security prior to maturity when the issuer deposits assets in trust. This irrevocably restricts their use to satisfaction of the debt”*. This event differs from a Partial Defeasance or a Partial Prerefunding which both use the PDEF CAEV code in that the event is being fully redeemed.

A PDEF event with the Additional Business Process Indicator of PPRE indicates that the event is a Partial Prerefunding. A Partial Prerefunding event by definition is *“the exercise of a privilege by the issuer to repay, in part, any debt security prior to maturity when the issuer deposits assets in trust. This irrevocably restricts their use to satisfaction of the debt. New securities are issued for the portion prerefunded and the portion which is non-refunded”*. This event will involve a lottery whereby the “affected” position will move to the new refunded CUSIP with an earlier maturity than the underlying CUSIP. The “unaffected” position will move to the non-refunded security and will maintain the same maturity date as the event security.

Please note that a PDEF event without the use of an Additional Business Process Indicator relates to a Partial Defeasance event. This event by definition is *“Issuer sets aside cash in escrow to pay off a portion of the issue before the maturity date. New securities are issued for the portion defeased and portion non-defeased. Similar to a Partial Prerefunding, the event involves a lottery and moves affected position to two new CUSIPS for the Defeased and Non-Defeased balances.*

#### 2.2.1.4.2.3 New Security Issuance Indicator field usage for Partial Prerefunding and Partial Defeasance Events

#### **New Security Issuance Indicator for Partial Defeasance and Partial Prerefunding Events**

Effective With SR2015, two codes have been introduced within the New Securities Issuance Indicator field within the Securities Movement Section of the CANO and CAPA (MT564) and CACO (MT566): REFU (Refunded) and NREF (Non-refunded). These indicators are to be used with the event type PDEF for Partial Prerefunding events. Based on lottery results, positions for a Partial Prerefunding event are moved to two new securities and thus use the New Securities Issuance Indicator.

Called position from the lottery are moved to a Refunded CUSIP with an earlier maturity date than the Underlying Security. The new security will have a New Security Issuance indicator of REFU.

Position unaffected by the lottery will be moved to a Non-refunded CUSIP with the same maturity date as the underlying CUSIP. The new security will have a New Security Issuance Indicator of NREF.

Effective with SR2014, the New Security Issuance indicator field will be utilized for Partial Defeasance Events to differentiate the new securities which are being issued. A Partial Defeasance event is where the issuer sets aside cash in escrow to pay off a portion of the issue before the maturity date. The event CUSIP will be debited and two new securities will be issued, one for the defeased CUSIP which will use the New Securities Issuance Indicator Code DEFE. The non-defeased CUSIP will use the NDEF value.

#### **2.2.1.4.2.4 Principal with Interest Payments**

Principal with Interest Payments apply to mortgage backed securities where a portion of the principal payment is decreased "pay down" or increased "pay up" in addition to an interest payment. The nominal value of the instrument is not affected by the pay down or pay up of principal.

- Factors are used to calculate the value of the outstanding principal of the instrument.

In 2011, the market practice for announcing these events has been changed to a two event model. This change will be effective with the implementation of the DTCC Reengineering initiative.

1. Principal "pay down" or "pay up" will be announced as ISO Corporate Action Event code PRED – Partial Redemption without the reduction of nominal value.
2. Interest will be announced as ISO Corporate Action Event code INTR - Interest Payment

The US market follows the SMPG recommendation for Redemption events. Please refer to the Redemption Matrix included in the Global Market Practice Part II document posted on [www.smpg.info](http://www.smpg.info).

#### **2.2.1.4.2.5 Return of Capital**

The US market supports both Return of Capital events (Event Code CAPD) and Capital Gains Distribution events (Event Code CAPG). There are scenarios where multiple payments are distributed within a single event. In this case, the multiple payments are announced as one event (i.e. short term capital gain, long term capital gain, etc.). When a dividend is announced with a capital gains distribution, the dividend is considered a separate event.



#### 2.2.1.4.2.6 Bankruptcy

There are generally three stages to Bankruptcies in the US. Each stage is considered a distinct and separate event. They are described as follows:

- **Stage One** – Initial Bankruptcy Filing. This is a mandatory event for informational purposes. Event type (BRUP/MAND)
- **Stage Two** – Vote on Bankruptcy (Proxy) or Vote Plan of Reorganization. This is a voluntary event where the distribution of cash and/or securities and the plan is to be approved or not approved by shareholders. Event Type (BRUP/VOLU)
- **Stage Three** – Potential mandatory distribution(s) of cash and/or securities based on the outcome of the bankruptcy.

#### 2.2.1.4.3 Name Changes

In the US Market a Name Change can result in one of the following:

1. New resulting Security ID (CUSIP) and maintain original name of security
2. Maintain Security ID (CUSIP) and new security name
3. New resulting Security ID (CUSIP) and new security name

Corporate Action Notification message will be sent to announce the name change regardless of the result. The appropriate Corporate Action Event Indicator and Change Type Indicator will be supported.

Corporate Action Confirmation messages will be sent when there are security movements resulting from the event (for scenario 1 and 3 above).

#### 2.2.1.4.4 Tender and Exchange Offers with multiple cash movements

Some Tender and Exchange Offers on fixed income securities or debt instruments can have multiple cash movements/payouts for one or more options. The different cash movements represent the following payouts; principal amount (may be above par), consent fee, early participation fee and accrued interest. This also is consistent with how the payments will be made. In these scenarios, there will be one option with multiple cash movements on the message.

For example, Option for Cash (CAOP//CASH) with the following movements:

- one cash movement for the principal payment (including premium above par)
- one cash movement for the consent fee
- one cash movement for the accrued interest

#### 2.2.1.4.4.1 Dutch Auction

A US Dutch Auction is an action by a party wishing to acquire a security. Holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.

Dutch Auctions typically have a maximum and minimum price range at which holders are allowed to tender their shares. This is declared using the Minimum Price (MINP) and Maximum Price (MAXP) price and bid interval (BIDI). For example, Minimum Price of \$10 and Max Price of \$25 with a Bid Interval of \$5. Effective for SR2021, these fields are available in Sequence D or Sequence E with a network validation rule that they cannot appear in both levels. US market practice is wherever possible to output at sequence E because there could be different option ranges (Min, Max) or intervals for a given event.

Also introduced for SR2021 is the concept of Bid Range Type. There are three potential values: Divisible (DIVI), In Multiple (MULT) and Incremental (INCR).

Divisible means that all values including the Min or Max price are divisible by the Bid Interval.

e.g. • Minimum Bid Accepted is \$10.30, Maximum Bid Accepted is \$11.20 and the Bid Interval 0.10.  
☐ \$10.30 ☐ \$10.40 ☐ \$10.50 ☐ \$10.60 ☐ \$10.70 ☐ \$10.80 ☐ \$10.90 ☐ \$11.00 ☐ \$11.10 ☐ \$11.20

Multiples means that the Minimum or maximum price is not divisible by the bid interval but successive values are in multiples of the bid interval.

e.g. Minimum Bid Accepted is \$10.32, Maximum Bid Accepted is \$10.92 and the Bid Interval \$0.10  
☐ \$10.32 ☐ \$10.40 ☐ \$10.50 ☐ \$10.60 ☐ \$10.70 ☐ \$10.80 ☐ \$10.90 ☐ \$10.92

Lastly, Increments means that the bid range values are in increments from the minimum to the maximum price, but no values are divisible by the Bid Interval.

e.g. Minimum Bid Accepted is \$34.15, Maximum Bid Accepted is \$35.05 and the Bid Interval = \$0.10.  
☐ \$34.15 ☐ \$34.25 ☐ \$34.35 ☐ \$34.45 ☐ \$34.55 ☐ \$34.65 ☐ \$34.75 ☐ \$34.85 ☐ \$34.95 ☐ \$35.05

For complex Dutch Auction or Bid Tender events, two new fields were introduced First Bid Increment and Last Bid Increment in SR2022. This would be the first Bid Price after the Minimum or before the maximum price. These were specifically introduced to handle the case when there are irregular bid ranges. For example, Min Price 10.22, Max Price 10.62 with Bid Interval 0.10. The First Bid Increment could be 10.30 and the last Bid Increment could be 10.60. This eliminates the uncertainty of whether the first price should be 10.30 or 10.32 or whether the Last bid increment is 10.60 or 10.62

The concept of Bid Range type and First and Last Bid increment type are recommended to help reduce the possibility of a rejected instruction due to a bad bid price.

Within a Dutch Auction event, for some bonds there is a different concept using basis points. Dutch Auctions on bonds have a minimum and maximum basis points spread (also known as a Bid Spread Range), for example from 75 to 115. A basis point refers to 1/100th of a percent. Elections are submitted using basis points in the bid spread range. When announcing the event using basis points, the election responses are required to be submitted using basis points.

Effective with SR2014, a new format option of 92P for Bid Interval Rate (BIDI), and 90L for Minimum Price (MINP), Maximum Price (MAXP), and Generic Cash Price Received per Product (OFFR) were introduced to communicate the applicable details in the basis points format starting with the announcement and throughout the event lifecycle. Prior to this change, these details would appear in narrative text thereby impacting STP and introducing risk of misinterpretation. Please refer to Appendix for [Guidelines for Dutch Auction Event Processing](#) for the US Market including a sample message flow.

#### **2.2.1.4.5 Automatic Dividend Reinvestments on Unit Investment Trusts (UIT)**

Some Unit Investment Trust instruments automatically reinvest principal and interest proceeds. The market practice is to announce this as a mandatory event under the Dividend Reinvestment event code (CAEV//DRIP with CAMV//MAND). This one event will contain both the principal and interest portions of the reinvestment.

For example, Option for Securities (CAOP//SECU) with two movements:

- one securities movement for the interest portion being reinvested
- one securities movement for the principal portion being reinvested

Other Unit Investment Trust instruments do not offer a reinvestment feature. Dividends on these securities follow the Mandatory Dividend with Cash structure (CAEV//DVCA with CAMV//MAND).

#### **2.2.1.4.6 Cash Dividend Distribution with an Automatic Reinvestment (Opt-out)**

Certain securities (e.g. closed-end funds) announce cash dividend events where the CSD facilitates an automatic reinvestment of the dividend into additional shares of the fund.

The market practice is to announce these events as Cash Dividends with an option (CAEV//DVCA with CAMV//CHOS). The default option is SECU. An instruction is required to opt-out of the default option for the event (i.e. to receive something other than SECU).

#### **2.2.1.4.7 Cash Dividend Distribution with Option to Elect into a DRIP Program**

According to the Issuer, the events that are DRIP eligible in the US market are:  
Cash Dividend (DVCA / CHOS)

Capital Gains Distribution (CAPG / CHOS)

Return of Capital (CAPD / CHOS)

Interest Payment (INTR / CHOS)

Partial Redemption (PRED / CHOS)

These events are announced with an option to reinvest. The default option is CASH. DTC in concert with the securities agent/issuer, offers an elective reinvestment program to reinvest the cash into securities.

Effective with SR2014, to support US market practice, a reinvestment indicator was added to help distinguish these Dividend Distribution DVCA events from regular cash dividends, currency options, and true optional dividends. The new Reinvestment Indicator REIN is available in Seq D Tag 22F DIVI//REIN. The REIN Indicator will allow the receiver of the corporate action announcement to identify that a reinvestment feature exists for the distribution. A security option (SECU) will be present in addition to the CASH option. This also applies to Capital Gains, Interest, etc. (any distribution event that has a reinvestment feature).

Effective with SR2016, a new code for Special Dividend with Reinvestment code has been added to identify the case where there is a special dividend with a reinvestment feature. The new code is available in Seq D Tag 22F DIVI//SPRE.

#### **2.2.1.4.8 Dividend with Options**

These events are dividends with two or more options related to the form of entitlement (CAEV//DVOP with CAMV//CHOS) – options may be for either CASH or SECU; and there may be multiple CASH or SECU options. These events do not indicate a reinvestment through the Action Level indicator. The default option is defined for each event.

#### **2.2.1.4.9 Cash Distribution from Sale of Non-Eligible Securities**

Effective with SR2012, a new event code, DRCA was added to appropriately announce a cash distribution from the sale of non-eligible securities (generally on ADRs). Prior to this new event code, these events were being announced as dividends or other events.

ADRs are negotiable certificate issued by a US bank representing a specified number of shares in a foreign stock that is traded on a US exchange. ADRs are denominated in US dollars with the underlying security held by a US financial institution overseas.

The holder(s) of the ADRs may still be entitled to the corporate action proceeds or privileges that may occur on the underlying foreign stock. The corporate actions that take place on the foreign stocks may directly translate to the ADR holders, be translated into another corporate action, or have no direct effect on the ADRs.

One example of a corporate action on the underlying foreign stock translating into another corporate action is a Rights Issuance to shareholders.

- Rights issuances give the stockholders an additional security that entitles them to purchase new shares issued by the corporation at a predetermined price.
- ADR holders may not be entitled to the rights issued but may still receive proceeds on the sale of the rights in a foreign market by the ADR issuer.
- One reason the ADR holders may not be entitled is if the Rights were not registered under the United States Securities Act of 1933, therefore we were not permitted to pass the Rights on to the holders of Depositary Receipts ("DRs").
- The ADR issuer then distributes the proceeds from the sale of Rights issued to the ADR holders and the ADR holders never receive the Rights securities. Additional fees may accompany each transaction.
- On the sale of rights corporate action ADR fees are generally included. There is also the potential for withholding tax being withheld from these proceeds.

#### **2.2.1.4.10 Class Actions**

In the US Market Class actions can be announced as Mandatory or Choice events. When it is mandatory event it is for informational purposes only.

In 2009, the ISITC Corporate Actions Working Group (CA WG) formed a Class Action Sub Group to establish market practice - classification of event and options associated with Class Actions.

#### **2.2.1.4.11 Proxy**

This document does not address Proxy Voting. A separate suite of proxy messages are approved and available in the ISO 20022 format.

#### **2.2.1.4.12 Tax on Share Distributions**

Taxability on share distributions needs to be communicated at two points within the lifecycle of the event:

1. At the time of the announcement
2. At the point of payment

Taxability on shares can be categorized under a few processes:

- Non-taxable distribution of shares
- Taxable distribution of shares - share ratio reflects net amounts (after tax)

- Taxable distribution of shares - withholding tax paid at point of distribution by paying cash
- Taxable distribution of shares - withholding tax paid in the future by paying cash
- Taxable distribution of shares - withholding tax obligation covered through second corporate event (i.e. cash dividends)

Non-taxable distributions typically do not mention any tax obligation and it's assumed the share distribution is non-taxable. For taxable distributions, the announcements should highlight that tax will be applied.

There are a few different scenarios:

1. If tax is to be withheld at the point of distribution –
  - a. The announcement message could quote a cash debit to highlight a tax obligation that will need to be paid by holders at the point of distribution. Including the cost debit date will also allow clarity around the timing of the debit, further enhancing shareholders ability to manage their cash flows. There is limited detail available within the cash movement to highlight how the value was calculated, as such; the share movement would still need to be leveraged. Also, utilizing a cash debit would allow the flexibility of communicating payable dates that are different from the credit date of the share distribution.
2. If tax obligation is deducted from the share distribution –
  - a. Resulting in share distribution at a net rate versus gross rate. The message could highlight the tax obligation within the share movement and not include a cash debit.
3. If tax obligation is deducted from another event's proceeds (i.e. cash dividend) –
  - a. The message will highlight that the event is taxable; however, the tax will be covered through the second event.

#### **2.2.1.4.12.1 Withholding Rates & Exemption Types**

Transactions that involve multiple FATCA and NRA withholding tax types are on income paid on corporate action events. Tax withholding that is applied is dependent on various upstream decision factors such as income qualification (type of income), source of income (country), type of client (entity), residency of Beneficial Owner etc., and type of tax appropriate for the distribution considering various decision factors.

For example:

- US Source Income –with majority being announced in US, however can apply to non US Markets
- Dividend Distribution
- Non US intermediary

US Withholding Agents and non US Foreign Financial Institutions must apply the applicable tax: either NRA or FATCA, depending on the type of certification and documentation the non US intermediary client has provided.

A 30% tax rate is the applicable for FATCA, however it can also be the applicable NRA tax rate. When the tax is applied, communicating to the investor the type of tax that will be applied important for payment transparency and can provide for further STP in the payment lifecycle. If there is no tax applied, the investor can recognize the exemption via exemption codes that IRS has specified for FATCA or NRA.

Effective with SR2014, new Withholding Type Codes were added to comply with FATCA regulations to identify the reason for the withholding and to provide transparency to identify the type of withholding tax being applied: FATCA, NRA, or Back-up Withholding as required in the market. Effective with SR2016, the US Market Practice is to use the following Withholding Type Codes:

- FATCA Withholding – FTCA  
92a::TAXR//FTCA/0,30
- NRA Withholding – NRAT  
92a::TAXR//NRAT/0,30
- Backup Withholding - BWIT  
92::TAXR//BWIT/0,28

In addition, with SR2016, the Exemption Type code ETYP/IRSX and Income Type Code ITYP/IRSX can be used in both the securities and cash movements, Subsequence E1 and E2, Tag 22F. The field is repeatable. In the case where there is no tax applied, ETYP is to be used to communicate the Exemption Type Code the IRS has specified for FATCA or NRA. Please refer to Appendix for the complete list of valid [Withholding Tax Exemption Type Codes](#) for the US Market.

#### **2.2.1.4.12.2 Issuer / Offeror Taxability Indicator**

Effective with SR2016, a new data type was introduced to the “Issuer / Offeror Taxability Indicator” data element to support the U.S. requirement to be able to characterize the taxability of events and the associated cash and share proceeds that are being paid.

The taxability of an event is sourced through the life cycle and is a necessary data element to complete end to end processing (announcement to payment). Although data elements are available to communicate the actual rates (example TAXC), this additional taxability indicator will enable to communicate the tax consequences. Tax information is sourced and announced by the issuers, depositories, and custodians.

This new indicator must allow users to reconcile tax consequences and the impact to expected corporate action proceeds earlier in the business process. This taxation may reduce the proceeds, result in a withholding tax obligation at the point of distribution, or highlight the eligibility for tax reclaim and reporting taxable proceeds.

Although most distributions are subject to tax, this new taxability indicator allows users to highlight there is a tax exceptions associated with the specific distribution. The taxability indicator is applicable to all corporate action events and all types of payments (cash and/or shares).

Unique payments (cash and/or shares) within a corporate event may have unique tax classifications. As each of these payments may or may not be subject to tax, the taxability indicator at the movement level allows for clarity per payment.

The implementation of this new taxability indicator in the ISO Standards led to the creation of an element with a code list limited to a single code (TXBL for "Taxable").

Please refer to the **SMPG Corporate Actions TXAP Taxability Codes Market Practice Usage Guide** for complete details.

#### 2.2.1.4.13 NIL Payment Processing

##### Definition of NIL Payment:

When a security is not going to make a scheduled payment, for example, when a market practice or requirement exists to report/announce a dividend on a regular basis and the company chooses not to pay the dividend for that period. NIL payment is considered a final status until advised otherwise.

##### Standards Definition / Usage of NILP:

MT564 CA Notification Message (MX equivalent 20022 CANO)

Seq E 92K::GRSS or INTP/NILP	Nil Payment - Rate will not be paid
Seq E2 92K::GRSS or INTP/NILP	Nil Payment - Rate will not be paid

Usage Rule - *Rate Type Code NILP (Nil Payment), available for use with rate qualifier GRSS (Gross Dividend Rate) and INTP (Interest Rate Used for Payment), can only be used with Corporate Action Event Types :22F::CAEV//DVCA (Cash Dividend) and :22F::CAEV//INTR (Interest Payment).*

Seq E1 90E::OFFR/NILP	Nil Payment - Price will not be paid
Seq E2 90E::OFFR/NILP	Nil Payment - Price will not be paid

##### Scenario for NIL Payment:

Scenario	Comment	Recommended Process Flow
1. Scheduled payment not received (no default notice)	Event is still valid in the market (previously announced/confirmed rate and pay date). The issuer or agent will not be making the scheduled payment and not considered to be in default.  Or, the company deferred the scheduled payment the next scheduled payment.	<ul style="list-style-type: none"> <li>Update CA Notification message with NILP to provide information that the payment will not be made.</li> <li>If Pre-advice message was sent, a cancelled pre-advice must be sent.</li> </ul>



**Scenarios when NIL Payment does not apply:**

Scenario	Comment	Recommended Process Flow
2. Floating Rate Notes / Variable Rate Bonds	The rate is not known until pay date or just after pay date.	<ul style="list-style-type: none"> <li>CA Notification messages sent with rate type code UKWN. When the rate is confirmed, update notification with the rate information.</li> <li>On pay date, send 567 Event Status Processing Advice - Please refer to Appendix for the complete list of valid <a href="#">MT567 Status and Reason Codes</a> for the US Market.</li> <li>MX CAPS message</li> </ul>
3. Event cancelled	Event has been cancelled or withdrawn in the market	<ul style="list-style-type: none"> <li>Updated CA Notification message sent - 564 WITH or CANC / CACN.</li> <li>If Pre-advice messages have been sent, no need to follow up with pre-advice cancel messages since the event has been cancelled.</li> </ul>
4. Default	Issuer or Agent determines (on, before or after pay date) that the bond is in default.	<ul style="list-style-type: none"> <li>CA Notification follows normal flow.</li> <li>Recommend 567 Event Status Processing Advice EVST - Please refer to Appendix for the complete list of valid <a href="#">MT567 Status and Reason Codes</a> for the US Market.</li> <li>MX CAPS message</li> <li>No announcements sent when the bond is in default. The initial payment not made is covered in 2 above.</li> </ul>
5. Delayed or Late period	The issuer is not making payment on the scheduled payment date.	<ul style="list-style-type: none"> <li>CA Notification would follow normal flow.</li> <li>Since pay date is unknown, may not be able to provide pre-advice messages.</li> <li>Once pay date is confirmed, updated CA Notification message would be sent and may trigger Pre-advice message.</li> <li>Recommend 567 Event Status Processing Advice EVST update for default - Please refer to Appendix for the complete list of valid <a href="#">MT567 Status and Reason Codes</a> for the US Market.</li> <li>MX CAPS message (unallocated)</li> </ul>

#### **2.2.1.4.14 Bulk Announcement**

The US Market supports Bulk (aggregate) messages.

