

Outcome

Belgian National Stakeholders Group (BENSG)

Meeting, Thursday 24 October 2019, 14.00-16.00

Attendees:

COUSSENS Philip	Belfius
CUNNINGHAM James	Bank of New York Mellon
DAEMS Daisy	KBC
GRAULS Jan	Euroclear
MAIRESSE Anne	LCH
ALIKOGLU Ilyas	Bank of New York Mellon
SAMYN Piet	ING
STEENHOUT Jimmy	NBB-SSS
TIMMERMANS Yvan	NBB (Chairperson)
VAN AS Elly	Citibank
VISSERS Julie	NBB (Secretary)

1. Introduction

The goal of the meeting was to inform Belgian custodians on the impact of the AMI-SeCo CMH Standards on their organisation. Custodians and other market participants in the BENSG should take into account the announced changes and developments by the (I)CSDs. The (I)CSDs will therefore inform their users through their User Committee. It is important that **all parties down the chain (including issuers via their agent banks) get involved in the harmonisation work**. The BENSG Chair insists that all BENSG members share the AMI-SeCo documentation inside their organisation.

2. Impact of AMI-SeCo CMH Standards on Custodians

As from 2020 not only (I)CSDs and TPAs will be monitored, but also custodians. The BENSG therefore presented the CMH Standards to be implemented by custodians:

- For Corporate Actions: Standards 1 until 14
- For Billing: Standard 2
- For Triparty: No monitoring, but custodians are greatly encouraged to implement the standards

An important question in this context is: what are custodians? The CMH Standards define custodians as commercial banks in their capacity of service provider (not as an end-user). Four main Belgian custodians will be monitored. In addition, Bank of New York Mellon which is a global custodian operating in multiple markets, will be monitored by the BENSG. It still has to be analysed what role the BE-MIG will play in the monitoring process.

The BENSG members noted that a part of the Corporate Action Standards were already implemented, as they are based on already existing Standards (e.g. CAJWG Standards). With regard to the processing of negative interest rates, one of the members asked the CSDs to take into account that clients will have to pay and that there might be an issue if clients have no cash.

For the CMH Billing Standards some redrafting is planned (e.g. Standard 1: who should be covered?). As there is still unclarity about some of these Standards, the BENSG should read the next version of these Standards carefully.

3. Adaptation plans Belgian CSDs and TPAs

Euroclear Belgium, Euroclear Bank, Bank of New York Mellon and NBB-SSS presented their adaptation plans. Some highlights:

- Euroclear Belgium will be compliant with the Corporate Actions and Billing Standards by November 2022.
- Euroclear Bank will not develop the single harmonised triparty model.
- Euroclear Bank will be compliant with the majority of the Corporate Actions Standards, but will not support ISO20022 by November 2022. This also means that Euroclear will in principle not change the existing messages (ISO15022). However, if additional options should be available in function of the standards, this will be developed in ISO20022.
- BNY Mellon will implement the CMH Standards by November 2022, including the support of ISO20022 messages under the condition that the messages are available.
- NBB-SSS will implement most of the CMH Standards. There are some cases (e.g. meeting event announcements) for which NBB-SSS is not planning implementation as it has never been confronted with these events. However, if Participants see a business need for NBB-SSS to develop one of the non-developed Standards, a request can be made via its User Committee.