



EUROPEAN CENTRAL BANK

EUROSYSTEM

Eurosystem Collateral Management System

Information pack

Handling of corporate actions in the ECMS

January 2020

target | ECMS
services

Corporate actions – general aspects

- NCBs are responsible for managing corporate action (CA) events related to marketable assets held as collateral by the NCB at the time of the CA.
- The ECMS automatically processes defined CA events, based on the AMI-SeCo corporate actions standards.

Link: https://www.ecb.europa.eu/paym/intro/publications/pdf/ecb.AMI-SeCo_Corporate_Actions.pdf?579152921f0a983d706ebcb0c5a3d75a

ECMS as intermediary

The ECMS acts as an intermediary between CSDs/TPAs and counterparties.

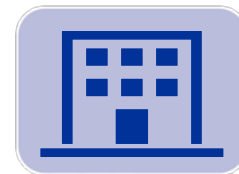
CSDs/TPAs



NCBs / ECMS



Counterparties



In **A2A mode**, all CA messages to and from the ECMS are based on ISO 20022 messaging

For elective CA events, counterparties can provide their instructions via **U2A mode** (outgoing information will also be provided in U2A mode by the ECMS)

Handling of corporate actions in the ECMS

- As CA events are automatically processed by the ECMS, there is no need for counterparties to demobilise assets subject to a CA event from the pool.
- The ECMS informs the CSD of the counterparty's choices in elective CAs.
- For some types of CA event, the marketable asset position may be blocked to prevent the position from being demobilised while the CA is ongoing.
- The ECMS can handle both CA events which trigger cash flows and those that entail securities movements.
- Any payments stemming from CA events are generated by the ECMS and executed in CLM (in the main cash account of the counterparty).

ECMS coverage of corporate action events

ID	Name
ACTV	Trading Status: Active
BIDS	Repurchase Offer / Issuer Bid/ Reverse Rights
BMET	Bond Holder Meeting
BPUT	Put Redemption
BRUP	Bankruptcy
CAPI	Capitalisation
CERT	Non-US TEFRA D Certification
CHAN	Change
CLSA	Class Action / Proposed Settlement
CMET	Court Meeting
CONS	Consent
CREV	Credit Event
DFLT	Bond Default
DLST	Trading Status: Delisted
DRAW	Drawing
DSCL	Disclosure
DTCH	Dutch Auction
EXOF	Exchange
EXTM	Maturity Extension
INCR	Increase in Value

ID	Name
INFO	Information
INTR	Interest Payment
LIQU	Liquidation Dividend / Liquidation Payment
MCAL	Full Call / Early Redemption
OTHR	Other Event
PARI	Pari-Passu
PCAL	Partial Redemption Without Pool Factor Reduction
PINK	Payment in Kind
PLAC	Place of Incorporation
PPMT	Instalment Call
PRED	Partial Redemption With Pool Factor Reduction
REDM	Final Maturity
REDO	Redenomination
REMK	Remarketing Agreement
RHDI	Intermediate Securities Distribution
SUSP	Trading Status: Suspended
TEND	Tender / Acquisition / Takeover / Purchase Offer
TREC	Tax Reclaim
WTRC	Withholding Tax Relief Certification
WRTH	Worthless

Message flows for corporate actions

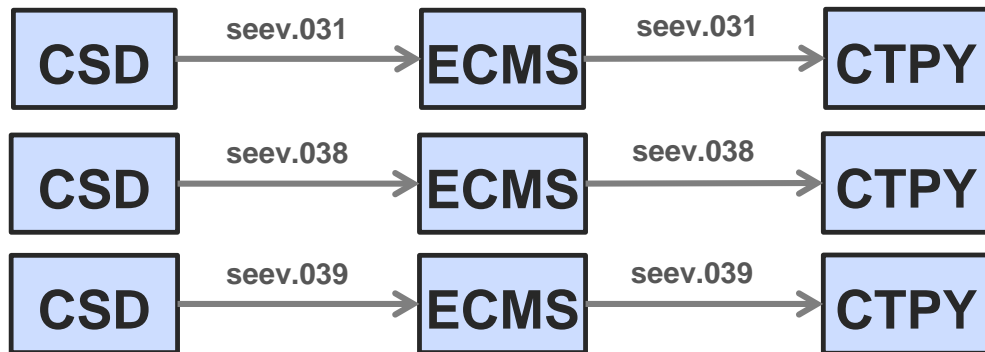
1. CA Announcement activity
2. CA Instruction activity
3. CA Advice activity
4. CA Confirmation activity
5. CA Reversal activity
6. Meeting Announcement activity
7. Meeting Instruction activity
8. Meeting Result Dissemination activity