- Bulking of notification messages is used when reporting multiple accounts for the same event for an account owner.
- The benefit of Bulk Announcements is to reduce the number of MT564 and MT568 messages received by the account owner.
- The account information can be repeated in bulk notification
- Bulk messages do not contain resulting entitlements.
- Bulk messages are optional in the flow and can be provided based on Service Level Agreements (SLA) between the service provider and account owner.
- Linking of bulk messages will follow the general linkage principals, please refer to section [3.2.2.2 Sub sequence A1 Linkage](#).
- Bulk notification messages do not contain entitlement information therefore, an SLA is needed to identify when the service provider will revert to individual messages once the entitlement stage has been reached for certain event types.
- For example, in the US market, DRAW events must revert to individual messages once the lottery stage or certificate based call has been determined since these messages will contain resulting entitlements.

#### **2.2.1.4.15 Guidelines for creating multiple notification messages**

It is sometimes necessary to create multiple MT564 messages and/or create multiple MT568 messages for a Corporate Action notification. This section details the guidelines/standards for creating multiple MT564 and MT568 messages for a notification and how to split the data amongst the messages.

Creating multiple messages within a notification is necessary when all the information for a notification causes the MT564 and/or MT568 message to exceed the message limitation of 10,000 bytes. The most common data scenarios that would necessitate the creation of additional MT564 and/or MT568 messages are:

1. A large amount of narrative text information.
2. A large number of Accounts reported on the notification (a Bulk Announcement).
3. A large number of Options for the event.
4. Any combination of the above.

It is recommended to use this logic to determine when to create additional messages and the data to appear on each message.

1. When an MT564 message exceeds the message size limit, the narrative text should be moved from the F sequence of the MT564 message to one or more MT568 messages. More than one

MT568 message may need to be created to communicate all the narrative text and keep the MT568 message(s) within the message size limit.

2. If the MT564 message still exceeds the message size limit, some account sequences should be moved to one or more additional MT564 messages. All other data within the MT564 message (i.e. Corporate Action data) should be the same in all MT564 messages created for this notification.
3. If the MT564 message has a single account sequence and still exceeds the message size limit, some option sequences should be moved to one or more additional MT564 messages. All other data within the MT564 message (i.e. Corporate Action data) should be the same in all MT564 messages created for this notification.
4. The Function of message (field 23G) should be the same in the MT564 and its associated MT568.

All messages created for a notification should follow the linking guidelines. Please refer to the [3.2.2.2 Sub sequence A1 Linkage](#) section for complete details.

#### **2.2.1.4.16 Best Practice for Communicating When an Offer Is Not Accepted or Prorated**

For the events where instructions are not accepted (Bid, Dutch Auction, etc.), Notification details must be updated with the results of the offer. Account Owners who did not have their instruction accepted, should receive an Instruction Status Message indicating their election is rejected.

For events that are subject to pro-ration, the account owner's original instruction is still valid, however, the resulting entitlement will be different. In this case, the Service Provider would update the Notification details with the pro-ration information. The instruction is not rejected.

#### **2.2.1.4.17 Additional Business Codes Partial Put Redemptions**

Effective with SR2015, the Additional Business Process Code PPUT (Partial Mandatory Put Redemption) has been introduced in order to differentiate BPUT (Put) Events in the US Market that involve a lottery. The Usage of the PPUT indicator along with the BPUT Corporate Action Event Type indicates that the event is a Partial Mandatory Put. Within this event, a lottery is used as an additional business process used to determine eligibility for the BPUT event. Once eligibility from the lottery is achieved, the Partial Mandatory Put event may or may not involve an option to retain the Underlying Security. For events without the option to retain, holders will be cashed out based upon their called position. For events with the option to retain, holders can elect to retain their underlying security or be cashed out.

#### **2.2.1.4.18 Shareholder Rights Directive Indicator**

Effective with SR2020, the Shareholder Rights Directive Indicator, SRDC, was introduced to indicate whether the event announcement was initiated by the first intermediary in the custody chain in accordance with SRD II. Refer to the [SMPG SRDII Global Market Practice](#) document for details of usage.

#### **2.2.1.4.19 Tax On Non-Distributed Proceeds Event and Indicator (TNDP)**

Effective with SR2020, new market practice principles have been created to provide guidance to process TNDP events. Refer to section 9.29 in the [SMPG Global Market Practice – Part 1](#) document for detailed information on this.

### **2.2.2 Corporate Action Confirmation of Payment**

#### **2.2.2.1 Payment Confirm Flow**

US Market Practice supports the following Confirmation of Payment flow:

- The Corporate Action Payment Confirm is sent by the Service Provider to the Entitled Party.
- One Payment Confirmation is sent per account for the share and/or cash outturn resulting from a specific option.
- Bulk Payment Confirmation is not supported.
- Multiple share and/or cash payments can be confirmed on one Payment Confirm message as long as they result from the same option and have the same posting date.
- Due to the timing of when payments are made, it is possible that more than one Payment Confirmation will be sent per account per option. *For example: in the case of an Exercise of Rights, the payment of cash must be made prior to the receipt of the securities. One Payment Confirm will be sent when cash is debited from the account and a second message will be sent when the securities are credited to the account.*
- Reversal Payment Confirm message must contain the same data as the original Payment Confirm. Only the posting date of the reversal will be different. Partial reversals are not allowed. The reversal must be for the total amount originally posted.
- Reversal Payment Confirm messages must link back to the original Payment Confirm message.
- Details that are relevant to the Event/Offer as a whole are to be reported at the Event Level (i.e. ex date, offer period). However, it is not required market practice to repeat all event details on the Payment Confirmation message as they are reported on the Announcement message.
- Details that are specific to the confirmation are to be reported at the Confirm Level (i.e. option number, option code). However, it is not required market practice to repeat all option details on the Payment Confirmation message as they are reported on the Announcement message.
- Details that are specific to the payment of shares and/or cash for an option are to be reported at the Movement Level (i.e. posting amounts, posting date, value date).
- Additional Information is not supported on the Payment Confirmation message as this will have an impact on STP.

### **2.2.3 Corporate Action Instruction**

#### **2.2.3.1 Instruction Flow**

US Market Practice supports the following Instruction flow:

- One Corporate Action Instruction message must be sent for each account, for each option of an action.
- Bulking of Corporate Action Instructions is not allowed.

- If it is necessary to amend a previously sent instruction (this includes changes in election or a decrease in the share position) it will be necessary to send a separate cancellation message on the instruction you wish to cancel and then a new message for the new instruction. Two Corporate Action Instruction messages are required, one to cancel and then another for the new instruction.
- Cancellation instructions must be a cancellation of the original instruction in its entirety, partial cancellations are not allowed.
- If it is necessary to instruct on an increased share position for a specific option then a new message will be required for the additional share amount.
- These guidelines do not incorporate usage of the Corporate Action Instruction message for NRA tax reporting.
- Instructions must be sent on or before account servicer's response deadline date and time.
- Effective with SR2016, two separate corporate action instruction messages must be sent for the exercise option and the oversubscribe option.
  - The standard no longer supports the submission of one corporate action instruction for the exercise option and oversubscription privilege
- Special requirements may apply when submitting oversubscription instructions. Refer to Appendix for additional details regarding oversubscription instructions.

### **2.2.3.2 Option Numbering – Clarify usage of CORP vs. COAF**

The ISITC CA WG is addressing the risk associated with Corporate Action option numbering. The option numbers reported on the MT564 Corporate Action Notification are not announced by the issuer and therefore represent service provider proprietary information. Account owners receive different option numbers across multiple providers for the same event.

To help mitigate the risk, the ISITC CA WG recommends for account owners to utilize information within the Instruction Sequence to distinguish options from one another. Therefore, the group recommends processing off of additional data elements within the instruction message to achieve STP. The presence of Option Number (CAON) is mandatory in the message; however in the case when an account owner does not support service provider proprietary information, it is acceptable to use "999."

In the case of events where the option codes are different, the option code is sufficient to match the option to achieve STP.

- For example: Optional Dividend the options are Cash (CASH) and Securities (SECU). The option number is not necessary to distinguish between the options, the option code accomplishes this.

In the case of events where the option codes are the same type, the account owner must provide the data elements that distinguish the different options. This will reduce the risk of misinterpreting instructions, clarify intent of the election, and increase STP with the service provider.

- For example: Cash Dividends with Currency Options there are multiple options for CASH (i.e. GBP, EUR, and USD). The currency of the option being selected is the distinguishing factor between the options and must be provided.

The Corporate Action Instruction message supports data elements for event and option identification to help facilitate STP. ISITC recommends criteria for instruction matching to identify the event and ensure uniqueness to the option being elected by the account owner.

### **2.2.3.2.1 Recommended matching criteria for instruction processing**

#### **Event Identification**

Mandatory fields:

1. Corporate Action Event Reference ID – COAF (when announced in market) or CORP (if have) or “Nonref”
2. Corporate Action Event Type Indicator CAEV
3. Account Number

The following additional data elements should also be used:

4. Security Identifier
5. Place of Listing
6. Account Number
7. BIC code of sender

#### **Option Identification**

Mandatory fields:

1. Option Number (CAON) or “999”
2. Option Code (CAOP)
3. Quantity of shares being elected on (QINS)

The following additional data elements are used to uniquely identify the option being elected when applicable based on the event details:

4. Currency Option (OPTN)
5. Resulting Security ID (ISIN)
6. Price (OFFR or PRPP)

#### **Further Identification**

Use Instruction Narrative (INST) for the cases where additional information is needed to provide uniqueness of an option, clarify intent of instruction, and uniquely identify the event. For example:

1. Market deadline date (to distinguish between options that have different deadlines)
2. Offeror Name (for competing offers)
3. Specified Price or Unspecified Price
4. Conditional or Unconditional
5. Cash Rate

The ISITC CA WG recognizes that the Instruction Message does not support all possible data elements to distinguish between options of the same type. However, the recommended approach accounts for a majority of the Instruction volume. The group is moving forward with requests for improvements to the ISO standard to support additional data elements that distinguish options to increase STP. These data elements exist on the Corporate Action Notification Message.

#### ***2.2.3.3 Best Practice for Cancel and New Instruction Processing***

Cancel and new instructions are communicated individually. Best practice is to send the cancel instruction before the new instruction and populate the linkage sequences. In situations where the expiration date of the offer is the same day that the account owner is communicating a cancel and new instruction, it is recommended that the account owner also follow up with the Service Provider directly.

#### ***2.2.4 Corporate Action Processing and Status Advice***

##### ***2.2.4.1 Status and Processing Advice Flow***

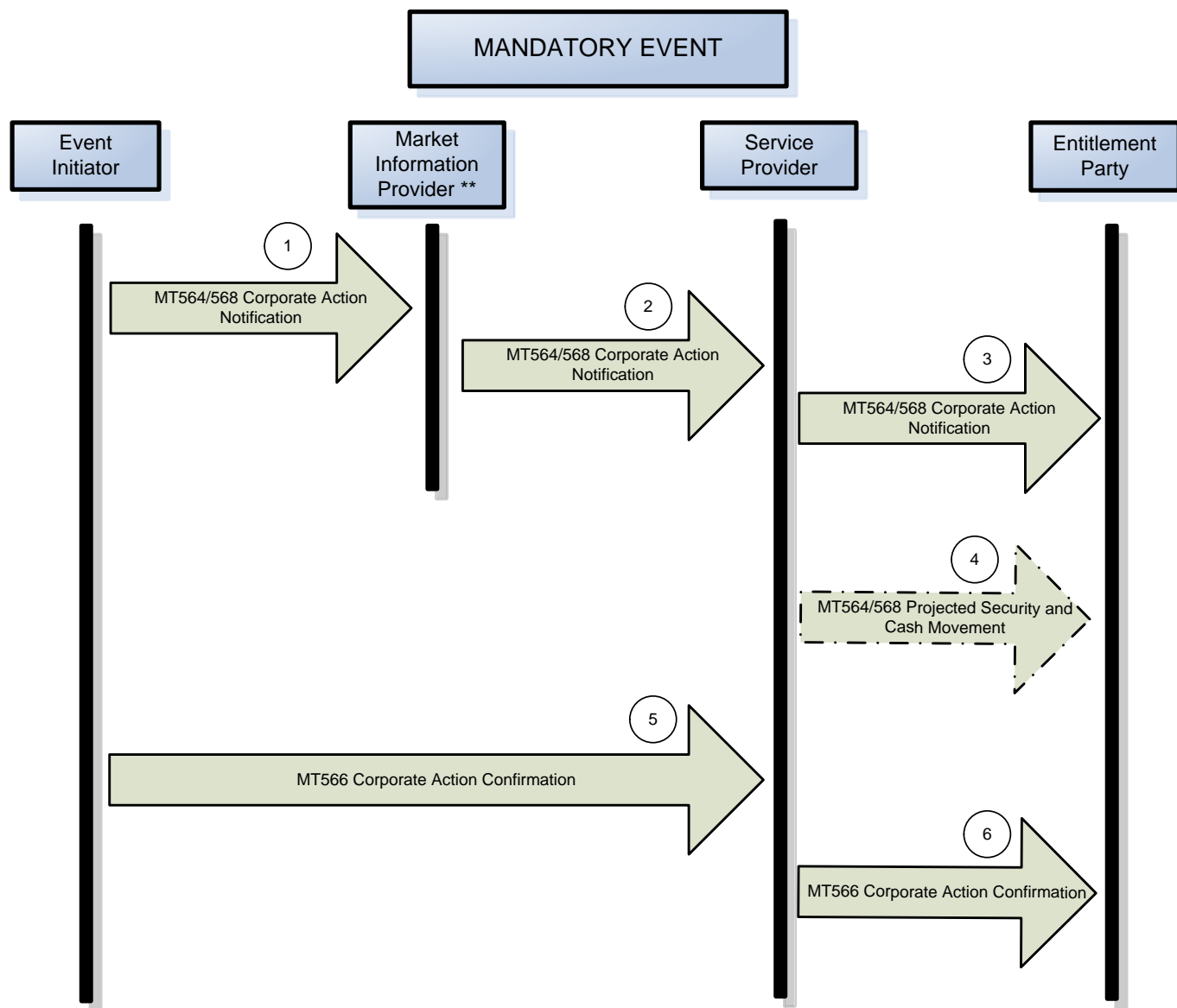
US Market Practice supports the following Status and Processing flow:

- One Corporate Action Instruction Status Advice must be sent for each Corporate Action Instruction received. Bulking of response status advice is not allowed.
- The only time a CA Instruction Status Advice will not be sent for a CA Instruction is in the case when the entire event is cancelled. When a CA Announcement for the Withdrawal of an event is sent, it is not necessary to also send CA Instruction Status Advice messages to confirm that instructions logged against the event are also cancelled.
- Multiple reason codes can be sent on a single CA Instruction Status Advice.
- The CA Instruction Status Advice should be used to confirm receipt of a CA Instruction. Account owners should accept the CA Instruction Status Advice as confirmation of their CA Instruction.
- The CA Instruction Status Advice should be sent to provide status of new instructions as well as cancel instructions.
- The CA Instruction Status Advice must be linked back to the CA Instruction. Multiple CA Instruction Status Advice messages reporting different status/reason codes can be sent for a single CA Instruction.

### 3 Appendix - ISO 15022 Message Formatting

#### 3.1 MESSAGE SEQUENCE DIAGRAMS

The Message Sequence Diagrams identifies the specific ISO 15022 Corporate Action Message Types that are used to support the business process.



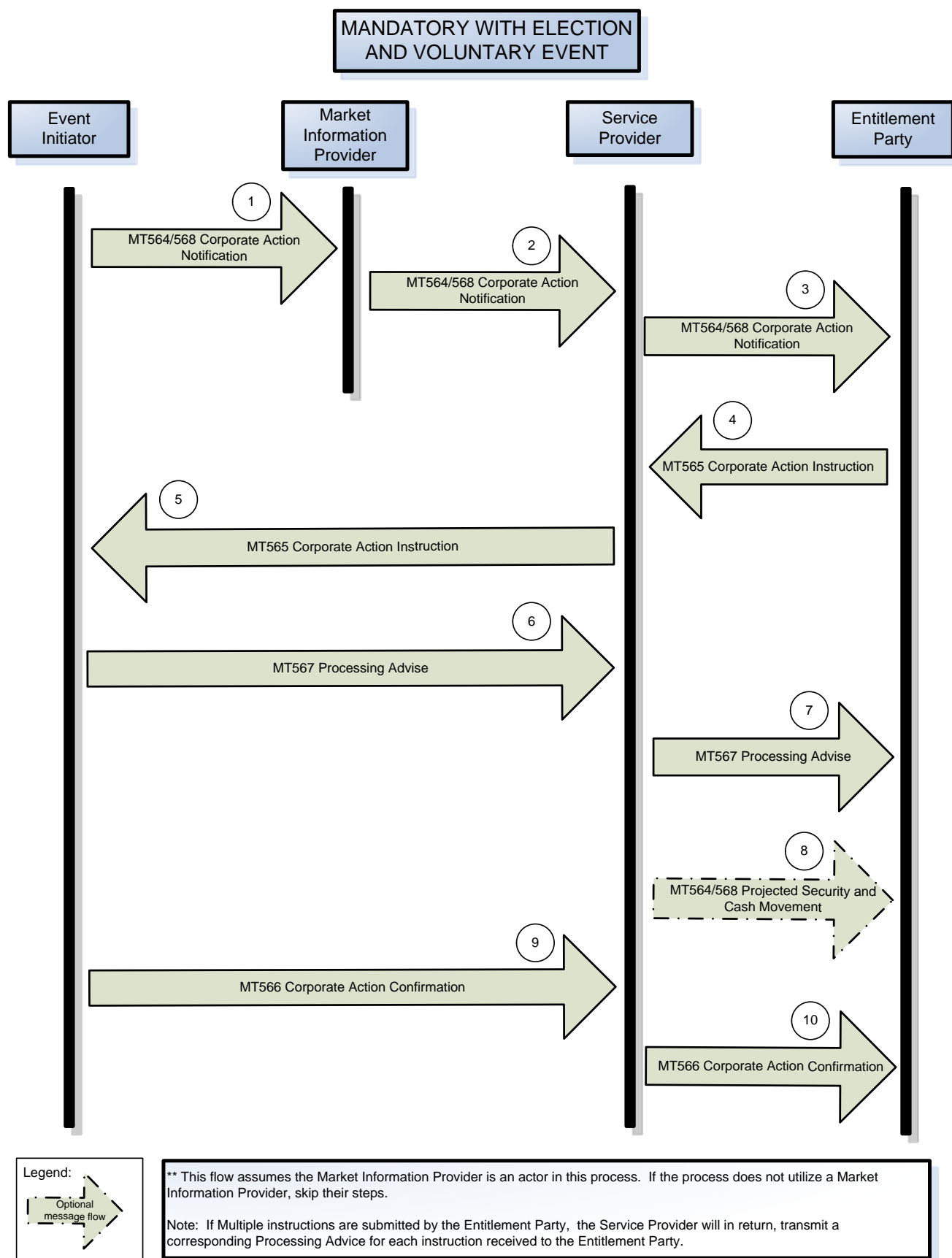
Legend:



\*\* This flow assumes the Market Information Provider is an actor in this process. If the process does not utilize a Market Information Provider, skip their steps.

Note: If the Event Initiator cancels the event after Preliminary MT564/568 Notices have been transmitted to the Entitlement Party but prior to the MT566 Confirmation stage (step 5), the Service Provider will send a MT564/568 Notice of Event Cancellation to the Entitlement Party.





## 3.2 MESSAGE USAGE RULES

This section details the message usage guidelines for formatting the following ISO 15022 Corporate Action Messages:

- MT564 Corporate Action Notification
- MT565 Corporate Action Instruction
- MT566 Corporate Action Confirmation
- MT567 Corporate Action Status and Processing Advice
- MT568 Corporate Action Narrative

The following generic data elements are used consistently across all CA 15022 messages (MT564, MT565, MT566, MT567, and MT568).

### 3.2.1 Generic Data Elements

#### 3.2.1.1 General Information

Tag	20C – Reference
Qualifier	CORP – Corporate Action Reference SEME – Senders Reference COAF – Official Corporate Action Event Reference
Tag Presence	Mandatory
Message Usage	<ul style="list-style-type: none"> <li>• CORP is created by the sender for each event (proprietary information), which means that an account owner may receive multiple CORP's for a single event.</li> <li>• COAF is the Official Corporate Action Event Reference ID assigned by a central body in each market. There can only be one COAF per event. When the COAF is announced, it will be reported on all messages throughout the lifecycle of an event.</li> <li>• SEME is the sender's reference number for the message.</li> </ul>

Tag	22F – Event Indicator
Qualifier	CAEV – CA Event Indicator
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>• For a complete list of US supported CA Events, please refer to the EIG (Event Interpretation Grid)</li> <li>• With SR2013, a new event type NOOF (Non-Official Offer) has been introduced. In the US market this should be used for Mini Tender Offers and Odd Lot Mini Tender Offers as the Odd Lot Mini Tender Offer Type (OFFE//MINI) has been removed from the standard effective with SR2014 .</li> </ul>

Tag	22F – Mandatory / Voluntary Indicator
Qualifier	CAMV//MAND – Mandatory Event Indicator CAMV//CHOS – Mandatory with Choice Indicator CAMV//VOLU – Voluntary Indicator
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Events are categorized by one of the three qualifiers above. Please refer to the EIG (Event Interpretation Grid) for classification by event type for the US.</li> </ul>

### 3.2.1.2 Underlying Securities

Tag	35B – Identification of the Financial Instrument
Qualifier	ISIN
Tag Presence	Mandatory
Message Usage	Recommended in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>ISIN is the recommended identifier per Global Market Practice.</li> <li>However CUSIP or SEDOL can be used based on market conventions.</li> <li>When proprietary Security Identifiers must be used, a description of the product should be added.</li> </ul>

Tag	94B – Place of Listing
Qualifier	PLIS - Identifies the place where the referenced financial instrument is listed.
Tag Presence	Optional
Message Usage	Recommended in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>To be used use in conjunction with Security Identifier to further identify multiple listed securities.</li> <li>The Place of Listing is to be identified by its Market Identifier code (MIC) <ul style="list-style-type: none"> <li>Example: To show place of listing on the New York Stock Exchange</li> <li>:94B::PLIS//EXCH/XNYS</li> </ul> </li> <li>The complete list of MIC codes can be found on <a href="http://www.iso.15022.org">www.iso.15022.org</a></li> </ul>

### 3.2.2 MT564 Corporate Action Announcement

This section details the message usage guidelines for formatting the MT564 message. Please refer to section [2.2.1](#) for specific Market Practice Rules.

MT 564 CA Notification		
Seq	Description	Status
A	General Information	Mandatory
A1	Linkages	Optional
B	Underlying Securities	Mandatory
B1	Financial Instrument Attributes	Optional
B2	Account Information	Mandatory
C	Intermediate Securities	Optional
D	Corporate Action Details	Optional
E	Corporate Action Options	Optional
E1	Security Movements	Optional
E1a	Financial Instrument Attributes	Optional
E2	Cash Movements	Optional
F	Additional Information	Optional

The table provides an overview of the MT564 structure

The table is for illustration and does not specify all repetitive sequencing or all Tags (e.g. Start/End of Block).

**3.2.2.1 Sequence A General Information**

Tag	23G – Function of Message
Qualifier	NEWM – New Message Event REPE – Eligible Balance Notification REPL – Replacement RMDR – Reminder WITH – Withdrawal CANC – Cancellation Request
Tag Presence	Mandatory
Message Usage	Usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>• Message must contain one of the above qualifiers.</li> <li>• REPE must be used when reporting resulting entitlements (Seq E1 and/or E2 present). Once an MT564 is sent utilizing the message function of REPE and subsequent changes are made to the event, if you continue to send resulting entitlement information, the message function REPE should be used.</li> <li>• REPL must be used when report changes in the terms of the event. Instructions received on voluntary or Mandatory with Options may or may not stand.</li> <li>• RMDR must only be used when advising of missing instructions. There should not be any changes to the terms of the event.</li> <li>• WITH must be used when a corporate action is withdrawn by the issuing party. All pending instructions associated with the CORP number will be cancelled.</li> <li>• CANC is used in multiple scenarios. 1) Cancel of event sent in error by Service Provider to account not eligible to participate, 2) Cancel of event by Service Provider due to processing error, or 3) Cancel of previously sent message.</li> </ul>

Tag	25D – Processing Status
Qualifier	PROC//PREC – Preliminary Announcement Confirmed PROC//PREU – Preliminary Announcement Unconfirmed PROC//COMP – Complete PROC//ENTL – With Entitlement PROC//INFO – For Info Only
Tag Presence	Mandatory
Message Usage	Usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>• Processing Status must contain one of the above qualifiers depending on the stage of event at the time the announcement is generated.</li> <li>• PROC//PREC is used when sending preliminary notifications where the information is confirmed. This should be sent when there is some information available but not enough for either the client to make an investment decision or understand when responses are required, etc.</li> <li>• PROC//PREU is used when send preliminary notifications where information is unconfirmed. This should be sent when there is some information available but not enough for either the client to make an investment decision or understand when responses are required, etc.</li> <li>• PROC//COMP is used for all other notifications types. A message should be considered complete if the sender has all of the information required to make an educated investment decision. When using PROC//COMP further updates to the event can be made.</li> <li>• PROC//ENTL must be used when the initial notice NEWM contains resulting entitlements.</li> <li>• PROC//INFO must be used when the announcement is for information purposes only.</li> </ul>

### 3.2.2.2 Sub sequence A1 Linkage

Tag	22F - Linkage Type Indicator
Qualifier	PREV – Previous Message Reference CORP – Related Message Reference RELA – Related Message Reference
Tag Presence	Mandatory
Message Usage	Recommended in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>• PREV is used to link a 564 to a previously sent 564 message, i.e. Replacement must include PREV link.</li> <li>• CORP is used to link multiple events together and used in forward linking when the message reference is not known.</li> <li>• Please see <a href="#">illustration</a> below regarding the usage of PREV and CORP.</li> </ul>

Tag	13A - Number Identification
Qualifier	LINK
Tag Presence	Optional
Message Usage	<ul style="list-style-type: none"> <li>Recommended to identify the Message Type to which the current message is linked.</li> <li>Please refer to the <a href="#">illustration</a> below.</li> </ul>

Tag:	20C - Reference
Qualifier	LINK//AFTE – After – to be processed after the linked message LINK//BEFO – Before – to be processed before the linked message LINK//WITH – With – to be processed with the linked message
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>Please see illustration below regarding the usage of AFTE, BEFO, WITH to clarify when to process the messages.</li> <li>Also used when linking multiple 564 messages sent in one transmission, i.e. Bulk Notifications.</li> </ul>

The linkage sequence MUST be present when transmitting multiple MT564/MT568 messages in order for the recipient to follow the messages in the chain.

The first message needs to contain linkage to identify that there are other messages following in the chain.

There are two options:

- Forward link to the next message in the chain by using  
 22F::LINK//WITH or AFTE (*depends on where the message is in the chain*)  
 13A::LINK//564 or 568 (*whichever applies*)  
 20C:: RELA//SEME of the next message to be processed with  
*Please note, the standards definition for RELA needs to be updated to support usage in the forward linking scenario. This is recognized as the only case ISITC would support RELA on the notification message.*
- If forward linking to the SESE of the next message in the chain is not technically possible then use  
 22F::LINK//WITH or AFTE (*depends on where the message is in the chain*)  
 13A::LINK//564 or 568 (*whichever applies*)  
 20C:: CORP//xxxx (*to let the recipient know that there are more messages to follow that need to be processed*)

For all subsequent messages in the chain, the linkage should always identify the messages that are to be processed together

- 22F::PREV//SEME of previous message in the chain
- Forward link to the next message if applicable

For Replacement (REPL) messages, the first MT564 will link back to the previous MT564 message sent

- 20C::PREV//SEME of previous MT564
- If multiple MT564 and MT568 messages are needed, the same rules as above apply

Cancellation messages would follow the same linkage flow, however, the function of the message would change to 23G::CANC for the MT564 and MT568.

### 3.2.2.2.1 Illustration of Linking Multiple Messages

MT	First Notification Issued	Revised Notification #1	Revised Notification #2
MT564 (a/c 1-4)	<p>20C::CORP//00RRB01234523659</p> <p>20C::SEME//2001090600000001</p> <p>23G::NEWM</p> <p>22F::LINK//WITH</p> <p>13A:: LINK//564</p> <p>20C::RELA//2001090600000005</p> <p>Example of "optional" forward linking – message is linking to the next message in the chain</p>	<p>20C::CORP//00RRB01234523659</p> <p>20C::SEME//2001090800000003</p> <p>23G::REPL</p> <p>22F::LINK//AFTE</p> <p>13A:: LINK//564</p> <p>20C::PREV//2001090600000005</p> <p>To identify the last previously sent 564 message</p> <p>22F::LINK//WITH</p> <p>13A:: LINK//564</p> <p>20C::RELA//2001090800000006</p> <p>Example of "optional" forward linking – message is linking to the next message in the chain</p>	<p>20C::CORP//00RRB01234523659</p> <p>20C::SEME//2001092300000003</p> <p>23G::REPL</p> <p>22F::LINK//AFTE</p> <p>13A:: LINK//564</p> <p>20C::PREV//2001090800000006</p> <p>To identify the last previously sent 564 message</p> <p>22F::LINK//WITH</p> <p>13A:: LINK//564</p> <p>20C::RELA//2001092300000008</p> <p>Example of "optional" forward linking – message is linking to the next message in the chain</p>



MT	First Notification Issued	Revised Notification #1	Revised Notification #2
MT564 (a/c 5-6)	20C::CORP//00RRB01234523659 20C::SEME//2001090600000005 23G::NEWM 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001090600000001 To identify the previous message sent in the chain 22F::LINK//WITH 13A:: LINK//568 20C::RELA//2001090600000012 Example of "optional" forward linking – message is linking to the next message in the chain	20C::CORP//00RRB01234523659 20C::SEME//2001090800000006 23G::REPL 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001090800000003 To identify the previous message sent in the chain 22F::LINK//WITH 13A:: LINK//568 20C::RELA//20010908000000123 Example of "optional" forward linking – message is linking to the next message in the chain	20C::CORP//00RRB01234523659 20C::SEME//2001092300000008 23G::REPL 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001092300000003 To identify the previous message sent in the chain 22F::LINK//WITH 13A:: LINK//568 20C::RELA//20010923000045689 Example of "optional" forward linking – message is linking to the next message in the chain
MT568 Message 1	20C::CORP//00RRB01234523659 20C::SEME//2001090600000012 23G::NEWM 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001090600000005 To identify the previous message sent in the chain 22F::LINK//WITH 13A::LINK//568 20C::RELA//2001090600000013	20C::CORP//00RRB01234523659 20C::SEME//20010908000000123 23G::REPL 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001090800000006 To identify the previous message sent in the chain 22F::LINK//WITH 13A::LINK//568 20C::RELA//20010906000000124	20C::CORP//00RRB01234523659 20C::SEME//20010923000045689 23G::REPL 22F::LINK//WITH 13A:: LINK//564 20C::PREV//2001092300000008 To identify the previous message sent in the chain 22F::LINK//WITH 13A::LINK//568 20C::RELA//20010923000045690
MT568 Message 2	20C::CORP//00RRB01234523659 20C::SEME//2001090600000013 23G::NEWM 22F::LINK//WITH 13A:: LINK//568 20C::PREV//2001090600000012 To identify the previous message sent in the chain	20C::CORP//00RRB01234523659 20C::SEME//20010906000000124 23G::REPL 22F::LINK//WITH 13A:: LINK//568 20C::PREV//20010906000000123 To identify the previous message sent in the chain	20C::CORP//00RRB01234523659 20C::SEME//20010923000045690 23G::REPL 22F::LINK//WITH 13A:: LINK//568 20C::PREV//20010923000045689 To identify the previous message sent in the chain

### 3.2.2.3 Sub sequence B1 Financial Instrument Attributes (FIA)

The F.I.A. subsequence refers to additional details related to the security itself and should **not** be used, except in the case where needed to provide factor information on mortgage backed securities.

Tag	92C - Rate
Qualifier	PRFC – Previous Factor NWFC – Next Factor
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>PRFC identifies the factor that was applied to the previous redemption/payment date.</li> <li>NWFC identifies the factor being applied to the next (current) redemption date.</li> </ul>

### 3.2.2.3.1 Illustration of Factor Reporting

Recommend the following usage for factor reporting using the MT564 messages:

SECURITY                    31341HCN3  
NUMBER:

SECURITY TYPE:        FREDDIE MAC

PREVIOUS FACTOR:    .00171928        Factor used to calculate the April 15<sup>th</sup> payment & May 15<sup>th</sup> payment

CURRENT FACTOR:    .00162643        Factor published on May 4<sup>th</sup> & used to calculate the May 15<sup>th</sup> payment

NEXT FACTOR:        .00153293        Factor published on May 4<sup>th</sup> & will be used to calculate the June 15<sup>th</sup> payment and may not be known at the time of the announcement

POSITION LEVEL:     .00009285        Is the difference between the previous factor (.00171928) and the current factor (.00162643) which will be used to determine the current payment for May 15<sup>th</sup>.

.00009285 is multiplied by the face value of the security to determine the May 15<sup>th</sup> payment. The client needs to know the previous factor (was used for April 15<sup>th</sup>) and current factor (which is being used for May 15<sup>th</sup>) to determine the rate used to calculate the May 15<sup>th</sup> payment. The current and next factor will be used in cash projection and for cash modeling purposes to determine the next payment on June 15<sup>th</sup>.

POOL LEVEL: The client will use the previous factor to determine what percentage of the loan has been paid off. If the security was 10 million when issued in the market and the client only purchased 1 million, the previous factor allows the client to calculate and determine what portion of the original pool has been paid. This allows the client to complete accruals and market analysis.

**Note:** In SR2006 Current Factor (CUFC) was removed from the message. The agreed upon method to report this is as noted below.

Based on the above illustration, the mapping of factor information is as follows:

- 92C:PRFC//0.00171928 (value of factor from previous payment)
- 92C::NWFC//0.00162643 (value of factor for current payment)

The standard does not support a value to represent current factor. Therefore, the market practice recommendation for the 564 Notification is to map the current factor value to the NWFC qualifier.

#### **3.2.2.4 Sequence B2 Account Information**

<b>Tag</b>	<b>97a - Account</b>
Qualifier	SAFE – Safekeeping Account
Tag Presence	Mandatory
Message Usage	<p>Recommended in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>• Safekeeping account must be provided.</li> <li>• In the case of Bulk Notices, the account information block can be repeated to reference all accounts holding the security undergoing the CA event. This is possible until reporting resulting entitlement, which then mandates one account per message.</li> <li>• In the case of a MT568 linked to a Bulk MT564, then SAFE//GENR must be used on the MT568.</li> </ul>

Tag:	93B – Balance
Qualifier	ELIG – Total Eligible for Corporate Action Balance SETT – Settlement Position Balance LOAN – On Loan Balance OBAL – Obligated Balance AFFB – Affected Balance UNAF – Unaffected Balance Please refer to SWIFT User Guide for additional Balance Codes
Tag Presence	Mandatory
Message Usage	Recommended in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>• At a minimum ELIG balance must be reported on the message.</li> <li>• For further details on reporting LOAN balances, please refer to Section <a href="#">3.3.8</a>.</li> <li>• AFFB is used to represent the called balance for Lottery Events.</li> <li>• UNAF is used to represent the uncalled balance for Lottery Events.</li> <li>• For further details on reporting balances for Lottery Events, please refer to Appendix for <a href="#">Guidelines for Lottery Event Processing</a>.</li> </ul>

There are two methods for reporting accounts on a Bulk Announcements. Both methods are acceptable and based on SLA between the service provider and account owner.

1. Use the Account Code for General – Announcement applies to all safekeeping accounts that own underlying financial instrument. Account information is not repeated.

16R::ACCTINFO

97C::GENR

16S::ACCTINFO

2. Repeat Subsequence B2 Account Info for each account including the eligible balance.

16R::ACCTINFO

97A::SAFE//12345

93B::ELIG//1000,

16S::ACCTINFO

16R::ACCTINFO

97A::SAFE//67890

93B::ELIG//2000,

16S::ACCTINFO

\*repeat sequence as many times as needed to report all accounts for a particular account owner

If there are new accounts that 'buy-in' to the security and are eligible for the action after the initial announcement message was sent, then the accounts can be included when sending the replacement bulk notification message.

When repeating the accounts, it is possible that message may go over the 10K size limit for the MT564. Multiple MT564 and/or MT568 messages may be needed to report all accounts, action details and narrative. In this case, the general linkage principals should be followed. Please see section [3.2.2.2](#).

### **3.2.2.5 Sequence C Intermediate Securities**

US Market Practice for Rights Issues is the use of two MT564 Notification messages; one for the distribution and one for the subscription. Therefore, Seq C should not be used.

### **3.2.2.6 Sequence D Corporate Action Details**

Data elements that apply to the event in general should appear in this sequence. This sequence should not include details that can vary by option. Data that is relative to that option or information that could differ between options should appear in Sequence E.

ISITC Market Practice follows the SMPG EIG Consolidated Matrix for placement of Rates (92a), Dates (98a), Periods (69a), and Prices (90a).

<b>Tag:</b>	<b>36B – Quantity of Financial Instrument</b>
Qualifier	BASE – Base Denomination INCR – Incremental Denomination
Tag Presence:	Optional
Message Usage:	Recommended ISITC Market Practice to support Lottery Events: <ul style="list-style-type: none"> <li>• Base Denomination represents the minimum integral amount of securities that each account owner must have remaining after the called amounts are applied</li> <li>• Incremental Denomination represents the amount used when the called amount is not met by running lottery with the base denomination.</li> <li>• For further details, please refer to Appendix for <a href="#">Guidelines for Lottery Event Processing</a>.</li> </ul>

Tag	22F – Indicator
Qualifier	RHDI – Intermediate Securities Indicator SELL – Renounceable Status of Entitlement Indicator OFFE – Offer Type Indicator CHAN – Change Type Indicator LOTO – Lottery Type DITY – Payment Type Indicator
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice for the following US events: <ul style="list-style-type: none"> <li>• Rights Issues reported as two events when CAEV//RHDI then the Rights Indicator RHDI//EXRI is required.</li> <li>• Renounceable Status of the Rights must be reported on Rights Issues; SELL//NREN for Non Renounceable and SELL//RENO for Renounceable.</li> <li>• Mini Tender offers are identified by their own event type CAEV//NOOF – Non Official Offer Event Code. The Odd Lot Mini Tender Offer Type (OFFE//MINI) has been removed from the standard effective with SR2014.</li> <li>• To represent Name Changes, use CHAN//NAME when event type is CAEV//CHAN</li> <li>• To identify Original Lottery, use LOTO//ORIG</li> <li>• To identify Supplemental Lottery, use LOTO//SUPP</li> <li>• LOTO - For further details on reporting Lottery Type, please refer to Appendix for <a href="#">Guidelines for Lottery Event Processing</a>.</li> <li>• To identify events which proceeds may be paid in multiple stages DITY//INTE – Interim or DITY//FINL – Final.</li> </ul>

Tag	92a - Rate Indicator
Qualifier	SHRT – Interest Shortfall RLOS – Realized Loss NFWC – Next Factor PRFC – Previous Factor
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>• SHRT – For structured security issues where there is a set schedule of principal and interest payments for the life of the issue. This is the difference between the actual rate of the capital or principal repayment and the scheduled capital repayment.</li> <li>• RLOS – For structured security issues where there is a set schedule of principal and interest payments for the life of the issue. This is the difference between the actual rate of the interest payment and the expected or scheduled rate of the interest payment.</li> <li>• PRFC identifies the factor that was applied to the previous redemption/payment date.</li> <li>• NFWC identifies the factor being applied to the next (current) redemption date.</li> <li>• NFWC and PRFC – Refer to usage rules and example provided for 92C in <a href="#">B1 Sequence</a></li> </ul>

### 3.2.2.7 Sequence E Corporate Action Options

Data elements that can differ between options should appear in this sequence. Data that is relative to that option or information that could differ between options should appear in Sequence E. Data elements that are relative to the security or cash movements should be placed in Sequence E1 and E2 respectively. If there is more than one security or cash outturn/payout, then E1 and/or E2 must be repeated.

ISITC Market Practice follows the SMPG EIG Consolidated Matrix for placement of Rates (92a), Dates (98a), Periods (69a), and Prices (90a).

Effective with SR2014, a new 98a qualifier for Stock Lending Deadline Date/Time was added to advise clients of the deadline to receive instructions for positions out on loan. ISITC is following the SMPG recommendation regarding the usage where the Stock Lending Deadline is only to be used for programs where the client is lending through their service provider.

Tag	22F - Indicator
Qualifier	CAOP – Corporate Action Option Code DISF – Disposition of Fractions OPTF – Option Feature Indicator OSTA – Option Status CETI – Certification Type Indicator
Tag Presence	Mandatory



Tag	22F - Indicator
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>• CAOP – Please refer EIG (Event Interpretation Grid) for the assignment of Option Codes most commonly used with each Corporate Action Event. <ul style="list-style-type: none"> <li>○ CAOP//PRUN – Unknown Proceeds <ul style="list-style-type: none"> <li>▪ To be used for elective events where the proceeds are not known during the election period. PRUN should be used throughout the full lifecycle of the event, i.e. even when the proceeds become known. When the details of the proceeds are announced, the appropriate movements (cash/share credit/debit) must be added to the notification message.</li> <li>▪ Please refer to SMPG guidelines for an illustration on the use of PRUN.</li> </ul> </li> <li>○ CAOP//DISF is used when the treatment of fractions is known.</li> </ul> </li> <li>• OPTF is used to indicate features of the option. <ul style="list-style-type: none"> <li>○ OPTF//COND and OPTF//OPLF are used on US events to identify features of the option</li> <li>○ *In future document updates, ISITC CA WG will look to expand the OPTF section to include other possible OPTF qualifiers such as AVSO &amp; NOSE *</li> </ul> </li> <li>• OSTA is used to indicate the status of an option. <ul style="list-style-type: none"> <li>○ OSTA//INTV – Option is inactive and can no longer be responded to i.e., expired option.</li> <li>○ OSTA//CANC – Option is not valid and has been cancelled by the market or Service Provider.</li> </ul> </li> <li>• CETI is used to notify the account owner when Beneficial Owner information is needed. The most common events in the US that CETI is applicable: Consent, Exchange, Bankruptcy, Dividends, and some Tender Offers. <ul style="list-style-type: none"> <li>○ CETI//FULL – Full Beneficial Owner Breakdown</li> <li>○ CETI//QIB – QIB Certification</li> <li>○ CETI//TRBD – Tax Rate Breakdown</li> <li>○ CETI//ACCI – Accredited Investor</li> <li>○ CETI//FRAC – Fractional Breakdown <ul style="list-style-type: none"> <li>▪ Note: Beneficial Holder round up - In the case of Reverse Splits or Stock Dividends where the resulting entitlement results in fractions, instructions can be solicited at the beneficial owner level. For this scenario, use Certification Breakdown Type Fraction Breakdown Indicator CETI//FRAC.</li> <li>▪ A second event may be announced as a processing only event (not a market event) to handle the instruction to round up at the beneficial owner level.</li> </ul> </li> </ul> </li> </ul>

Tag	17B - Flag
Qualifier	DFLT – Default Processing Flag WTHD – Withdrawal Allowed Flag CHAN – Change Allowed Flag
Tag Presence	Mandatory
Message Usage	Recommended in accordance with Global Market Practice <ul style="list-style-type: none"> <li>DFLT//Y is used to identify the option that will be selected by default if no instruction is provided by the account owner.</li> <li>For voluntary events, it is not mandatory to flag an option as the default, all options can be set to DFLT//N.</li> <li>The Use of the WTHD qualifier in field 17B set to "Y" means that a holder may withdraw their election either permanently: so that they can either: sell security, take no action and retain security, participate in another event or elect another option.</li> <li>Lack of a WTHD or setting it to "N" means there are no withdrawal rights. CHAN and WTHD would generally never be used together on the same option.</li> <li>The Use of the CHAN qualifier in field 17B set to "Y" means that a holder may change their election from one election to another within the offer but not permanently withdraw. They must remain elected in the event but may choose a different payout option.</li> </ul>

Tag	11A – Currency Option Indicator
Qualifier	OPTN – Currency Option
Tag Presence	Optional
Message Usage	Recommended in accordance with Global Market Practice <ul style="list-style-type: none"> <li>OPTN is recommended to identify the currency of option when there are multiple cash options.</li> </ul>

### 3.2.2.8 Sequence E1 Securities Movement

This sequence must be used to summarize the security entitlement to be received or security to be debited from a corporate action event.