ECMS corporate action messages

Code	Name
seev.001	Meeting Notification
seev.002	Meeting Cancellation
seev.003	Meeting Entitlement Notification
seev.004	Meeting Instruction
seev.005	Meeting Instruction Cancellation Request
seev.006	Meeting Instruction Status
seev.007	Meeting Vote Execution Confirmation
seev.008	Meeting Result Dissemination
seev.031	Corporate Action Notification
seev.032	Corporate Action Event Processing Status Advice Process

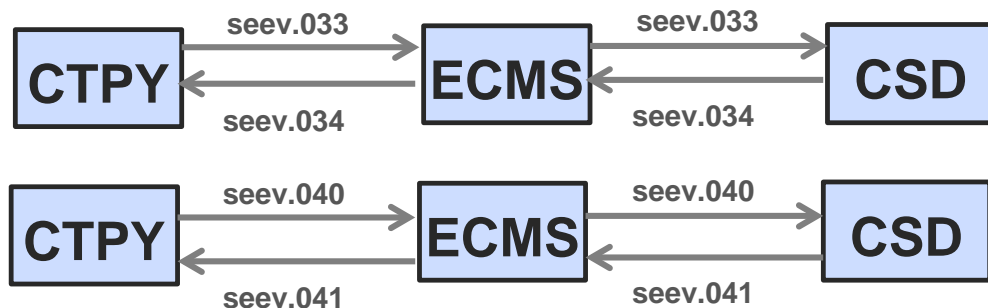
Code	Name
seev.033	Corporate Action Instruction
seev.034	Corporate Action Instruction Status Advice
seev.035	Corporate Action Movement Preliminary Advice
seev.036	Corporate Action Movement Confirmation
seev.037	Corporate Action Reversal Advice
seev.039	Corporate Action Cancellation Advice
seev.040	Corporate Action Instruction Cancellation Request
seev.041	Corporate Action Instruction Cancellation Request Status Advice
seev.042	Corporate Action Instruction statement Report
seev.044	Corporate Action Movement Preliminary Advice Cancellation Advice message

1. CA Announcement activity



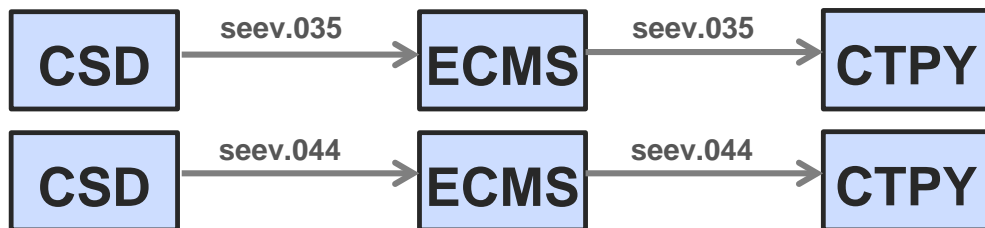
ISO Message	ISO Code	Sent to
Corporate Action Notification (CANO)	seev.031	Counterparty
Corporate Action Cancellation Advice (CACN)	seev.039	Counterparty

2. CA Instruction activity



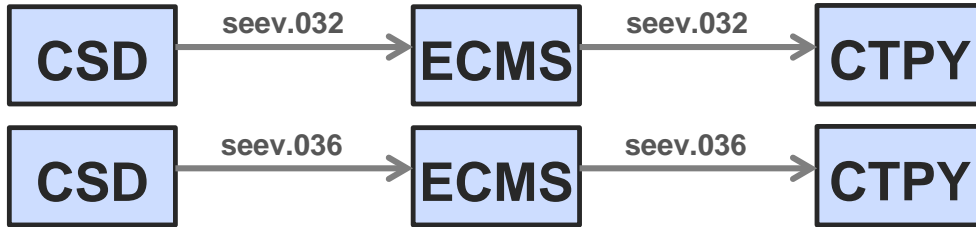
ISO Message	ISO Code	Sent by	Sent to
Corporate Action Instruction (CAIN)	seev.033	Counterparty	
Corporate Action Instruction Status Advice(CAIS)	seev.034		Counterparty
Corporate Action Instruction Cancellation Request (CAIC)	seev.040	Counterparty	
Corporate Action Instruction Cancellation Request Status Advice (CACS)	seev.041		Counterparty