The actual amount of shares to be credited/debited may or may not be provided and is dependent upon service provider to account owner, service level agreements. Data that is relative to calculating the entitlement and the date the shares will be credited/debited should appear in this sequence. If there is more than one resulting security entitlement E1 must be repeated. The Credit/Debit indicator (CRDB/XXX) is mandatory for crediting or debiting securities.

Tag	22H - Credit / Debit Indicator
Qualifier	CRDB//CRED – Credit Indicator CRDB//DEBT – Debit Indicator
Tag Presence	Mandatory

Message Usage	The usage is in accordance with Global Market Practice. Each security movement must indicate the resulting securities as a credit or a debit
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The details/content under this sequence will be:

:16R:SECMOVE (start of block) --- Mandatory  
 :22H::CRDB//CRED (Credit indicator) --- Mandatory  
 :35B:ISIN XXXX (identifier of the event security) --- Mandatory  
 :98B::PAYD//<UKWN> or <actual date> (Payable date) --- Mandatory  
 :16S:SECMOVE (end of block)

The details/content under this sequence will be:

:16R:SECMOVE (start of block) --- Mandatory  
 :22H::CRDB//DEBT (debit indicator) --- Mandatory  
 :35B:ISIN XXXX (identifier of the event security) --- Mandatory  
 :98B::PAYD//<UKWN> or <actual date> (Payable date) --- Mandatory  
 :16S:SECMOVE (end of block)

Tag	22H – New Securities Issuance Indicator
Qualifier	NSIS//DEFE – Defeased Security Indicator NSIS//NDEF – Non-Defeased Security Indicator NSIS//NREF – Non-Refunded Security Indicator NSIS//REFU – Refunded Security Indicator
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>• NSIS//DEFE – Indicates that funds have been placed in escrow by a trustee or agent to ensure payment on a portion of the outstanding balance of the original security on maturity date.</li> <li>• NSIS//NDEF – Indicates that funds will not be guaranteed at maturity by the issuer or paying agent for this newly issued non-defeased security.</li> <li>• NSIS//NREF– Indicates that new Security issued that has not been refunded and the maturity date of the original underlying security is unchanged. Applicable only in the frame of a partial defeasance corporate action event.</li> <li>• NSIS//REFU– Indicates that new security issued which has been refunded to an earlier maturity date. Applicable only in the frame of a partial defeasance corporate action event.</li> <li>• To be used when identifying if the new securities being issued are for the Defeased Security NSIS//DEFE, the Non Defeased Security NSIS//NDEF, the Refunded Security NSIS//REFU or the Non Refunded Security NSIS//NREF.</li> <li>• Please refer to Appendix for additional details regarding <a href="#">Market Practice Guidelines for Lottery Event Processing</a> for the US Market.</li> </ul>

Tag	35B – Identification of the Financial Instrument
Qualifier	ISIN - ISIN is the recommended identifier; however CUSIP or SEDOL can be used based on market conventions.
Tag Presence	Mandatory
Message Usage	<ul style="list-style-type: none"> <li>Represents the security identifier of the resulting security.</li> <li>If the terms of the offer indicate that a security is to be received but the security identifier has not yet been announced, the code word UKWN should be used to indicate that the security ID is not known at this time.</li> </ul>

### 3.2.2.9 Sequence E1a Financial Instrument Attributes (FIA)

As with Sequence B1, this sequence may provide additional information relative to the resulting security, however it should not be used to provide information relative to the option itself.

### 3.2.2.10 Sequence E2 Cash Movement

This sequence must be used to summarize the cash entitlement to be received or paid from a corporate action event. The actual cash amount to be credited/debited may or may not be provided and is dependent upon service provider to account owner, service level agreements. Data that is relative to calculating the resulting entitlement and the date the cash will be credited/debited should appear in this sequence. If there is more than one cash distribution, then E2 must be repeated.

### 3.2.2.11 Sequence F Additional Information

Tag	70E - Narrative
Qualifier	COMP – Information to be Complied with INCO – Information Conditions ADTX – Additional Text TXNR – Narrative Version PACO – Party Contact Narrative REGI – Registration Details TAXE – Taxation Conditions DISC – Disclaimer CETI – Certification/Breakdown Narrative
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>Any information that cannot be supported in a structured field should be mapped to the appropriate Narrative qualifier.</li> <li>This sequence should be repeated to reduce the need for generating a MT568 message.</li> </ul>

### 3.2.3 MT566 Corporate Action Confirmation of Payment

This section details the message usage guidelines for formatting the MT566 message. Please refer to section [2.2.2](#) for specific Market Practice Rules.

MT 566 CA Confirm of Payment		
Seq	Description	Status
A	General Information	Mandatory
A1	Linkages	Optional
B	Underlying Securities	Mandatory
B1	Financial Instrument Attributes	Optional
C	Corporate Action Details	Optional
D	Corporate Action Confirmation	Mandatory
D1	Security Movements	Optional
D1a	Financial Instrument Attributes	Optional
D1b	Receiver/Deliver	Optional
D2	Cash Movements	Optional
D2a	Cash Parties	Optional
D2b	Tax Voucher Details	Optional
E	Additional Information	Optional

The table provides an overview of the MT566 structure.

The table is for illustration and does not specify all repetitive sequencing or all Tags (e.g. Start/End of Block).

Tag	23G – Function of Message
Qualifier	NEWM – New Message REVR – Reverse
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>NEWM must be used when sending the confirmation of payment.</li> <li>REVR must be used to reverse the posting of a previously sent confirmation. The REVR must contain the same data as the original MT566 NEWM.</li> </ul>

**3.2.3.1 Sub sequence A1 Linkage**

Tag	20C – Reference
Qualifier	PREV – Previous Reference
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>PREV must be used to reference the SEME of the previous MT566 for the original payment on REVR messages.</li> </ul>

**3.2.3.2 Sequence B Underlying Securities**

Tag	93C – Balance
Qualifier	ELIG – Eligible Balance CONB – Confirmed Balance
Tag Presence	Optional/Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>The use of CONB is mandatory. Confirmed Balance represents the balance to which the payment applies.</li> <li>If CONB is equal to ELIG, then payment is full.</li> <li>If CONB is less than ELIG, then payment is partial.</li> <li>For to US Lottery events (DRAW), CONB will represent the quantity called for which the payment is based on (i.e., Affected Balance).</li> <li>For further details on reporting balances for Lottery Events, please refer to Appendix for <a href="#">Guidelines for Lottery Event Processing</a>.</li> <li>For voluntary events, CONB will represent the quantity instructed amount to which the payment applies.</li> </ul>

**3.2.3.3 Sub sequence B1 Financial Instrument Attributes**

The FIA subsequence refers to additional details related to the security itself and should only be used to provide factor information on mortgage backed securities.

Tag	92C – Rate
Qualifier	PRFC – Previous Factor NWFC – Next Factor
Tag Presence	Optional
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>PRFC identifies the factor that was applied to the previous redemption/payment date.</li> <li>NWFC identifies the factor being applied to the next (current) redemption date.</li> </ul>

### 3.2.3.4 Sequence C Corporate Action Details

Data that is relative to the event and needed for payment matching should be in Sequence C.

ISITC Market Practice follows the SMPG D vs. E Guidelines for placement of Rates (92a), Dates (98a), Periods (69a), and Prices (90a). The guideline also includes C vs. D for placement on the 566 message. Please see Appendix for placement guidelines.

### 3.2.3.5 Sequence D Corporate Action Confirmation

Data that is relative to the option that the payment and needed for payment matching should be in Sequence C.

ISITC Market Practice follows the SMPG EIG Consolidated Matrix for placement of Rates (92a), Dates (98a), Periods (69a), and Prices (90a).

Tag	13A – Option Number
Qualifier	CAON – Corporate Action Option Number
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Option Number should be consistent with option number used in MT564 Event Notification for the option that the payment is associated with.</li> </ul>

Tag	22a – Option Code
Qualifier	CAOP – Corporate Action Option Code
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Option Code should be consistent with the option code used in MT564 Event Notification for the option that the payment is associated with.</li> </ul>

### 3.2.3.6 Sequence D1 Securities Movement

This sequence must be used to summarize the security entitlement to be received or security to be debited from a corporate action event.

The actual amount of shares to be credited/debited may or may not be provided and is dependent upon service provider to account owner, service level agreements. Data that is relative to calculating the entitlement and the date the shares will be credited/debited should appear in this sequence. If there is more than one resulting security entitlement E1 must be repeated. The Credit/Debit indicator (CRDB/XXX) is mandatory for crediting or debiting securities.

Tag	22H - Credit / Debit Indicator
Qualifier	CRDB//CRED – Credit Indicator CRDB//DEBT – Debit Indicator
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. Each security movement must indicate the resulting securities as a credit or a debit

The details/content under this sequence will be:

:16R:SECMOVE (start of block) --- Mandatory  
 :22H::CRDB//CRED (Credit indicator) --- Mandatory  
 :35B:ISIN XXXX (identifier of the event security) --- Mandatory  
 :98B::PAYD//<UKWN> or <actual date> (Payable date) --- Mandatory  
 :16S:SECMOVE (end of block)

The details/content under this sequence will be:

:16R:SECMOVE (start of block) --- Mandatory  
 :22H::CRDB//DEBT (debit indicator) --- Mandatory  
 :35B:ISIN XXXX (identifier of the event security) --- Mandatory  
 :98B::PAYD//<UKWN> or <actual date> (Payable date) --- Mandatory  
 :16S:SECMOVE (end of block)

Tag	22H – Credit / Debit Indicator
Qualifier	CRDB//CRED – Credit Indicator CRDB//DEBT – Debit Indicator
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Each security movement must indicate whether quantity of securities posted as a credit or debit.</li> <li>When REVR is used, the message must contain the same data as the original MT566, therefore the credit/debit indicator remains the same.</li> </ul>



Tag	22H – New Securities Issuance Indicator
Qualifier	NSIS//DEFE – Defeased Security Indicator NSIS//NDEF – Non-Defeased Security Indicator NSIS//NREF – Non-Refunded Security Indicator NSIS//REFU – Refunded Security Indicator
Tag Presence	Optional
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>• NSIS//DEFE – Indicates that funds have been placed in escrow by a trustee or agent to ensure payment on a portion of the outstanding balance of the original security on maturity date.</li> <li>• NSIS//NDEF – Indicates that funds will not be guaranteed at maturity by the issuer or paying agent for this newly issued non-defeased security.</li> <li>• NSIS//NREF– Indicates that new Security issued that has not been refunded and the maturity date of the original underlying security is unchanged. Applicable only in the frame of a partial defeasance corporate action event.</li> <li>• NSIS//REFU– Indicates that new security issued which has been refunded to an earlier maturity date. Applicable only in the frame of a partial defeasance corporate action event.</li> <li>• To be used when identifying if the new securities being issued are for the Defeased Security NSIS//DEFE, the Non Defeased Security NSIS//NDEF, the Refunded Security NSIS//REFU or the Non Refunded Security NSIS//NREF.</li> </ul> <p>Please refer to Appendix for additional details regarding <a href="#">Market Practice Guidelines for Lottery Event Processing</a> for the US Market.</p>

Tag	35B - Identification of the Financial Instrument
Qualifier	ISIN - ISIN is the recommended identifier; however CUSIP or SEDOL can be used based on market conventions.
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>• Security Identifier of the resulting security being credited or underlying security being debited.</li> <li>• When proprietary Security Identifiers must be used, a description of the product should be added.</li> </ul>

Tag	36B – Quantity
Qualifier	PSTA – Posting Quantity
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>The Posting Quantity represents the quantity of shares to be credited/debited and may differ from the entitled quantity noted on the MT564.</li> </ul>

Tag	98a – Date/Time
Qualifier	<p>POST – Posting Date</p> <p>VALU – Value Date</p>
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>Both POST and VALU should be reported per Global Market Practice.</li> <li>VALU is the date that the payment should have been posted. This allows for back-value of the payment to the actual posting date.</li> </ul>

### **3.2.3.7 Sub sequence D1a Financial Instrument Attribute**

The F.I.A. subsequence refers to additional details related to the security itself and is not supported as a US Market Practice for the MT566.

### **3.2.3.8 Sub sequence D1b Receiver/Deliver**

Use of this sequence is not supported by the US Market Practice.

### **3.2.3.9 Sub sequence D2 Cash Movement**

This sequence must be used to summarize the cash to be received or cash payment from a corporate action event. The actual amount of cash being credited/debited and data elements that are relative to calculating the entitlement and the posting date will should appear in this sequence. This sequence can be repeated if there are multiple cash postings for the event/option.

Tag	22H – Credit / Debit Indicator
Qualifier	CRDB//CRED – Credit Indicator CRDB//DEBT – Debit Indicator
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Each security movement must indicate whether quantity of securities posted as a credit or debit.</li> <li>When REVR is used, the message must contain the same data as the original MT566, therefore the credit/debit indicator remains the same.</li> </ul>

Tag	19B – Amount
Qualifier	PSTA – Posting Amount
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>The Amount represents the cash to be credited/ debited and may differ from the entitled quantity noted on the MT564. A further breakdown of the amount should be provided if fees or taxes are incorporated in the payment by repeating 19B with the appropriate amount qualifiers.</li> </ul>

Tag	98a – Date/Time
Qualifier	POST – Posting Date VALU – Value Date
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Both POST and VALU should be reported per Global Market Practice.</li> <li>VALU is the date that the payment should have been posted. This allows for back-value of the payment to the actual posting date.</li> </ul>

### 3.2.3.10 Sub sequence D2a Cash Parties

Use of this sequence is not supported by the US market practice.

### 3.2.3.11 Sequence E Additional Information

Use of this sequence will impact STP and therefore it is not recommended. The exception is if the Event Type populated is Other (OTHR). In this case Sequence E should contain details of the actual event and mirror the event information provided in the MT564.

### 3.2.4 MT565 Corporate Action Instruction

This section details the message usage guidelines for formatting the MT565 message. Please refer to section [2.2.3](#) for specific Market Practice Rules.

The MT565 should only be used when responding to a notification issued via MT564 or when sending an unsolicited instruction. It should not be used in response to a notification issued via any other means, e.g. facsimile, proprietary notification/response product, etc.

MT 565 CA Instruction		
Seq	Description	Status
A	General Information	Mandatory
A1	Linkages	Optional
B	Underlying Securities	Mandatory
B1	Financial Instrument Attributes	Optional
B2	Account Information	Mandatory
C	Beneficial Owner Details	Optional
D	Corporate Action Instruction	Mandatory
E	Additional Information	Optional

The table provides an overview of the MT565 structure.

The table is for illustration and does not specify all repetitive sequencing or all Tags (e.g. Start/End of Block).

#### 3.2.4.1 Sequence A General Information

The presence of COAF is optional in the message, however, when an account owner sends an instruction message to their service provider on an event where the COAF has been announced, the COAF must be present.

The presence of CORP is mandatory in the message; however in the case when an account owner does not support service provider proprietary information, it is acceptable to use "nonref" as the CORP value.

Tag	23G – Function of Message
Qualifier	NEWM – New Message CANC – Cancellation Request
Tag Presence	Mandatory
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>NEWM must be used when sending new instructions. This could be used for either the first instructions sent or for an updated instruction if accompanied by a cancellation.</li> <li>CANC must be used when canceling a previously sent instruction. The original instruction must be referenced in the cancellation message in the linkage sequence with the PREV reference. In addition, the cancellation must contain all information included in the original MT565 instruction.</li> <li>The sub functions (COPY, CODU, DUPL) must not be provided as they will halt STP.</li> </ul>

### 3.2.4.2 Sub sequence A1 Linkage

Tag	22F – Linkage Type Indicator
Qualifier	LINK//WITH – With
Tag Presence	Optional
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>The use of LINK//WITH is recommended when an instruction cannot be withdrawn, but the account owner is allowed to change their election. This field should be populated on the CANC 565 notify the account servicer that a NEWM 565 is to follow.</li> </ul>

Tag	13A – Linked Transaction
Qualifier	LINK
Tag Presence	Optional
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>It is recommended that this qualifier be used to indicate the message type referenced in the linkages subsequence, e.g. 564 or 565.</li> </ul>

Tag	20C - Reference
Qualifier	PREV – Previous Reference CORP – Corporate Action Reference
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>PREV must be used when the function of the message is a cancellation (CANC). This field must reference the sender's reference (SEME) of the previously sent instruction.</li> <li>CORP is recommended to be used when the function of the message is a cancellation (CANC) and the Linkage Type Indicator 22F::LINK//WITH is populated to support the Change Allowed Flag for instructions.</li> </ul>

### 3.2.4.3 Sub sequence B1 Financial Instrument Attributes

This subsequence refers to additional details related to the security itself. This sequence should not be used to provide any information relative to the action or instruction. It is recommended that this sub sequence not be used.

### 3.2.4.4 Sub sequence B2 Account Information

Tag	97A – Safekeeping Account
Qualifier	SAFE – Safekeeping Account
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>Must reference the account number to which the instruction applies. Instruction message must contain an account number provided by the account servicer on a previously sent MT564 Notification.</li> </ul>

Tag	93a - Balance
Qualifier	ELIG – Eligible Balance
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>There will be no validation or processing against this field. This field will be used for informational purposes only and can be used to provide additional details to aid or support instruction recon and audit.</li> </ul>

### 3.2.4.5 Sequence C Beneficial Owners' Details

If the MT564 includes the Certification Type Indicator tag 22F::CETI// (see description of 22F in [MT564 Sequence E](#)), then the account owner should complete this sequence with the appropriate information

as requested by the Service Provider. As a reference, [review this SMPG Market Practice document](#) when providing a tax breakdown in the Corporate Action Instruction message.

### 3.2.4.6 Sequence D Corporate Action Instruction

Tag	13A – Option Number
Qualifier	CAON – Corporate Action Option Number
Tag Presence	Mandatory
Message Usage	<ul style="list-style-type: none"> <li>The presence of Option Number is mandatory in the message; however in the case when an account owner does not support service provider proprietary information, it is acceptable to use "999."</li> <li>For unsolicited responses "UNS" must be referenced.</li> </ul>

Tag	22a - Indicator
Qualifier	CAOP – Corporate Action Option Code
Tag Presence	Mandatory
Message Usage	<ul style="list-style-type: none"> <li>The Option Code identifies the option for which the account owner is electing.</li> <li>Please refer to the <a href="#">Oversubscription Guidelines</a> in the Appendix for detailed usage rules on Oversubscription Option CAOP//OVER.</li> </ul>

Tag	11A - Currency
Qualifier	FXIB – Currency to Buy FXIS – Currency to Sell OPTN – Currency Option
Tag Presence	Optional
Message Usage	<p>Recommended ISITC Market Practice:</p> <ul style="list-style-type: none"> <li>FXIB and FXIS must only be used if account owner does not have standing instructions in place with the account servicer.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><b>Note:</b> When cancelling an instruction that included a FX request in the original message, the FX will also be cancelled as part of the cancellation instruction unless otherwise advised. If the FX has already been executed, this will result in the custodian executing an offsetting FX request.</p> </div> <ul style="list-style-type: none"> <li>OPTN is mandatory from a market practice perspective even if only USD currency option offered. If populated the account servicer may perform additional validation against this field. It is at the discretion of the service provider whether this additional validation will occur or not and should be outlined in their specific MT565 service guidelines.</li> </ul>

Tag	35B – Identification of Financial Instrument
Qualifier	ISIN - ISIN must be used whenever possible. Alternatively SEDOL, CUSIP, or local asset identifier must be referenced if ISIN is not available.
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>The resulting security is mandatory from a market practice perspective in order to differentiate different share amounts of the same option. If populated the account servicer may perform additional validation against this field. It is at the discretion of the service provider whether this additional validation will occur or not and should be outlined in their specific MT565 service guidelines.</li> </ul>

Tag	36B – Quantity of Financial Instrument
Qualifier	QINS – Instructed Quantity COND – Conditional Quantity
Tag Presence	Mandatory
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>QINS - Instructions will be executed based on the position referenced in this field.</li> <li>36C::QINS//QALL is not supported. Instructions received with this format will not be processed.</li> <li>COND is required for any option that is selected where a conditional quantity applies.</li> </ul>

Tag	98a – Date/Time
Qualifier	EXRQ – Execution Requested Date/Time
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>It is not recommended to use this field.</li> </ul>

Tag	90a - Price
Qualifier	OFFR – Generic Cash Price Received Per Product
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>OFFR must be used for Dutch Auctions and Bid Tenders to indicate the offer price for options where the price is to be specified by the account owner. One MT565 must be generated for each offer price.</li> <li>All other qualifiers will be ignored for processing.</li> </ul>



Tag	70E - Narrative
Qualifier	FXIN – FX Instruction Narrative INST – Instruction Narrative COMP – Information to be Complied with
Tag Presence	Optional
Message Usage	<p>The usage is in accordance with Global Market Practice.</p> <ul style="list-style-type: none"> <li>These codes represent information that is necessary to process the instruction. When any of these codes are present, the recipient of the messages should stop and review the detail. <ul style="list-style-type: none"> <li>FXIN should only be used when additional information is required to process a foreign exchange instruction.</li> <li>INST must be used to reference any additional information necessary to process the instruction and clarify intent by the account owner not already included in special fields. Please refer to the <a href="#">Oversubscription Guidelines</a> in Appendix for details on when instruction narrative may be required for oversubscription instructions.</li> <li>COMP must be used to provide details relating to information that needed to be complied with to participate in the offer. For example, if an offer requires documentation to participate, e.g. SIL Letter, QIB or ballot, then an indication of when, where and to whose attention this was sent must be included in this field.</li> </ul> </li> </ul>

#### 3.2.4.7 Sequence E Additional Information

Tag	70E - Narrative
Qualifier	REGI – Registration Details PACO – Party Contact Narrative CETI – Certification/Breakdown Narrative
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice.

### 3.2.5 MT567 Corporate Action Processing and Status Advice

This section details the message usage guidelines for formatting the MT567 message. Please refer to section [2.2.4](#) for specific Market Practice Rules.

MT 567 CA Status and Processing Advice		
Seq	Description	Status
A	General Information	Mandatory
A1	Linkages	Mandatory
A2	Status	Mandatory
A2a	Reason	Optional
B	Corporate Action Details	Optional
C	Additional Information	Optional

The table provides an overview of the MT567 structure.

The table is for illustration and does not specify all repetitive sequencing or all Tags (e.g. Start/End of Block).

#### 3.2.5.1 Sequence A General Information

Tag	23G – Function of Message Reference
Qualifier	INST – Instruction Status CAST – Cancellation Request Status EVST – Event Status
Tag Presence	Mandatory
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>Only functions INST and CAST should be used.</li> <li>EVST should not be used. This information is to be provided in the MT564. One exception is for when payment is not made by the issuer as described in the <a href="#">NIL Payment Processing</a> section of this document. Please refer to tag <a href="#">25D</a> and <a href="#">24B</a> below.</li> </ul>

**3.2.5.2 Sub sequence A1 Linkage**

Tag	20C - Reference
Qualifier	PREV – Previous Message Reference RELA – Related Message Reference CORP – Corporate Action Reference
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>• PREV is used to link the MT567 to a previous MT567 sent for the same instruction.</li> <li>• RELA is used to link the MT567 to the MT565 for which the status applies.</li> <li>• CORP should only be used in the case where the MT567 is sent for a status where there is no MT565 to reference. Examples include: <ul style="list-style-type: none"> <li>◦ IPRC//DFLA – to confirm default action is taken</li> <li>◦ IPRC//STIN – to confirm standing instructions is applied</li> </ul> </li> </ul>

**3.2.5.3 Sequence A2 Status**

Tag	25D – Status Code
Qualifier	IPRC – Instruction Processing Status CPRC – Cancellation Processing Status EPRC – Corporate Action Event Processing Status
Tag Presence	Mandatory
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>• Only functions IPRC and CPRC should be used. <ul style="list-style-type: none"> <li>◦ IPRC//PEND - When reporting a Pending Instruction Status, a MT567 to report a final status must follow.</li> <li>◦ EPRC should not be used. This information is to be provided in the MT564.</li> </ul> </li> <li>• One exception is for when payment is not made by the issuer. EPRC//PEND can be used with the appropriate Reason Code. Please refer to tag <a href="#">24B</a> below.</li> <li>• Please refer to Appendix for the complete list of valid <a href="#">MT567 Status and Reason Codes</a> for the US Market.</li> </ul>

**3.2.5.4 Sequence A2a Reason**

Tag	24B – Reason Code
Qualifier	PEND – Pending Reason REJT – Rejection Reason CAND – Cancellation Reason CANP – Cancellation Pending Reason PACK – Acknowledged/Accepted Reason
Tag Presence	Mandatory
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>The Reason Code must be in alignment with the Status Code in 25D.</li> <li>Please refer to Appendix for the complete list of valid <a href="#">MT567 Status and Reason Codes</a> for the US Market.</li> </ul>

Tag	70D - Narrative
Qualifier	REAS – Narrative Reason
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>REAS should not be used when there is existing reason code. The account servicer should use the structured reason codes whenever possible.</li> </ul>

**3.2.5.5 Sequence B Corporate Action Details**

Tag	13A – Corporate Action Option Number
Qualifier	CAON – Option Number
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>It is recommended that this field be populated. CAON represents the option number that the instruction was processed for.</li> </ul>

Tag	22a – Corporate Action Option Code Indicator
Qualifier	CAOP – Option Code
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>It is recommended that this field be populated. CAOP represents the option code that the instruction was processed for.</li> </ul>

Tag	97A - Account
Qualifier	SAFE – Safekeeping Account
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>It is recommended that this field be populated.</li> </ul>

Tag	36B – Quantity of Financial Instrument
Qualifier	STAQ – Status Quantity
Tag Presence	Optional
Message Usage	The usage is in accordance with Global Market Practice. <ul style="list-style-type: none"> <li>It is recommended that this field be populated. STAQ represents the quantity of securities that have been assigned the status indicated.</li> </ul>

Tag	93B - Balance
Qualifier	INBA – Instructed Balance UNBA – Uninstructed Balance PTBA – Protect Balance
Tag Presence	Optional
Message Usage	Recommended ISITC Market Practice: <ul style="list-style-type: none"> <li>It is recommended that INBA and UNBA be reported to facilitate reconciliation between account owner and account servicer. <ul style="list-style-type: none"> <li>INBA represents the total cumulative instructed balance.</li> <li>UNBA represents the balance of uninstructed position.</li> </ul> </li> <li>It is recommended that Protect instructions which have not been covered should be shown within the Protect Balance. Once covered, these would then be shown within the Instructed Balance.</li> </ul>

### 3.3 MESSAGE STRUCTURE AND REQUIREMENTS

The following information is included in this section to help explain how data elements are expected to be used within the messages and also specific requirements for each.

- D vs. E Guidelines – Placement of MT564 and MT566 Data Elements
- US Income and Exemption Codes
- US Capital Gains Matrix
- SMPG Redemption Matrix
- MT567 Status and Reason Grid
- MT565 Oversubscription Instruction Guideline

- Best Practice for reporting Stock Loan Balances

### 3.3.1 D vs. E Guidelines – Placement of MT564 and MT566 Data Elements

ISITC follows the SMPG EIG Consolidated Matrix for the preferred placement of data elements for Date/Time, Period, Rate and Price Fields. Differences between the US market and the global standard are identified in the US column. Please refer to this document on [www.smpg.info](http://www.smpg.info).

ISITC supports SMPG recommendation for usage of Unknown (UKWN) for Rate, Date, Period, and Price date elements when the details are not available at the time of announcement but will become known during the life of the event.

Clarification on use of Unknown versus Ongoing for Pay Date:

- First come/first serve events with multiple payment dates are considered “ongoing” and represented as PAYD//ONGO.
- For events with a single payment date that is “unknown” at the time the announcement is sent, use PAYD//UKWN.

### 3.3.2 US Market Income Type Codes – Updated 2022

US Income Type Codes are used with the IRSX Data Source Scheme. Field 22a::ITYP is available in the MT564 and MT566 in both the Securities (E1/D1) and Cash (E2/D2) movement subsequences.

Since there are situations where both a US and foreign (non-US) Income Type code could be applied for the same movement, as from SR2022, new OTYP (Other Type of Income) qualifier was added in the MT564 and MT566 messages. When multiple Income Type codes are applied for same event and same movement, the recommendation is to place the US IRSX code in 22a::ITYP.

As ITYP qualifier is not repeatable, the other non-US jurisdiction (such as CRAX Income Type codes in Canada) should be placed in field 22a::OTYP. When multiple non-US Income Type codes are to be applied to same event and same movement, OTYP is repeatable and other Income Type codes may be used (such as HMRC for UK and Ireland).

For complete list of global Income Type or Exemption Type codes, please refer to SMPG document at: [https://smpg.info/fileadmin/documents/1\\_Corporate%20Actions%20WG/A1\\_CA\\_Final\\_Market\\_Practices/6\\_ETYP-ITYP\\_Exemption\\_IncomeTypeCodes\\_v1\\_1.pdf](https://smpg.info/fileadmin/documents/1_Corporate%20Actions%20WG/A1_CA_Final_Market_Practices/6_ETYP-ITYP_Exemption_IncomeTypeCodes_v1_1.pdf)

\*Source: [IRS Form 1042-S – US Source Income Subject to Withholding](#)

Code	Description	Category
01	Interest paid by US obligors – general	Income
02	Interest paid on real property mortgages	Income

<b>Code</b>	<b>Description</b>	<b>Category</b>
03	Interest paid to controlling foreign corporations	Income
04	Interest paid by foreign corporations	Income
05	Interest on tax-free covenant bonds	Income
06	Dividends paid by US corporations – general	Dividend Income
07	Dividends qualifying for direct dividend rate	Dividend Income
08	Dividends paid by foreign corporations	Dividend Income
09	Capital gains	Other Income
10	Industrial royalties	Other Income
11	Motion picture or television copyright royalties	Other Income
12	Other royalties (e.g., copyright, recording, publishing)	Other Income
13	Royalties paid on certain publicly offered securities	Other Income
14	Real property income and natural resources royalties	Other Income
15	Pensions, annuities, alimony, and/or insurance premiums	Other Income
16	Scholarship or fellowship grants	Other Income
17	Compensation for independent personal services	Other Income
18	Compensation for dependent personal services	Other Income
19	Compensation for teaching	Other Income
20	Compensation during studying and training	Other Income
22	Interest paid on deposit with a foreign branch of a domestic corporation or partnership	Income
23	Gross Income – Other	Other Income
24	Real estate investment trust (REIT) distributions of capital gains	Other Income
25	Trust distributions subject to IRC section 1445	Other Income

<b>Code</b>	<b>Description</b>	<b>Category</b>
26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445	Other Income
27	Publicly traded partnership distributions subject to IRC section 1446	Other Income
28	Gambling winnings	Other Income
29	Deposit interest	Income
30	Original issue discount (OID)	Income
31	Short-term OID	Income
32	Notional principal contract income	Other Income
33	Substitute payment – interest	Other Income
34	Substitute payment – dividend	Dividend Income
35	Substitute payment – other	Other Income
36	Capital gains distributions	Other Income
37	Return of capital	Other Income
38	Eligible deferred compensation items subject to IRC section 877A(d)(1)	Other Income
39	Distributions from a nongrantor trust subject to IRC section 877A(f)(1)	Other Income
40	Other dividend equivalents under IRC section 871(m) (formerly 871(l))	Dividend Income
41	Guarantee of indebtedness	Other Income
42	Earnings as an artist or athlete—no central withholding agreement <sup>4</sup>	Other Income
43	Earnings as an artist or athlete—central withholding agreement <sup>4</sup>	Other Income
44	Specified Federal procurement payments	Other Income
50	Income previously reported under escrow procedure	Other Income
51	Interest paid on certain actively traded or public offered securities	Interest Income
52	Dividends paid on certain actively traded or publicly offered securities	Dividend Income



Code	Description	Category
53	Substitute payment – dividends from certain actively traded or publicly offered securities	Dividend Income
54	Other Income	Other Income

### 3.3.3 US Market Withholding Tax Exemption Type Codes – Updated 2016

Exemption Type Codes are used with the IRSX Date Source Scheme. ETYP is available in the MT564 and MT566 in both the securities (E1/D1) and cash (E2/D2) movement subsequences.

\*Source: [IRS Form 1042-S – US Source Income Subject to Withholding](#)

Code	Description	Category
01	Effectively connected income	Chapter 3
02	Exempt under an Internal Revenue Code section (income other than portfolio interest)	Chapter 3
03	Income is not from US sources	Chapter 3
04	Exempt under tax treaty	Chapter 3
05	Portfolio interest exempt under an Internal Revenue Code section	Chapter 3
06	Qualified intermediary that assumes primary withholding responsibility	Chapter 3
07	Withholding foreign partnership or withholding foreign trust	Chapter 3
08	US branch treated as a US person	Chapter 3
09	Territory FI treated as US Person	Chapter 3
10	QI represents that income is exempt	Chapter 3
11	QSL that assumes primary withholding responsibility	Chapter 3
12	Payee subjected to chapter 4 withholding	Chapter 3
13	Grandfathered payment	Chapter 4

<b>Code</b>	<b>Description</b>	<b>Category</b>
14	Effectively connected income	Chapter 4
15	Payee not subject to chapter 4 withholding	Chapter 4
16	Excluded nonfinancial payment	Chapter 4
17	Foreign Entity that assumes primary withholding responsibility	Chapter 4
18	US Payees—of participating FFI or registered deemed-compliant FFI	Chapter 4
19	Exempt from withholding under IGA6	Chapter 4
20	Dormant account	Chapter 4
21	Excluded payment on offshore obligation	Chapter 4
22	Excluded payments on Collateral	Chapter 4

### 3.3.4 US Capital Gains Matrix

\*Source: The SMPG website, [www.smpg.info](http://www.smpg.info), in Public Documents > 2. Corporate Actions > A. Final Global Documents.

Specific details of valid values to be used in the US market are indicated in the "US Market Usage" column.

ISO Code	Event	Description	Tax Treatments, LTCG, STCG...etc.	Security Type	Issuer Initiated	Change in Nominal Value	Securities Debit Movement	Cash Credit Movement	Options	US Market Usage
CAPD	Capital Distribution	The Corporate event pays shareholders an amount in cash issued from the Capital account. There is no reduction to the face value of a single share. The number of circulating shares remains unchanged.	TBD	Debt Instruments, Equity	X	No	No	Yes	Cash	Yes
CAPG	Capital Gains Distribution	Distribution of profits resulting from the sale of company assets; for example, Shareholders of Mutual Funds, Unit Trusts, or Sicavs are recipients of capital gains distributions which are often reinvested in additional shares of the fund.	Possible	Debt Instruments, Equity	X	No	No	Yes	Cash	Yes

ISO Code	Event	Description	Tax Treatments, LTCG, STCG...etc.	Security Type	Issuer Initiated	Change in Nominal Value	Securities Debit Movement	Cash Credit Movement	Options	US Market Usage
CAPI	Capitalization	Increase of the current principal of a debt instrument without increasing the nominal value. It normally arises from the incorporation of due but paid interest into the principal. This is commonly done by increasing the pool factor value, e.g., capitalization, and negative amortization.	NA	Debt Instruments, Equity	X	No	No	No	NOAC	No
DECR	Decrease in Value	Reduction of face value of a single share or the value of fund assets. The number of circulating shares/units remains unchanged. This event may include cash payout to holders.	NA	Equity (For Debt Instruments see Redemption Matrix)	X	Yes	No	Conditional	Conditional (none or CASH)	Yes
INCR	Increase in Value	Increase in the face value of a single security. The number of circulating securities remains unchanged.	NA	Equity (For Debt Instruments see Redemption Matrix)	X	Yes	No	No	None	Yes

ISO Code	Event	Description	Tax Treatments, LTCG, STCG...etc.	Security Type	Issuer Initiated	Change in Nominal Value	Securities Debit Movement	Cash Credit Movement	Options	US Market Usage
SHPR	Shares Premium Dividend	This corporate event pays shareholders an amount in cash issued from the shares premium reserve. It is similar to a dividend but with different tax implications.	NA	Debt Instruments, Equity	X					No

### 3.3.5 SMPG Redemption Matrix

\*Source: SMPG CA Global Market Practice – Part 2 – SR2013 v1.2 located on [SMPG Website](#) in Public Documents > 2. Corporate Actions > A. Final Global Documents > SMPG\_CA\_Global\_Market\_Practice\_Part\_2.

Event	Description	Full or Partial Redemption	Issuer Initiated	Holder Initiated	Change in Nominal Value	Factors Applied	Results in Securities Debit Movement	Results in Cash Credit Movement
BPUT	Early redemption of a security at the election of the holder subject to the terms and condition of the issue with no reduction in nominal value.	Partial in regard to entire issue outstanding; holder may choose to put all or part of holding		X	No	No	Yes	Yes
CAPI	Increase of the current principal of a debt instrument without increasing the nominal value. It normally arises from the incorporation of due but paid interest into the principal. This is commonly done by increasing the pool factor value, e.g., capitalization, and negative amortization.	Neither	X		No	Yes; uses the difference between two factors to calculate the principal increase	No	No

Event	Description	Full or Partial Redemption	Issuer Initiated	Holder Initiated	Change in Nominal Value	Factors Applied	Results in Securities Debit Movement	Results in Cash Credit Movement
DRAW	Securities are redeemed in part before the scheduled final maturity date. It is done without any pool factor reduction. The redemption is reflected with a face amount (FAMT) debit. Drawing is distinct from partial call since drawn bonds are chosen by lottery. Therefore, not every holder is affected in the same way.	Partial	X		No	No	Yes	Yes
MCAL	The redemption of an entire issue outstanding of securities, e.g., bonds, preferred equity, funds, by the issuer or its agent, e.g., asset manager, before final maturity.	Full	X		No	No	Yes	Yes
PCAL	Securities are redeemed in part before their scheduled final maturity date. It is done without any pool factor reduction. The redemption is reflected with a face amount (FAMT) debit.	Partial	X		Yes	No	Yes	Yes
PRED	Securities are redeemed in part before their scheduled final maturity date. The redemption is reflected with a pool factor reduction. No movement of securities occurs.	Partial	X		No	Yes; uses the difference between two factors to calculate the principal reduction	No	Yes

Event	Description	Full or Partial Redemption	Issuer Initiated	Holder Initiated	Change in Nominal Value	Factors Applied	Results in Securities Debit Movement	Results in Cash Credit Movement
PRII	<del>An event which consists of two components, the decrease of the amortized value of a pool factor security and an interest payment.</del>	Partial	X		No	<del>Yes; uses the difference between two factors to calculate the principal reduction</del>	No	Yes
REDM	<p>The redemption of an entire issue outstanding of securities, e.g., bonds, preferred equity, funds, by the issuer or its agent, e.g., asset manager, bonds/preferred equities by the issuer at final maturity.</p> <p><i>* Note that REDM/MCAL should also be used when making the final payment for a fixed income security that has paid-down in part during its term. E.g. even though a pool factor security would partially redeem capital using the event PRED, the final payment should nonetheless be sent using REDM/MCAL to demonstrate that it is the final paydown on the security.</i></p>	Full	X		No	No	Yes	Yes

Note that the table above has been created to clarify the events for the following CAEV codes:

- BPUT - put redemption



- CAPI - capitalisation
- DRAW - drawing
- MCAL - full call/early redemption
- PCAL - partial redemption with reduction in nominal value
- PRED - partial redemption without reduction in nominal value
- ~~PRII - interest payment with principal~~
- REDM - final maturity

The Complex Grid outlines that BPUT events are initiated by holders and are classified as 'VOLU'.

The remaining redemption events are part of the terms of the underlying securities and are classified as 'MAND'.

### 3.3.6 MT567 Status and Reason Code Grid

\*Source: SMPG\_CA\_GMP\_Part\_3\_SR2022\_v1\_0 located on [SMPG Website](#) in Public Documents > 2. Corporate Actions > A. Final Global Documents > SMPG\_CA\_GMP\_Part\_3.

Note – Global SMPG has reviewed all of the status reason code combinations available in SR2022. The [SMPG Market Practice Guide for MT567](#) is the most up to date and this should be referenced after SR2022. Comments are noted in the below table for status reason codes needing additional clarification to ensure consistent usage among the industry. Specific details of valid values to be used in the US market are indicated in the “US Market Usage” column.

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
1	CAST	CPRC	CAND	CAND	CANI	The corporate action instruction has been cancelled as you requested.		Yes
2	CAST	CPRC	CAND	CAND	NARR	Narrative reason why the corporate action instruction was cancelled.		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
3	CAST	CPRC	CANP	CANP	ADEA	The cancellation request is pending. The cancellation request was received after the account servicer's deadline and may have been received too late to cancel the corporate action instruction. Processed on best efforts basis.	Replaces CPRC/CANP/PEND/LATT  To be sent by an account servicer when an attempt to cancel using best efforts will be made.	Yes
4	CAST	CPRC	CANP	CANP	DQUA	The cancellation request is pending. Unrecognized or invalid instructed quantity.		Yes
5	CAST	CPRC	CANP	CANP	LATE	The cancellation request is pending. Received after the market deadline.	To be sent by an account servicer when an attempt to cancel will be made after the market deadline has passed.	Yes
6	CAST	CPRC	CANP	CANP	NARR	The cancellation request is pending. Narrative to be used to specify additional information.		Yes
7	CAST	CPRC	CANP	CANP	DQCS	The instruction cancellation request is pending because of an unrecognised or invalid instructed cash amount.		Yes
8	CAST	CPRC	REJT	REJT	ADEA	The cancellation request is denied because the cancellation instruction was received after the account servicer's deadline.		Yes
9	CAST	CPRC	REJT	REJT	DCAN	The cancellation request has been denied since the corporate action instruction has already been cancelled.		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
10	CAST	CPRC	REJT	REJT	DPRG	The cancellation request has been denied because the corporate action instruction process is in progress or has been processed.	Use as the denial code to follow an unsuccessful best efforts attempt to cancel (either CPRC/CANP/CANP/ADEA or CPRC/CANP/CANP/LATE was the initial code sent).	Yes
11	CAST	CPRC	REJT	REJT	INIR	The instruction is irrevocable.		Yes
12	CAST	CPRC	REJT	REJT	LATE	The cancellation request is rejected. Received after the market deadline.	To be sent by an account servicer if a cancellation instruction will not be processed as it has been received after the market deadline has passed.	Yes
13	CAST	CPRC	REJT	REJT	ULNK	The message was not recognized (unknown linked reference).		Yes
14	CAST	CPRC	REJT	REJT	NARR	Invalid instruction (see reason narrative)		Yes
15	CAST	CPRC	PACK	N/A	N/A	The cancellation request has been accepted for further processing.	Can be sent for pending cancellations received within deadlines.	Yes
16	INST	IPRC	CAND	CAND	CANI	The corporate action instruction has been cancelled as you requested.		Yes
17	INST	IPRC	CAND	CAND	CANO	Instruction has been cancelled by another party than the instructing Party.		Yes
18	INST	IPRC	CAND	CAND	CANS	Instruction has been cancelled by the system.		Yes
19	INST	IPRC	CAND	CAND	CSUB	Instruction has been cancelled by the agent.		