3. CA Advice activity



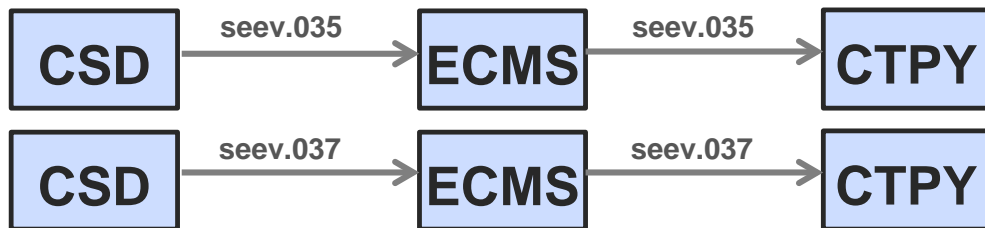
ISO Message	ISO Code	Sent to
Corporate Action Movement Preliminary Advice (CAPA)	seev.035	Counterparty
Corporate Action Movement Preliminary Advice Cancellation Advice (CAPC)	seev.044	Counterparty

4. CA Confirmation activity



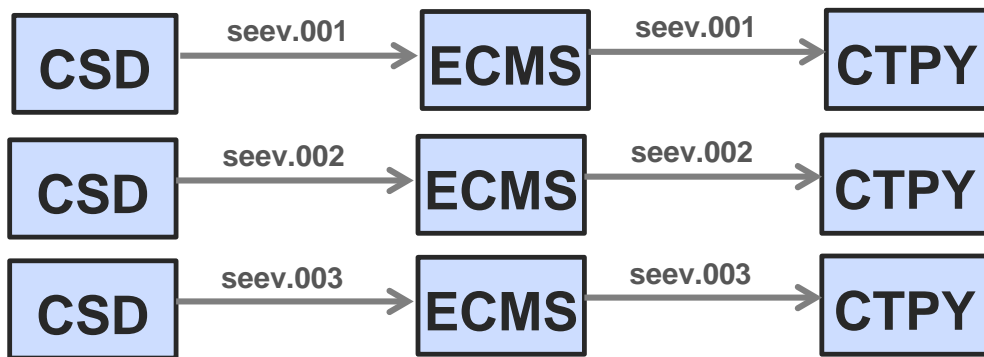
ISO Message	ISO Code	Sent to
Corporate Action Event Processing Status Advice (CAPS)	seev.032	Counterparty
Corporate Action Movement Confirmation (CACO)	seev.036	Counterparty

5. CA Reversal activity



ISO Message	ISO Code	Sent to
Corporate Action Movement Preliminary Advice (CAPA)	seev.035	Counterparty
Corporate Action Movement Reversal Advice (CARE)	seev.037	Counterparty

6. CA Meeting Announcement activity



ISO Message	ISO Code	Sent to
Meeting Notification (MENO)	seev.001	Counterparty
Meeting Cancellation (MECN)	seev.002	Counterparty
Meeting Entitlement Notification (MENT)	seev.003	Counterparty

7. CA Meeting Instruction activity



ISO Message	ISO Code	Sent by	Sent to
Meeting Instruction (MEIN)	seev.004	Counterparty	
Meeting Instruction Cancellation Request (MEIC)	seev.005	Counterparty	
Meeting Instruction Status (MEIS)	seev.006		Counterparty
Meeting Vote Execution Confirmation (MECO)	seev.007		Counterparty

8. CA Meeting Result Dissemination activity



ISO Message	ISO Code	Sent to
Meeting Result Dissemination (MERD)	seev.008	Counterparty