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
20	INST	IPRC	CAND	CAND	NARR	Narrative reason why the corporate action instruction was cancelled.		Yes
21	INST	IPRC	DFLA	N/A	N/A	Default action is taken according to client instructions received.	Specify default option in structured field in Sequence B.	Yes
22	INST	IPRC	STIN	N/A	N/A	Standing instruction is applied.	Specify standing instruction option in structured field in Sequence B.	Yes
23	INST	IPRC	REJT	REJT	ADEA	The corporate action instruction was received after the account servicer's response deadline.	To be sent by an account servicer if a corporate action instruction will not be processed as it has been received after the account servicer deadline has passed.	Yes
24	INST	IPRC	REJT	REJT	LATE	The corporate action instruction was received after the market deadline.	To be sent by the account servicer if a corporate action instruction will not be processed as it has been received after the market deadline has passed.	Yes
25	INST	IPRC	REJT	REJT	CANC	Option is not valid; it has been cancelled by the market or service provider, and cannot be responded to. Any responses already processed against this option are considered void and new responses will be required.		Yes
26	INST	IPRC	REJT	REJT	DSEC	Unrecognized or invalid financial instrument identification.		Yes
27	INST	IPRC	REJT	REJT	DQUA	Unrecognized or invalid instructed quantity.	To be sent by the account servicer if a corporate action instruction will not be processed as the minimum or multiple instructed quantity has not been instructed.	Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
28	INST	IPRC	REJT	REJT	EVNM	Unrecognized corporate action event number.		Yes
29	INST	IPRC	REJT	REJT	INTV	Option is not active and can no longer be responded to. Any responses already processed against this option will remain valid, e.g. expired option.		Yes
30	INST	IPRC	REJT	REJT	LACK	The instructed position exceeds the eligible balance.		Yes
31	INST	IPRC	REJT	REJT	NMTY	Mismatch Option Number and Option Type.		Yes
32	INST	IPRC	REJT	REJT	OPNM	Unrecognized Option Number.		Yes
33	INST	IPRC	REJT	REJT	OPTY	Invalid Option Type.		Yes
34	INST	IPRC	REJT	REJT	SAFE	Unrecognized or invalid safekeeping account.		Yes
35	INST	IPRC	REJT	REJT	ULNK	The message was not recognized (unknown linked reference).		Yes
36	INST	IPRC	REJT	REJT	NARR	Narrative reason why the corporate action instruction was rejected.		Yes
37	INST	IPRC	REJT	REJT	INVA	For tax reclaim, the reclaim is invalid for tax authorities.	For tax reclaim processing only	Yes
38	INST	IPRC	REJT	REJT	REFT	For tax reclaim, the reclaim is refused by tax authorities.	For tax reclaim processing only	Yes
39	INST	IPRC	REJT	REJT	CERT	Instruction is rejected since the provided certification is incorrect or incomplete.		Yes
40	INST	IPRC	REJT	REJT	FULL	Rejected due to missing beneficiary owner details.		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
41	INST	IPRC	REJT	REJT	DQAM	The instruction is rejected because of an invalid use of instructed amount (QCAS) or of instructed quantity (QINS) qualifiers.		Yes
42	INST	IPRC	REJT	REJT	DQBI	Bid price/basis points/percentage increments rejected due to invalid bid increment provided for the event		Yes
43	INST	IPRC	REJT	REJT	DQBV	Rejected due to Bid price/basis points/percentage falls outside of bid range for the event		Yes
44	INST	IPRC	REJT	REJT	DQCC	The instruction is rejected because of an invalid instructed currency.		Yes
45	INST	IPRC	REJT	REJT	DQCS	The instruction is rejected because of an unrecognised or invalid instructed cash amount.		Yes
46	INST	IPRC	REJT	REJT	IRDQ	The instruction is rejected due to invalid use of additional round up quantity (RDUQ).		Yes
47	INST	IPRC	REJT	REJT	ISOL	Rejected due to invalid use of solicitation dealer fee indicator.		Yes
48	INST	IPRC	REJT	REJT	ITAX	Rejected due to incorrect tax rate provided.		Yes
49	INST	IPRC	REJT	REJT	MTAX	Rejected due to missing tax rate		Yes
50	INST	IPRC	REJT	REJT	NTAX	Rejected due to the tax rate provided is not inconsistent with the documentation in place.		Yes
51	INST	IPRC	REJT	REJT	BSTR	Rejected due to instruction is submitted before instruction start date.		Yes
52	INST	IPRC	REJT	REJT	CTCT	Rejected due to missing contact information.		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
53	INST	IPRC	REJT	REJT	DUPL	The instruction is rejected due to duplicate business message identifier.		Yes
54	INST	IPRC	REJT	REJT	IPAW	Rejected because of the required paperwork is invalid, incomplete or missing.		Yes
55	INST	IPRC	REJT	REJT	PROI	Rejected due to the protect identification is required for cover protect instructions.		Yes
56	INST	IPRC	REJT	REJT	PRON	Rejected because of no protect privilege is applicable for this event.		Yes
57	INST	IPRC	REJT	REJT	PROT	Rejected because of the Protect Date is required for cover protect instructions.		Yes
58	INST	IPRC	REJT	REJT	REJA	Instruction rejected by the issuer agent.		Yes
59	INST	IPRC	REJT	REJT	SHAR	Rejected because of the Shareholder Number or reference is missing.		Yes
60	INST	IPRC	REJT	REJT	TRTI	Rejected due to the transaction type is missing or invalid for protect or cover protect instructions.		Yes
61	INST	IPRC	PACK	N/A	N/A	The corporate action instruction has been accepted. This means that the instruction has been received, is processable and has been validated for further processing.	Not to be used as a confirmation that a corporate action instruction has been executed.	Yes
62	INST	IPRC	PACK	PACK	NARR	Narrative reason why the corporate action instruction is pending or has been accepted for processing (with issues).		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
63	INST	IPRC	PACK	PACK	NSTP	The corporate action instruction was not STP and had to be processed manually.		Yes
64	INST	IPRC	PEND	PEND	ADEA	The corporate action instruction was received after the account servicer's deadline. Processed on a best effort basis.		Yes
65	INST	IPRC	PEND	PEND	DQUA	Unrecognized or invalid instructed quantity.	To be sent by the account servicer if a corporate action instruction will be pended if the minimum or multiple instructed quantity has not been instructed.	Yes
66	INST	IPRC	PEND	PEND	LACK	Insufficient securities to execute this corporate action instruction; instruction pending receipt of securities.	To be sent by the account servicer if there is insufficient securities position to execute the corporate action instruction without taking into account any pending receive transactions.  Replaces IPRC/PEND/PEND/OVER and IPRC/PACK/PACK/OVER	Yes
67	INST	IPRC	PEND	PEND	LATE	The corporate action instruction was received after the market deadline.		Yes
68	INST	IPRC	PEND	PEND	MCER	Missing or invalid certification; the corporate action instruction is pending until receipt of adequate certification.		Yes
69	INST	IPRC	PEND	PEND	MONY	Insufficient cash in your account.		Yes
70	INST	IPRC	PEND	PEND	NARR	Narrative reason why the corporate action instruction is pending or has been accepted for processing (with issues).	To be sent by an account servicer as a result of monitoring pending settlement activity (for pending receive transactions).	Yes



#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
71	INST	IPRC	PEND	PEND	PENR	The corporate action instruction is pending receipt of securities from purchase, loan, etc.		Yes
72	INST	IPRC	PEND	PEND	CERT	Instruction is rejected since the provided certification is incorrect or incomplete.		Yes
73	INST	IPRC	PEND	PEND	FULL	Pending receipt of beneficiary owner details.		Yes
74	INST	IPRC	PEND	PEND	DQCS	The instruction is pending because of an unrecognised or invalid instructed cash amount.		Yes
75	INST	IPRC	PEND	PEND	ITAX	The instruction is pending because of the tax rate is incorrect.		Yes
76	INST	IPRC	PEND	PEND	MTAX	The instruction is pending because of the tax rate is missing.		Yes
77	INST	IPRC	PEND	PEND	NTAX	The instruction is pending because of the tax rate is not inconsistent with the documentation in place.		Yes
78	INST	IPRC	PEND	PEND	BSTR	The instruction is pending since it is sent before the instruction start date.		Yes
79	INST	IPRC	PEND	PEND	SNAV	The instruction is pending since it is sent outside of the business hours window.		Yes
80	INST	IPRC	PEND	PEND	IPAW	The instruction is pending because of the required paperwork is invalid, incomplete or missing.		Yes

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
81	INST	IPRC	CAND	CAND	CANI	The corporate action instruction has been cancelled as you requested.	CANI can be sent as a response for a request for status (MT549) to report that the instruction has been cancelled as instructed.	Yes
82	INST	IPRC	CAND	CAND	CANO	The corporate action instruction has been cancelled by another party than the instructing party, e.g., market infrastructure such as a Stock Exchange.		Yes
83	INST	IPRC	CAND	CAND	CANS	The corporate action instruction has been cancelled by the system.		Yes
84	INST	IPRC	CAND	CAND	CSUB	The corporate action instruction has been cancelled by the subcustodian.		Yes
85	INST	IPRC	CAND	CAND	NARR	Narrative reason why the corporate action instruction was cancelled.		Yes
86	EVST	EPRC	COMP	N/A	N/A	The processing of this corporate action event has been completed.		No
87	EVST	EPRC	RECD	N/A	N/A	Indicates that the funds paid have been reconciled with the funds received from the Agent (meaning that there is no more risk of payment to be reversed).		No
88	EVST	EPRC	PEND	PEND	NPAY	Payment has not been made by issuer.	To be used when payment is not made by the issuer as described in the <a href="#">NIL Payment Processing</a> section of this document.	Yes
89	EVST	EPRC	PEND	PEND	NSEC	Securities have not been delivered by issuer.		No
90	EVST	EPRC	PEND	PEND	NARR	Narrative reason why the corporate action event is pending.		No

#	23G Function	25D Status Qualifier	25D Status Code	24B Reason Qualifier	24B Reason Code	Description	Comments	US Market Usage
91	EVST	EPRC	PEND	PEND	AUTH	For tax reclaim, the request for tax reclaim has been sent to the tax authorities.	For tax reclaim processing only.	No
92	EVST	EPRC	PEND	PEND	VLDA	For tax reclaim, the request for tax reclaim is valid for the tax authorities.	For tax reclaim processing only.	No
93	EVST	EPRC	PEND	PEND	MCER	Missing or Invalid Certification Awaiting receipt of adequate certification.		No

### 3.3.6.1 Linkage Requirements

- When using the EVST function for EPRC, link to the last MT564 sent using PREV.
- When using the CAST function for CPRC or the INST function for IPRC, link to the MT565 instruction received using RELA.
- When sending IPRC/STIN or IPRC/DFLA, at a minimum send the CORP. Can also link to last MT564 using PREV.

### 3.3.6.2 Status Usage Guidelines

- REJT is used to notify the account owner that the instruction will not be processed. The account servicer would expect the account owner to reinstruct or to cancel and reinstruct, based on SLA.
- PEND is used when the instruction's processing is pending. The instruction can then be either accepted for further processing or denied.
- PACK is used when the instruction has been accepted for further processing.
- When status is IPRC/REJT, account owner is expected to reinstruct or to cancel and reinstruct, based on SLA. (except for reason code ADEA and LATE).
- When status is CPRC/REJT/REJT/ULNK or NARR, account owner is expected to reinstruct the cancellation instruction.

### 3.3.6.3 Multiple Reason Reporting

When multiple reject or pending reasons apply to a request all the reasons should be reported in one status message, no limit applies to the number of reasons which may be reported in one message.



### 3.3.7 MT565 Oversubscription Instruction Guideline

Effective with SR2016, two separate corporate action instruction messages must be sent for the exercise option and the oversubscribe option. The standard no longer supports the submission of one corporate action instruction for the exercise option and oversubscription privilege.

#### 3.3.7.1 Assumptions

- None

#### 3.3.7.2 Recommended Approach

The approaches differ depending upon whether the offer requires over subscription elections to be submitted at the same time as the exercise instruction or not. The following matrix outlines the possible formatting options available:

No.	MT565 Message Format Options	Scenario	Additional Comments
1	Two MT565s, one for the exercise and another for the over subscription, with each message linked to the other	Used for those offers requiring exercise and over subscription elections to be submitted at the same time.	Both the account servicer and account owner will need to support functionality associated with the linkages blocks.
2	Two MT565s, one for the exercise and another for the over subscription, with no linkages.	Used for those offers where the exercise and oversubscription instruction can be sent independent of each other.	

#### 3.3.7.3 Messaging Examples per Option

Following are examples of MT565 and MT567 messages for each of the options identified above.

#### 3.3.7.4 Example 1: Generate two MT565s, one for the exercise and another for the over subscription, with each message linked to the other

In this example it is required that the account owner link both messages to each other and that the account servicer considers the linkage requirements as part of their automated STP solution.

If the linkages are not present then there is an increased risk that the over subscription instruction may not be executed at the same time as the exercise and thus the account owner may NOT receive the oversubscribed shares given the processing requirements associated with the event. This could occur

due to varying circumstances, e.g. exercise is processed STP but there is a problem with the oversubscription instruction requiring manual intervention.

<b>Part1: MT565 - Exercise Instruction: Exercise 100 shares – New Message</b>		
<b>Sample Message Content</b>	<b>Message Values</b>	<b>Comments</b>
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0001	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:22F::LINK//	WITH	
:13A::LINK//	565	
:20C::CORP//	CA123456	Assuming that one cannot link to the SEME of the OVER if this instruction has not yet been created.
:16S::LINK		
:16R::LINK		
:13A::LINK//	564	
:20C::RELA//	777888	
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	001	
:22H::CAOP//	EXER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/100,	

<b>Part1:</b> MT565 - Exercise Instruction: Exercise 100 shares – New Message		
<b>Sample Message Content</b>	<b>Message Values</b>	<b>Comments</b>
:16S:CAINST		



<b>Part 2: MT565 - Over Subscription Instruction: Oversubscribe for 20 shares – New Message</b>		
<b>Sample Message Content</b>	<b>Message Values</b>	<b>Comments</b>
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0002	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:22F::LINK//	WITH	
:13A::LINK//	565	
:20C::PREV//	0001	
:16S::LINK		
:16R::LINK		
:13A::LINK//	564	
:20C::RELA//	777888	
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	003	
:22H::CAOP//	OVER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/20,	
:16S:CAINST		

**Part 3: MT567 – Message formats for two independent instructions**

In this instance two MT567 messages would be generated.

Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	11111	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	
:20C::RELA//	0001	
:16S::LINK		
:16R::STAT		
:25D::IPRC//	PACK	
:16S::STAT		
:16S:GENL		
:16R:CADETL		
:13A::CAON//	001	
:22F::CAOP//	EXER	
:97A::SAFE//	ABCD	
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:36B::STAQ//	UNIT/100,	
16S:CADETL		
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	22222	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	

**Part 3: MT567 – Message formats for two independent instructions**

In this instance two MT567 messages would be generated.

Sample Message Content	Message Values	Comments
:20C::RELA//	0002	
:16S::LINK		
:16R::STAT		
:25D::IPRC//	PACK	
:16S::STAT		
:16S:GENL		
:16R:CADETL		
:13A::CAON//	003	
:22F::CAOP//	OVER	
:97A::SAFE//	ABCD	
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:36B::QINS//	UNIT/20,	
:16S:CADETL		

**Part 4:** MT565 - Should account ABCD wish to cancel their over subscription instruction and simply exercise then the instruction would look as follows:

Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0003	
:23G:CANC		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	
:20C::PREV//	0002	Here you are linking back to the original oversubscription instruction.
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
16R:CAINST		
:13A::CAON//	003	
:22H::CAOP//	OVER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/20,	
:16S::CAINST		

The MT567 in this example would look similar to the MT567 sent for the new message.

**Part 5:** MT565 - Should account ABCD wish to cancel their exercise instruction then it is necessary to cancel both the original exercise and over subscription instruction:

Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME/	0005	
23G:CANC		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	
:20C::PREV//	0001	Here you are linking back to the original exercise instruction
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	001	
22H::CAOP//	EXER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/100,	
:16S::CAINST		

**Part 5:** MT565 - Should account ABCD wish to cancel their exercise instruction then it is necessary to cancel both the original exercise and over subscription instruction:

Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0003	
23G:CANC		
22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	
20C::PREV//	0002	you are linking back to the original oversubscription instruction
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	003	
:22H::CAOP//	OVER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/20,	
:16S::CAINST		

The MT567 in this example would look similar to the MT567 sent for the new message.

**3.3.7.5 Example 3: Generate two MT565s, one for the exercise and another for the over subscription, with no linkages**

If using the format for the scenario where exercise and over subscription instructions must be submitted at the same time, it is the responsibility of the account owner to alert the account servicer, via another means or narrative within the message, that an over subscription instruction is to follow. This will help to reduce the risk associated with sending this type of formatted message in this scenario.

The above requirement is not needed for the scenario where the instructions can be sent independent of each other.

Part 1: MT565 - Exercise Instruction: Exercise 100 shares- New Message		
Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0001	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	564	
:20C::RELA//	777888	
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	001	
:22H::CAOP//	EXER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/100,	
:70E::INST//	OVERSUBSCRIPTION INSTRUCTION TO FOLLOW	
:16S:CAINST		



<b>Part 2: MT565 - Over Subscription Instruction: Oversubscribe for 20 shares – New Message</b>		
<b>Sample Message Content</b>	<b>Message Values</b>	<b>Comments</b>
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0002	
:23G:NEWM		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	564	
:20C::RELA//	777888	
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	003	
:22H::CAOP//	OVER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/20,	
:16S:CAINST		

The MT567 in this example would look similar to the MT567 outlined in example 2.

**Part 3:** MT565 - Should account ABCD wish to cancel their over subscription instruction and simply exercise then the instruction would look as follows:

Sample Message Content	Message Values	Comments
:16R:GENL		
:20C::CORP//	CA123456	
:20C::SEME//	0003	
:23G:CANC		
:22F::CAEV//	EXRI	
:16R::LINK		
:13A::LINK//	565	
:20C::PREV//	0002	
:16S::LINK		
:16S:GENL		
:16R:USECU		
:35B:	ISIN US9179201267 V I TECHNOLOGIES INC	
:16R:ACCTINFO		
:97A::SAFE//	ABCD	
:16S:ACCTINFO		
:16S:USECU		
:16R:CAINST		
:13A::CAON//	003	
:22H::CAOP//	OVER	
:35B::	ISIN US9179202091 V I TECHNOLOGIES INC NEW COM	
:36B::QINS//	UNIT/20,	
:16S:CAINST		

The MT567 in this example would look similar to the MT567 outlined in example 2.

### **3.3.8 Best Practice Guidelines for reporting Stock Loan Balances**

This section details out the guidelines / standards for communicating on-loan positions on the MT564, MT565, and MT566 messages. Only relevant sections of the message are detailed here to support the guideline.

To help understand the different Securities Lending relationships that can exist between Service Provider and Account Owner, the following diagram was taken from the ISITC Lending Model Market Practice Document.

Securities Lending Models are broken down into two main categories:

1. Custody Lending (when the custodian and the Lending Agent are the same entity)
2. Non-Custody Lending (when the Custodian and the Lending Agent are different entities)

**Note:** The recommendations in this section are in the context of the Non Custody Lending Model. If an arrangement between the Custodian and the client exists where the Custodian is tracking the client's loan activity, the guidelines outlined should be followed.

# Two Models

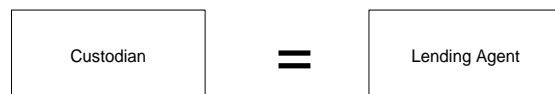
## Interested Parties to a Lending Program

**Direct Participants:** (1) Custodian and (2) Lending Agent

**Indirect Participants:** (1) Investment Manager (2) Fund Accountant (3) Borrowers

## Custody Lending

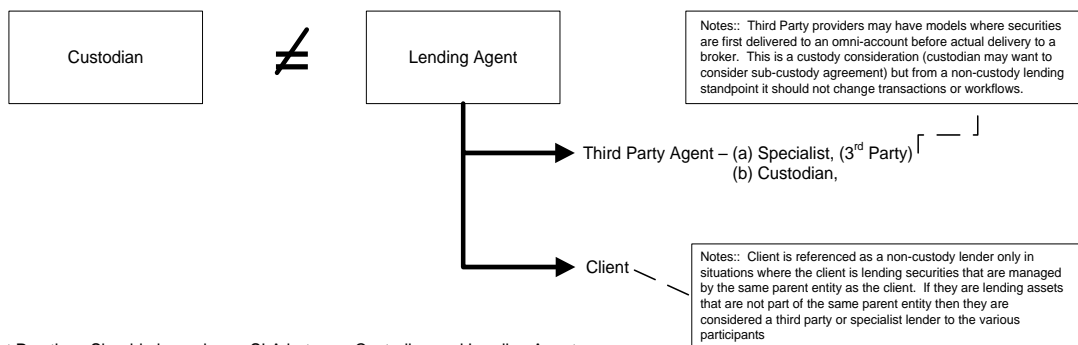
Other Names: Discretionary Lending, In-House Lending



**ISITC Considerations:** Message communication/interactions with Indirect Participants.

## Non-Custody Lending

Other Names: Third Party Lending, Client Directed Lending, Non-Discretionary Lending



Best Practice: Should always be an SLA between Custodian and Lending Agent

**ISITC Considerations:** Same as in "Custody Lending" + message communication/interactions between Direct Participants

### 3.3.8.1 MT564 CA Notification

The following is a list of balances that are currently available on the Corporate Actions messages and are to be considered for this business process.

Message Type	Tag 93B Balance - Qualifier	Description	Definition	Comments
564 568 565 567 566	ELIG	Total eligible for Corporate Action Balance	Total balance of securities eligible for this corporate action event. The entitlement calculation is based on this balance.	
564 568 565 567 566	LOAN	On Loan Balance	Balance of eligible securities that is in a loan nominee (third party securities lending or custodian securities lending nominee) and should be returned if the Custodian is required to make the necessary election on behalf of the account owner.	
564 568 565 567 566	SETT	Settlement Position Balance	Balance of securities representing only settled transactions; pending transactions not included.	SETT would reflect the total position that is settled and available. This would exclude positions in LOAN nominee.
566	CONB	Confirmed Balance	Balance to which the payment applies (less or equal to the total eligible balance).	If CONB is equal to ELIG, then payment is full.  If CONB is less than ELIG, then payment is partial (CONB can never be greater than ELIG).

The loan position is a portion of your total eligible position. Therefore, regardless of the lending program, the client/IM is eligible for the corporate action on the shares available at the Custodian as well as the shares out on loan.

**Sequence B2**

:16R:ACCTINFO	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/250,	Total Settled Position Balance
:93B::LOAN//UNIT/150,	On Loan Balance
:16S:ACCTINFO	

The recommendation is to report the following balances; Total Eligible, Settled Position, and Balance on Loan. In this scenario, the client's total eligible position for the Corporate Action is 400 units. The LOAN balance is used to identify that 150 units of the client's total eligible position are out on loan. Therefore, the position available with the Custodian is 250 units.

**Recommendation Finalized September 2008 Conference** – Report total eligible position, total settled position, and balance on loan.

**3.3.8.2 MT565 Instruction format**

The MT565 does not currently support an instructed loan quantity. However, the message does support the LOAN balance. At this time there is no consensus within the groups to recommend the client/IM to identify the LOAN balance on the MT565. Therefore, identifying the total eligible position on the MT565 is sufficient regardless of the lending program.

**Sequence B2**

:16R:ACCTINFO	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance. Loan balance is included.
:16S:ACCTINFO	

**Sequence D**

:16R:CAINST	
:13A::CAON//001	CA Option number
:22F::CAOP//SECU	CA Option Code
:36B::QINS//UNIT/400,	Quantity instructed
:16S:CAINST	

**Recommendation Finalized June 2008 Conference** - Depending on the loan program, loan activity can be transparent to the IM and therefore, they will respond on the total eligible position using 36B::QINS Quantity Instructed on the MT565.

#### **3.3.8.3 MT566 Confirmation of Payment format**

For payment confirms, there are two scenarios to consider:

1. The shares stayed out at the lending agent/borrower during the event.
2. The shares on loan were returned to the custodian in time for the event.

**Recommendation Finalized September 2008 Conference** - A Service Provider will report confirmation of loan payments using tag 93B LOAN. The below examples take into account 93B CONB (balance for which the payment applies). As the source of income is different when shares are out on loan as when they are held in custody, the posting dates of the payment could be different. Therefore, two separate MT566 messages should be sent.

#### **3.3.8.4 Business Case A - Mandatory Dividend**

Third Party Securities Lending Agent (Non-Custody) or Securities Lending Agent (Custody) did not return 150 shares that were out on loan to the custodian. The paying agent allocated payment to the Custodian based on the settled position of 250 shares. And the Securities Lending Agent will allocate payment to the Custodian based on the loan balance of 150 shares.

Custodian receives payment from both sources and allocates to the clients account. The timing of the payment could be different; therefore 2 separate 566 payment confirms would be transmitted by the custodian.

1. MT566 Payment confirm for the settled position (confirmed balance) of 250 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/250,	Total Settled Position Balance
:93B::CONB//UNIT/250,	Confirmed Balance
:16S: USECU	

**Sequence D2 Cash Movement**

:19B::PSTA//	Posting Cash Amount
--------------	---------------------

2. MT566 Payment confirm for the loan position (confirmed balance) of 150 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::LOAN//UNIT/150,	On Loan Balance
:93B::CONB//UNIT/150,	Confirmed Balance
:16S: USECU	

**Sequence D2 Cash Movement**

:19B::PSTA//	Posting Cash Amount
--------------	---------------------

**3.3.8.5 Business Case B - Mandatory Dividend**

Third Party Securities Lending Agent (Non-Custody) or Securities Lending Agent (Custody) did return 150 shares that were out on loan to the custodian prior to the entitlement date. The paying agent allocated payment for the full settled position which was 400 shares.

Custodian receives payment and allocates to the clients account. On payment date, the custodian would transmit one 566 payment confirm on the confirmed balance of 400 shares.



1. MT566 Payment confirm for the settled position (confirmed balance) of 400 shares.

**Sequence B**

:16R:USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/400,	Total Settled Position Balance
:93B::CONB//UNIT/400,	Confirmed Balance
:16S:USECU	

**Sequence D2 Cash Movement**

:19B::PSTA//	Posting Cash Amount
--------------	---------------------

**3.3.8.6 Business Case C - Voluntary Offer**

Third Party Securities Lending Agent (Non-Custody) or Securities Lending Agent (Custody) did not return 150 shares that were out on loan to the custodian.

The client instructs on the 400 total eligible shares:

The Custodian receives one 565;

- One 565 for the total eligible position 400 shares which the Custodian allocates based on where the shares are held. The Custodian will elect on the clients behalf for the settled position of 250 shares and forwards the client's instruction to the borrower/lending agent for the loan position of 150 shares.

Custodian receives payment from both sources and allocates to the clients account. The timing of the payment could be different; therefore two separate 566 payment confirms would be transmitted by the custodian.

1. MT566 Payment confirm for the settled position (confirmed balance) of 250 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/250,	Total Settled Position Balance
:93B::CONB//UNIT/250,	Confirmed Balance
:16S: USECU	

Sequence D1 Securities Movement and/or D2 Cash Movement depending on option elected.

2. MT566 Payment confirm for the loan position (confirmed balance) of 150 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::LOAN//UNIT/150,	On Loan Balance
:93B::CONB//UNIT/150,	Confirmed Balance
:16S: USECU	

Sequence D1 Securities Movement and/or D2 Cash Movement depending on option elected.

**3.3.8.7 Business Case D - Voluntary Offer**

Third Party Securities Lending Agent (Non-Custody) or Securities Lending Agent (Custody) did not return 150 shares that were out on loan to the custodian.

The client instructs separately on the 400 total eligible shares.

The Custodian receives two separate 565s;

- One 565 for the settled position 250 shares which the Custodian elects on the clients behalf.
- One 565 for the loan position of 150 shares which the Custodian forwards the client's instruction to the borrower/lending agent.

Custodian receives payment from both sources and allocates to the clients account. The timing of the payment could be different; therefore two separate 566 payment confirms would be transmitted by the custodian.

1. MT566 Payment confirm for the settled position (confirmed balance) of 250 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/250,	Total Settled Position Balance
:93B::CONB//UNIT/250,	Confirmed Balance
:16S: USECU	

Sequence D1 Securities Movement and/or D2 Cash Movement depending on option elected.

2. MT566 Payment confirm for the loan position (confirmed balance) of 150 shares.

**Sequence B**

:16R: USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::LOAN//UNIT/150,	On Loan Balance
:93B::CONB//UNIT/150,	Confirmed Balance
:16S: USECU	

Sequence D1 Securities Movement and/or D2 Cash Movement depending on option elected.

**3.3.8.8 Business Case E - Voluntary Offer**

Third Party Securities Lending Agent (Non-Custody) or Securities Lending Agent (Custody) returned 150 shares that were out on loan to the custodian and the total settled position is now 400.

The client instructs on 400 total eligible shares.

The Custodian receives one 565

- One 565 for the total settled position 400 shares which the Custodian elects on the clients behalf.
- Custodian receives payment and allocates to the clients account. On payment date, the custodian would transmit one 566 payment confirm on the confirmed balance of 400 shares.

1. MT566 Payment confirm for the settled position (confirmed balance) of 400 shares.

**Sequence B**

:16R:USECU	
:97A::SAFE//123456	Safekeeping account
:93B::ELIG//UNIT/400,	Total Eligible for Corporate Action Balance
:93B::SETT//UNIT/400,	Total Settled Position Balance
:93B::CONB//UNIT/400,	Confirmed Balance
:16S:USECU	

Sequence D1 Securities Movement and/or D2 Cash Movement depending on option elected.

### 3.4 SAMPLE MESSAGE WORKFLOW

Message workflow and samples for the following US events in ISO 15022 / ISO 20022 formats are contained in this section.

- US Lottery Event Processing Guidelines with representative messages
- US Dutch Auction Processing Guidelines with representative messages

#### 3.4.1 Guidelines for US Lottery Event Processing

##### 3.4.1.1 Overview

This section details US Market practice principles regarding lottery based events. The document will describe general market practice principles for lottery events as well as specific rules per usage of each ISO20022 Corporate Action message used in the lottery full lifecycle flow. These principles are being driven by the DTCC's Corporate Actions Transformation initiative. The SR2014 approved changes related to Lottery processing are also documented within this paper. Please note that this market practice is based upon the SR2014 standards implementation in November 2014 and thus is not in effect until such changes are in production. Please also note that the eight messages which are documented as part of the lottery message flow are meant to be used together. The market practice rules implied in this document assume that the sender of such messages will utilize all messages outlined in this flow.

##### 3.4.1.1.1 ISO 20022 Corporate Action Messages within Lottery Flow

ISO 20022 Message Type	ISO 15022 Message Type	Lottery Lifecycle Stage
CANO	MT564	Lottery Announcement
CANO-E	MT564	Eligible Balance Prior to Lottery
CAPA	MT564	<ul style="list-style-type: none"> <li>• Lottery Results (Affected and Unaffected Balances) or</li> <li>• Projection of Securities Debit / Cash Movement Credit</li> </ul>
CAPC	MT564	<ul style="list-style-type: none"> <li>• Lottery Results Cancellation Advice or</li> <li>• Projection Cancellation</li> </ul>
CACO	MT566	Security or Cash Movement Confirmation and Post Allocation Reversals or Adjustments
CARE	MT566	Lottery Reversal or Lottery Cancellation for Same Day Reversals
CACN	MT564	Lottery Event Cancellation Notice
CAPS	MT567	Unallocated Positions of Processed Lotteries

**3.4.1.2 General Market Practice Principles for Lottery Events**

- US Lottery based events occur for both DRAW and PDEF events.
- PDEF events can be either Partial Pre-refunding or Partial Defeasement. Both of these events involve no cash payout as they debit the underlying CUSIP and credit two new CUSIPs.
- Partial Defeasement events will result in the debit of the underlying CUSIP and the credit of 2 new CUSIPS for the defeased (called portion) and non-defeased (remaining after lottery). SR2014 introduces a new qualifier within the Securities Movement Section of the CANO / MT564. This indicator will be within the New Securities Issuance Indicator and will be either DEFE for the defeased CUSIP or NDEF for the non-defeased CUSIP.
- Partial Pre-refunding event will debit the underlying CUSIP and the refunded (called portion) is moved to a new CUSIP with an earlier maturity date. The non-refunded (remaining balance after lottery) is moved to a new CUSIP with the existing maturity date as the original underlying CUSIP. SR2016 introduces a new qualifier within the Securities Movement Section of the CANO / MT564. This indicator will be within the New Securities Issuance Indicator and will be either REFU for the Refunded CUSIP or NREF for the Non-Refunded CUSIP (similar to the Partial Defeasement changes introduced for SR2014)
- All accounts that are notified of eligibility in a lottery event via the CANO-Eligible message, or the MT564 should be notified of the lottery results via the CAPA lottery results or MT564 regardless of whether their accounts were affected by the Lottery.
- Clients with "short" position after the Lottery will be notified utilizing Obligated Balance within Lottery results message via the CAPA or MT564 Message.
- Supplemental Lottery events occur when an issuer calls an additional amount for the CUSIP with the same Publication Date, Rate and Payment Date. Supplemental lotteries for DRAW events will always be performed under the same Official Corporate Action Identifier (COAF).
- Supplemental Lottery Events for PDEF will occur under the existing Official Corporate Action Identifier only if the Original Lottery has not been run. If an original lottery has been run (CAPA or MT564 REPE received) and a supplemental lottery announcement is received, a new Official Corporate Action Identifier will be used to announce the supplemental event as the prior underlying CUSIP has been debited (exited) and will not be used for such an event. The underlying CUSIP for this Supplemental scenario will be the non-defeased CUSIP (Partial Defeasement event) or the non-refunded CUSIP (Partial Pre-refunding) as both contain the unaffected balance from the original lottery.
- Concurrent Lotteries can occur for the same CUSIP whereby two or more lotteries are run with the same publication date but for different rates. Because of the different terms, two events are created with different Official Corporate Action IDs (COAFS).
- The Event Stage Code will be utilized for Lottery events to identify non-standard lottery status across the lifecycle messages. Such scenarios involve Reversal / Reruns or Supplemental Rescissions only. This field must be assessed along with the Lottery Type (Original / Supplemental) to understand the context of the message. For instance, a Supplemental (SUPP) lottery type with a PART Event stage code means that only the supplemental lottery is being re-

run. There are three possible values within the Event Stage for Lottery processing which will be described within the message rules section in this document:

- FULL - Cancellation and Re-Run of an Original lottery or an Original and Supplemental Lottery. A subsequent lottery will be performed under a new Event (new COAF)
- PART - Cancellation and Re-Run of Supplemental Lottery only. A subsequent new Supplemental lottery will be performed under the Original Event (same COAF)
- RESC - Supplemental Lottery is being cancelled by the issuer. No subsequent lottery will be performed
- The Lottery Type field is also being added for SR2014 across all messages in the lottery flow. This field will help distinguish on Eligible Balance messages involving Supplemental Lotteries that the Eligible Balance is for the Supplemental Lottery. As well, for payments, the Lottery type will help clarify when there is an original and supplemental payout which is from the original and which is from the supplemental lottery.

### **3.4.1.3 Message rules for Lottery Flow**

#### **3.4.1.3.1 Corporate Action Announcement (CANO / MT564)**

- The Corporate Action Notification (CANO) for lottery events contain the following key fields:
  - Official Corporate Action Identifier (COAF)
  - Corporate Action Reference Number (CORP)
  - Results Publication Date
  - CUSIP (underlying)
  - Record Date
  - Lottery Date
  - Payment Date
  - Generic Cash Price Received Per Product (Rate)
  - Lottery Type (Original / Supplemental)
  - Base Denomination
  - Incremental Denomination
  - Accrued Interest (if applicable)
  - Premium (if applicable)
- For DRAW events, a supplemental lottery will be run under the same COAF but with the Lottery type supplemental (SUPP). The CANO announcement of a supplemental lottery will be a Replacement (REPL) message.
- For PDEF events, a supplemental lottery will be performed under a new Official Corporate Action Identifier (COAF) with new announcements if the original lottery has already occurred. Because the original underlying CUSIP has been moved into new two new CUSIPS (either Refunded / Non-Refunded or Defeased / Non-Defeased) there cannot be a supplemental announcement based on the original underlying CUSIP.

- **Event Stage** – The event stage would be used within an announcement message to indicate that a Supplemental Call is being cancelled (RESC). The Lottery Type field within this scenario would be Supplemental (SUPP). The combination of these two fields indicates that ONLY the supplemental portion is being rescinded and the original lottery is valid. This is the only scenario involving the Event Stage within the CANO or MT564.
- **Reversal Rerun of DRAW / PDEF and CANO** – If the key terms of a DRAW or PDEF event change, the lottery event will be withdrawn (WITH) using a CACN or MT 564 and a new event will be announced with a NEW Official Corporate Action Identifier (COAF).
  - For PDEF (Partial Defeasance or Partial Pre-refunding ) events, an event would be withdrawn if the refunded amount is less than the original refunded amount (called amount).
  - For DRAW events, if the redemption date, publication date or amount (if less than original called amount) changes from the original notification, then the event is reversed and re-run under a new COAF.

#### 3.4.1.3.2 Corporate Action Notification Eligible Balance (CANO-E / MT564)

- The CANO-Eligible Balance Message is a subset of the CANO message with its sole purpose to provide the eligible balance per account before the lottery has occurred. The following key balance fields will be present:
  - Eligible Balance
  - Settlement Position Balance
  - Pending Receipt and/or Pending Delivery Balance. Please note the depository for the US market does not supply pending receipt or delivery balances.
- For ISO20022, the CANO-Eligible message should follow the CANO message in the lottery flow.
- Bulking - The CANO-E message or MT564 can be bulked for DRAW or PDEF events to provide one message with repetitive account balance information pre-lottery. Please see existing US Market Practice rules for bulking. Also, this is an optional market practice to be determined by Service Level Agreement between sender and receiver of the MT564 or CANO-E message.
  - Please see [Lottery Appendix C](#) for example illustrating how a CANO-E message for accounts AAA, BBB and CCC have separate eligible balances for COAF 76658662 CUSIP **54626XAH1**.
- The CANO-E message will always display the Lottery type (Original / Supplemental).
- For Supplemental lotteries, the CANO-E will announce the lottery type as SUPP meaning that the eligible balance is now what is eligible to be called after the Original lottery has occurred. The unaffected balance (uncalled portion) from the CAPA lottery results will become the Eligible balance for the Supplemental Lottery. For example:

Original Balance - CANO-E / MT564	Lottery Eligible	Original Balance - CAPA / MT564	Lottery Results -	Supplemental Lottery - CANO-E / MT564 REPL
Eligible Balance	100	Eligible Balance	100	<b>Eligible Balance 60</b>
Settled Balance	100	Settled Balance	100	Settled Balance 60
		<b>Unaffected Balance</b>	<b>60</b>	
		<i>Affected Balance</i>	<i>40</i>	

### 3.4.1.3.3 Corporate Action Preliminary Advice (CAPA / MT564)

The Corporate Action Movement Preliminary Advice (CAPA, MT564) message will serve two purposes for Lottery Events: (1) display lottery results and (2) provide preliminary advice of cash / security allocation based upon lottery results. Please note that security allocation will occur only for PDEF (Partial Defeasement or Partial Prerefunding events only).

The CAPA message will contain the following balances:

- Eligible Balance
- Affected Balance
- Unaffected Balance (portion not called)
- Obligated Balance (portion of called balance that account owner is obligated to redeem but not currently present within their settlement balance (short)).

#### 3.4.1.3.3.1 Example: Partial Call Lottery Results with an Obligated Balance

This scenario happens when an account is eligible for the lottery based on the (Results Publication Date – 1) position. However, the account does not have position when the lottery is run. This is due to a client trading a position before publication date with settlement occurring after publication date. The Eligible Balance of 100 units is called (affected) but since there is no Settled Balance, the account is Obligated for 100 units.

Original Balance - CANO-E / MT564	Lottery Eligible	Original Balance - CAPA / MT564	Lottery Results -
Eligible Balance	100	<b>Eligible Balance</b>	<b>100</b>
Settled Balance	0	Settled Balance	0
		Unaffected Balance	0
		<b>Affected Balance</b>	<b>100</b>
		<b>Obligated Balance</b>	<b>100</b>

- A lottery results message should not be sent unless an account has received a CANO-E eligibility notice of the lottery.
- For DRAW events, the CAPA / MT564 message will display the projected cash movement as well as the debit movement of the underlying CUSIP based on the affected balance of the given account number.



- For PDEF events, there will be no cash movement as both Partial-Refunding and Partial Defeasement events involve the debit of the underlying CUSIP into two new CUSIPS.
- Bulking – Lottery results can be supported in a bulk announcement. The bulked lottery results message (CAPA, MT564) would provide one message per receiving BIC that displays the lottery results of all eligible accounts received on the CANO-E message. Each account balance would display. Please see [Lottery Appendix D](#) for example. Also, this is an optional market practice to be determined by Service Level Agreement between sender and receiver of the MT564 or CAPA message.
  - Eligible Balance
  - Affected Balance
  - Unaffected Balance
  - Obligated Balance
- Lottery Scenarios involving CAPA / MT564 message
  - If an event is cancelled after the lottery results have been published but before allocation, the Corporate Action Preliminary Advice of Cancellation (CAPC )message must be sent as well as a CACN event cancellation / MT564 23G::WITH.
  - If a lottery event is cancelled after it has allocated (CACO - Corporate Action Confirmation) a CAPA message must be sent as a pre-advice of reversal (Corporate Action Reversal - CARE).
  - If an original lottery has allocated (CACO) and needs to be reversed and rerun, a CAPA / MT 564 pre-advice must be sent indicating the Event Stage- FULL. The event stage signifies that the lottery results are being fully reversed and a new lottery will be run under a new Corporate Action Event ID (COAF). The CAPA message will also be the pre-advice of CARE allocation reversal advice.
  - If an Original and Supplemental both need to be cancelled, there should be two CAPA messages which are a pre-advice of the Original and Supplemental reversals which need to occur.

#### **3.4.1.3.4 Corporate Action Movement Preliminary Advice Cancellation (CAPC / MT564)**

The Corporate Action Preliminary Advice Cancellation (CAPC) message is used within the lottery flow whenever lottery results have been published through a CAPA / MT564 and either a reversal or cancellation of the lottery occurs before the lottery has allocated. The following scenarios occur with the CAPC:

- The CAPC message will be used when a lottery has been run (CAPA) and then the event is cancelled before the lottery allocates. The CAPC message will cancel the lottery results and projected movements and a CACN event withdrawal message would also be sent withdrawing the event.
- A CAPC message will be used when a lottery has been run (CAPA/ MT564 23G::REPE) and the event needs to be reversed and rerun before the lottery has allocated. In this case the CAPC

message would use the **Event Stage Code FULL** to indicate that the lottery results are being cancelled and a new event (COAF) will be utilized to re-run the lottery. A client should expect an event withdrawal (CACN / MT564 ) message of the original event.

- A CAPC message will be used when a Supplemental Call is being cancelled after a lottery is run but before it has allocated. The CAPC message would indicate an **Event Stage Code RESC** and a Lottery Type of SUPP. The receiver of the message will receive no further message as only the Supplemental lottery is being cancelled and the Original lottery is valid.
- A CAPC message will be used when a Supplemental lottery has run but needs to be reversed pre-allocation. The client should receive a CAPC message with an **Event Stage code PART** indicating that only the Supplemental Call needs to be reversed. A new supplemental lottery will be rerun under the existing Official Corporate Action id (COAF).
- A CAPC lottery cancellation message should not be output unless there has been a CAPA lottery results message which has been output.

#### 3.4.1.3.5 Corporate Action Movement Confirmation (CACO / MT566)

The Corporate Action Movement Confirmation Advice (CACO / MT566) is utilized in the lottery message flow to indicate the settlement of security or cash movements resulting from the lottery redemption. Several key points regarding the usage of this message in the flow:

- As per SR2014, the CACO message will now relate the Lottery Type within the message. This field will provide more clarity to understand when there are multiple allocations resulting from an original and supplemental lottery.
- The lottery type field will also clarify the payouts when an original and supplemental lottery allocate with separate allocations. There will be two movement confirmation messages (CACO / MT566) indicating one having a lottery type of ORIG and the other SUPP.
- The CACO / MT566 message should indicate for DRAW scenarios a debit of the underlying CUSIP along with the credit of Cash.
- CACO / MT566 messages for Partial Pre-refunding and Partial Defeasement events will be security movements only. There will be three security movements for these scenarios with a debit of the original CUSIP and two security credits for the NEW CUSIPS.
- The CACO / MT566 message can be used to output multiple securities movements within the same message for PDEF events. Because the Securities debit of the underlying CUSIP and the Securities credit movement of the two new CUSIPS are known together, one CACO / MT566 message with multiple movements can be used to convey the three transactions.
- Partial Defeasement CACO / MT566 messages as per SR2014 will now utilize the New Security Issuance Indicator to indicate DEFE for the defeased CUSIP and NDEF for the non-defeased CUSIP.
- For Partial Pre-refunding CUSIPS, each new security should indicate the maturity date of the new security as the refunded new CUSIP will have an earlier maturity date than the non-refunded CUSIP.

- For DTCC events involving Partial Call Conversions or Partial Mandatory Puts with or without the right to retain, the allocation of a DRAW event will be to a contra CUSIP.

#### **3.4.1.3.6 Corporate Action Movement Reversal Advice (CARE / MT566)**

The Corporate Action Movement Reversal Advice is utilized within the lottery flow to indicate that a reversal or cancellation of the lottery is occurring post allocation. The CARE message in this scenario would have been preceded by a CAPA pre-advice message advising when the security or cash reversals will occur. Several key points regarding the use of the CARE message:

- For SR2014, the CARE message will now indicate the Lottery Type and the Event Stage. In combination these two fields explain why the reversal is occurring.
- For an original lottery being fully reversed, the lottery type ORIG and the Event Stage FULL would be utilized. This would indicate that the lottery will be fully reversed and rerun under a new Official Corporate Action Identifier (COAF)
- For an original lottery which is cancelled after allocation, the Lottery Type ORIG will be used but no Event Stage code will be used. The lottery allocations are being fully reversed but the event has been cancelled. This message will be sent in conjunction with a CACN event withdrawal message. When a supplemental call has allocated but is being cancelled, a CARE message will be sent indicating a lottery type of SUPP and an Event Stage of RESC. The lottery proceeds from the supplemental lottery are only being reversed. The original lottery results are valid.
- When a supplemental call has allocated but is being reversed / rerun, a CARE message will be sent indicating a Lottery type of SUPP and an Event Stage of PART. This indicates that only the supplemental call results are being reversed and another supplemental lottery will be run within the same Official Corporate Action ID.

#### **3.4.1.3.7 Corporate Action Cancellation Advice (CACN / MT564)**

The Corporate Action Cancellation Advice is used within the lottery workflow to indicate the cancellation of a lottery event. There are several key points concerning the CACN / MT564 message:

- The CACN message will utilize the Event Stage field to indicate when an event cancellation is occurring because of a full reversal (FULL). This situation can occur if either the Original Lottery will be reversed and rerun under a new COAF ID or the Original AND Supplemental lottery are both being reversed and rerun under a new COAF ID.
- The CACN message should link using the Event Linkage section to the new event being created.

### 3.4.1.3.8 Corporate Action Event Processing Status Advice (CAPS / MT567)

The Corporate Action Event Processing Status Advice message is used to convey Lottery events in which no payment was received on or after payment date. This message is not part of the lifecycle flow. However, the status advice can be used to indicate lottery events

- The CAPS / MT567 Event Processing status message will be used only for DRAW events. PDEF events do not involve Cash and will always allocate on payment (settlement date).
- The Processing Status would be Pending and the Reason Code would be NPAY (no payment).

### 3.4.1.4 Lottery Appendices

#### 3.4.1.4.1 Lottery Appendix A. Key Definitions

**Concurrent Call - Two** (2) Partial calls announced with the same Redemption and/or Publication dates, but different rates. Contra CUSIP is required in this scenario (currently, CONTRA CUSIP is used only if it is a late announcement. Otherwise, 2<sup>nd</sup> Redemption will be processed once the 1<sup>st</sup> Redemption is mainlined).

**Eligible Balance** - Total Eligible balance based on Publication Date -1

**Event Stage** - ISO field used to further indicate the workflow stage of reversal / rerun or lottery cancellation scenarios. Three values are utilized for lottery events: FULL, PART and RESC

- **FULL** – An Original or An Original and Supplemental lottery are being fully reversed and rerun. A new Official Corporate Action Identifier (COAF) will be used to announce the new event.
- **PART** – Used in combination with the lottery type code, PART indicates that only the Supplemental portion of a lottery is being reversed and rerun. This would occur under the existing Official Corporate Action Identifier (COAF)
- **RESC** - The Supplemental lottery is being cancelled only. No subsequent supplemental lottery will be performed.

**Lottery Reversal / Rerun** - Key terms of the lottery have been changed by the issuer which will result in the unwinding of the lottery results previously announced. A new lottery announcement will occur under a new Official Corporate Action Identifier.

**Partial Defeasance** – event takes place when the trustee or escrow agent takes action to ensure future payment for the sum defeased to maturity.

**Partial Pre-Refunding** - event takes place when the issuer, trustee or paying agent hold funds in escrow for a portion of funds to pay some of the security on a scheduled date before the original maturity date.

**Supplemental Call** – issuer calls additional quantity for the CUSIP with the same Publication Date, Rate and Payment Date. Supplemental calls for Partial Call events (DRAW) are processed with the same Official Corporate Action Identifier. Supplemental Calls for Partial Pre-refunding or Partial Defeasance events are only processed under the same COAF id if the lottery has not yet been run. Otherwise, the supplemental call would be run under a new COAF.

#### 3.4.1.4.2 Lottery Appendix B. Event Stage Matrix – DRAW EVENT example

Scenario (PowerPoint scenario #*)	Lottery Type	First Message / Function Indicating Event Stage	Event Stage	Definition	Lottery Cancelled or Rerun	New COAF Issued
DRAW (1)	ORIG	CANO - NEWM	N/A		N/A	NO
DRAW with Rescission (2, 3, 4)	ORIG or ORIG and SUPP	CACN - WITH	N/A		Cancelled	NO
DRAW with Reversal (5, 6, 7)	ORIG	CACN -WITH	FULL	Cancellation and Re-Run of an Original lottery or an Original and Supplemental Lottery. A subsequent lottery will be performed under a new Event.	Re-Run	YES
DRAW with Supplemental (8,9, 10)	SUPP	CANO - REPL	N/A		N/A	NO
DRAW with Supplemental Cancellation only (11, 12)	SUPP	CAPC-REPL or  CANO-REPL if post allocation cancellation	RESC	Supplemental Lottery is being cancelled by the issuer. No subsequent supplemental lottery will be performed.	Cancelled	NO
DRAW with Supplemental Reversal Only (13, 14)	SUPP	CAPC – NEWM or  CAPA – NEWM if post allocation reversal	PART	Cancellation and Re-Run of Supplemental Lottery only. A subsequent new Supplemental lottery will be performed under the Original Event.	DRAW with Supplemental Reversal Only	NO

Scenario (PowerPoint scenario #*)	Lottery Type	First Message / Function Indicating Event Stage	Event Stage	Definition	Lottery Cancelled or Rerun	New COAF Issued
DRAW with Original and Supplemental Reversal (15,16)	CACN / ORIG (will signify that both ORIG and SUPP will be reversed )	WITH	FULL	Cancellation and Re-Run of an Original lottery or an Original and Supplemental lottery. A subsequent lottery will be performed under a new Event.	Reversal / Rerun	YES

\*Note that the referenced PowerPoint presentation is posted on the ISITC website, [www.isitc.org](http://www.isitc.org), in  
Working Groups> Corporate Actions> Member Documents > Market-Practice-Documents >  
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#### 3.4.1.4.3 Lottery Appendix C. CANO-E Bulking example

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#### 3.4.1.4.4 Lottery Appendix D. Bulking CAPA Lottery Results Example

In the example below, three accounts are included in the notification of lottery results. These are the same three accounts shown in the CANO-e example above: AAA, BBB and CCC. In this example, AAA was called for 100,000 (affected balance) leaving an unaffected balance of 325,000. Account BBB was called for 50,000 (affected balance) leaving an unaffected balance of 250,000. Account CCC was called for 50,000 (affected balance) but because the settlement position balance was zero, the account has an obligated balance of 50,000.

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### **3.4.2 Guidelines for US Dutch Auction Event Processing**

#### **3.4.2.1 Messages:**

- MT 564 for the notification
- MT 565 for the instructions of options 1, 2, 3 and 6
- MT 567 for the instruction processing statuses of instructions of options 1, 2, 3 and 6
- MT 566 for tender successful for instruction option 1

#### **3.4.2.2 Definition:**

An action by a party wishing to acquire a security. Holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.

#### **3.4.2.3 Issue:**

ISIN US42822Q1004

#### **3.4.2.4 Terms:**

Offer to purchase for cash up to 8,000,000 shares of its class A, class B and class C common stock in a "modified Dutch Auction" at a purchase price not in excess of USD 31.50 nor less than USD 29.00 per share in increments of USD 0.25.

#### **Option 1:** tender at a specified price

Elect to tender at a price not to exceed USD 31.50 and not less than USD 29.00 per share in bid increments of USD 0.25. This option is subject to pro-ration if more than 8,000,000 shares are tendered.

#### **Option 2:** tender at an unspecified price

Shareholders may tender without specifying a price, thereby maximizing their chance to participate in the tender offer. These shareholders will receive the price specified by the company and this price will be paid to all tendering shareholders who properly tendered their shares. This option is subject to pro-ration if more than 8,000,000 shares are tendered.

#### **Options 3 and 4:** conditional tender

Shareholders may tender subject to the condition that a specified minimum number of the shares of the total share amount tendered is accepted by the offerer. The purchase may, if necessary to purchase the desired number of shares, purchase shares conditionally tendered (for which the condition was not initially satisfied and regarded as withdrawn), by lot. This option is subject to pro-ration if more than 8,000,000 shares are tendered. For example, if a beneficial owner wishes to tender 500 shares on the

condition that a minimum of 300 shares is accepted, if fewer than 300 shares after pro-ration are accepted, then the holder will not tender any shares.

For this event, conditional tenders can be made either at a specified or unspecified price.

**Options 5 and 6:** tender as an odd lot holder

Shareholders who own fewer than 100 shares and who validly tender all of the shares owned will be purchased totally at the purchase price (either specified or unspecified) and will be exempted from pro-ration. This is reflected in the event by the front end lot quantity (FOLQ) of 99 shares. Odd lot shareholders cannot tender conditionally.

The offer is not conditional on any minimum number of shares being tendered. The offer is, however, subject to other conditions pursuant to the offer to purchase for cash.

The offer, withdrawal rights and pro-ration period will expire at midnight on 16 March 20YY. The response deadline is 11 March 20YY. Protect period: three NYSE trading days

**3.4.2.5 Instruction description:**

Four instructions are shown:

1. Instruction for option 1 – tender with a specified price
2. Instruction for option 2 - tender without a specified price
3. Instruction for option 3 – tender conditionally at unspecified price
4. Instruction for option 6 – tender with odd lot preference at unspecified price

**3.4.2.6 Relative details and dates:**

Response deadline date – 11 March 20YY Cash payment date – 24 March 20YY

**3.4.2.7 Messages:**

- MT 564 for the notification
- MT 565 for the instructions of option 1
- MT 567 for the instruction processing statuses of instructions of option 1
- MT 566 for tender successful for instruction option 1

**3.4.2.7.1 MT 564 Corporate Action Notification**Mandatory **Sequence A** General Information

:16R:	GENL	Start of Block
:20C::	CORP//USDTCH3491759	Corporate Action Reference
:20C::	SEME//BCC25AAF504ADC00	Sender's Message Reference
:20C::	COAF//BI01593212345	Official Corporate Action Event Reference
:23G:	NEWM	Function of the message (here, new message)
:22F::	CAEV//DTCH	Corporate Action Event Indicator
:22F::	CAMV//VOLU	Mandatory/Voluntary Indicator
:25D::	PROC//COMP	Processing Status
:16S:	GENL	End Of Block

End of **Sequence A** General InformationMandatory **Sequence B** Underlying Securities

:16R:	USECU	Start of Block
:35B:	ISIN US42822Q1004	Identification of the Financial Instrument

Mandatory Repetitive **Subsequence B2** Account Information

:16R:	ACCTINFO	Start of Block
:97A::	SAFE//123456	Safekeeping Account
:93B::	ELIG//UNIT/190,	Total Eligible For Corporate Action Balance
:16S:	ACCTINFO	End Of Block

End of **Subsequence B2** Account Information

:16S:	USECU	End Of Block
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End of Mandatory **Sequence B** Underlying SecuritiesOptional **Sequence D** Corporate Actions Details

:16R:	CADETL	Start of Block
:92F::	BIDI//USD0,25	Bid Interval
:90B::	MINP//ACTU/USD29,	Minimum Price
:90B::	MAXP//ACTU/USD31,50	Maximum Price
:36B::	QTSO//UNIT/8000000,	Quantity sought
:16S:	CADETL	End Of Block

End of **Sequence D** Corporate Actions Details

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//001	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//PROR	Option is subject to proration
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:69E::	REVO//UKWN/20YY0316	Revocability Period

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//TBSP	Tender with a specified price
:16S:	CASHMOVE	End Of Block
:16S:	CAOPTN	End Of Block

Optional Repetitive **Sequence E** Corporate Action Options



:16R:	CAOPTN	Start of Block
:13A::	CAON//002	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//PROR	Option is subject to proration
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:69E::	REVO//UKWN/20YY0316	Revocability Period

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//UNSP	Tender with an unspecified price
:16S:	CASHMOVE	End Of Block

End of **Subsequence E2** Cash Movement

:16S:	CAOPTN	End Of Block
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End of **Sequence E** Corporate Action Options

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//003	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//PROR	Option is subject to proration
:22F::	OPTF//COND	Option is subject to conditional quantities
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:69E::	REVO//UKWN/20YY0316	Revocability Period

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//TBSP	Tender with a specified price with conditional quantities
:16S:	CASHMOVE	End Of Block

End of **Subsequence E2** Cash Movement

:16S:	CAOPTN	End Of Block
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End of **Sequence E** Corporate Action Options

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//004	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//PROR	Option is subject to proration
:22F::	OPTF//COND	Option is subject to conditional quantities
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:69E::	REVO//UKWN/20YY0316	Revocability Period

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//UNSP	Tender with an unspecified price with conditional quantities
:16S:	CASHMOVE	End Of Block

End of **Subsequence E2** Cash Movement

:16S:	CAOPTN	End Of Block
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End of **Sequence E** Corporate Action Options

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//005	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//OPLF	Odd Lot Preference Option
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:36B::	FOLQ//UNIT/99,	Front end odd lot quantity

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//TBSP	Tender with a specified price
:16S:	CASHMOVE	End Of Block

End of **Subsequence E2** Cash Movement

:16S:	CAOPTN	End Of Block
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End of **Sequence E** Corporate Action Options

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//006	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:22F::	OPTF//OPLF	Odd Lot Preference Option
:11A::	OPTN//USD	Currency offered
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:36B::	FOLQ//UNIT/99,	Front end odd lot quantity

Optional Repetitive **Subsequence E2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:98A::	PAYD//20YY0324	Payment Date/Time
:90E::	OFFR//UNSP	Tender with an unspecified price
:16S:	CASHMOVE	End Of Block

End of **Subsequence E2** Cash Movement

:16S:	CAOPTN	End Of Block
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End of **Sequence E** Corporate Action Options

Optional Repetitive **Sequence E** Corporate Action Options

:16R:	CAOPTN	Start of Block
:13A::	CAON//007	CA Option Number
:22F::	CAOP//NOAC	Corporate Action Option Code Indicator
:17B::	DFLT//N	Default Processing Flag
:98A::	MKDT//20YY0312	Market Deadline Date
:98A::	RDDT//20YY0311	Response deadline date
:16S:	CAOPTN	End Of Block

End of **Sequence E** Corporate Action Options**3.4.2.7.2 MT 565 for Option 1 – Tender at Specified Price**Mandatory **Sequence A** General Information

:16R:	GENL	Start of Block
:20C::	CORP//USDTCH3491759	Corporate Action Reference
:20C::	SEME//251247845	Sender's Message Reference
:20C::	COAF//BI01593212345	Official Corporate Action Event Reference
:23G:	NEWM	Function of the message (here, new message)
:22F::	CAEV//DTCH	Corporate Action Event Indicator
:16S:	GENL	End Of Block

End of **Sequence A** General InformationMandatory **Sequence B** Underlying Securities

:16R:	USECU	Start of Block
:35B:	ISIN US42822Q1004	Identification of the Financial Instrument

Mandatory Repetitive **Subsequence B2** Account Information

:16R:	ACCTINFO	Start of Block
:97A::	SAFE//123456	Safekeeping Account
:93B::	ELIG//UNIT/190,	Total Eligible For Corporate Action Balance
:16S:	ACCTINFO	End Of Block

End of **Subsequence B2** Account Information

:16S:	USECU	End Of Block
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End of Mandatory **Sequence B** Underlying SecuritiesMandatory **Sequence D** Corporate Actions Instruction

:16R::	CAINST	Quantity Instructed  Price per share to be received by holders tendering shares
:13A::	CAON//001	
:22F::	CAOP//CASH	
:36B::	QINS//UNIT/190,	
:90B::	OFFR//ACTU/USD29,75	
:16S::	CAINST	

### 3.4.2.7.3 MT 567 Response Status and Processing Advice for Instruction received on Option 1 – Tender at Specified Price

Mandatory **Sequence A** General Information

:16R:	GENL	Start of Block
:20C::	CORP//USDTCH3491759	Corporate Action Reference
:20C::	SEME//154802474	Sender's Message Reference
:20C::	COAF//BI01593212345	Official Corporate Action Event Reference
:23G:	INST	Function of the message (here, instruction status)
:22F::	CAEV//DTCH	Corporate Action Event Indicator
:16S:	GENL	End Of Block

Mandatory Repetitive **Subsequence A1** Linkages

:16R:	LINK	SEME from 565 instruction message
:13A::	LINK//565	
:20C::	RELA//2512478245	
:16S:	LINK	

End of Repetitive **Subsequence A1** LinkagesMandatory **Subsequence A2** Status

:16R:	STAT	Accepted for further processing
:25D::	IPRC//PACK	
:16S:	STAT	

End of **Subsequence A2** StatusEnd of **Sequence A** General Information

## Mandatory Sequence B Corporate Action Details

:16R::	CADETL	Quantity on which the status applies
:13A::	CAON//001	
:22F::	CAOP//CASH	
:36B::	QINS//UNIT/190,	
:16S::	CADETL	

End of **Sequence B** Corporate Action Details

### 3.4.2.7.4 MT 566 Confirmation of Payment for proceeds received from Option 1– Tender at Specified Price

#### Mandatory **Sequence A** General Information

:16R:	GENL	Start of Block
:20C::	CORP//USD TCH3491759	Corporate Action Reference
:20C::	SEME//154805000	Sender's Message Reference
:20C::	COAF//BI01593212345	Official Corporate Action Event Reference
:23G:	NEWM	Function of the message (here, new message)
:22F::	CAEV//DTCH	Corporate Action Event Indicator
:22F::	CAMV//VOLU	Mandatory/Voluntary Indicator
:25D::	PROC//COMP	Processing Status
:16S:	GENL	End Of Block

End of **Sequence A** General Information

#### Mandatory **Sequence B** Underlying Securities

:16R:	USECU	Start of Block
:97A::	SAFE//123456	Safekeeping Account
:35B:	ISIN US42822Q1004	Identification of the Financial Instrument
:93B::	ELIG//UNIT/190,	Total Eligible For Corporate Action Balance
:93B::	CONB//UNIT/190,	Total Confirmed Balance for which payment applies
:16S:	USECU	End Of Block

End of Mandatory **Sequence B** Underlying Securities

#### Optional **Sequence C** Corporate Actions Details

:16R:	CADETL	Start of Block
:92F::	BIDI//USD0,25	Bid Interval
:90B::	MINP//ACTU/USD29,	Minimum Price
:90B::	MAXP//ACTU/USD31,50	Maximum Price
:36B::	QTSO//UNIT/8000000,	Quantity sought
:16S:	CADETL	End Of Block

End of **Sequence C** Corporate Actions Details



Optional Repetitive **Sequence D** Corporate Action Confirmation

:16R:	CACONF	Start of Block
:13A::	CAON//001	CA Option Number
:22F::	CAOP//CASH	Corporate Action Option Code Indicator
:98A::	RDDT//20YY0311	Response deadline date

Optional Repetitive **Subsequence D1** Securities Movement

:16R:	SECMOVE	Start of Block
:22H::	CRDB//DEBT	Credit/Debit Indicator
:35B::	ISIN US42822Q1004	
:36B::	PSTA//UNIT/190,	Quantity of securities debited
:98A::	POST//20YY0324	Date securities were debited
:16S:	SECMOVE	End of Block

End **Subsequence D1** Securities MovementOptional Repetitive **Subsequence D2** Cash Movement

:16R:	CASHMOVE	Start of Block
:22H::	CRDB//CRED	Credit/Debit Indicator
:19A::	PSTA//USD5652,5	Entitled amount
:98A::	POST//20YY0324	Date cash was credited
:98A::	VALU//20YY0324	
:16S:	CASHMOVE	End of Block

## End Subsequence D2 Cash Movement

:16S:	CACONF	End of Block
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End of **Sequence D** Corporate Actions Confirmation