

European Commission: Corporate actions

CESAME Group
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CESAME meeting of 23rd October 2006: Three issues

- Relations among the associations working on the same set of corporate actions and between them and those not directly involved
- Interrelation between this barrier and legal and fiscal procedures barriers
- Transparency on the status of the work

Classification of events

- Common definitions
- Final result: Common Deliverables or single standards/recommendations for each set of corporate actions

Classification of events

| Distributions | | | | | | Reorganisation | | | General Meetings | | |
|--|--|-----------|---|--|-----------|--|------------------------|--|--|---|---|
| Cash | | | Securities | | | | | | | | |
| Mandatory | Mandatory with options | Voluntary | Mandatory | Mandatory with options | Voluntary | Mandatory | Mandatory with options | Voluntary | Voluntary | | |
| ECSDA Standards for mandatory distributions | | N/A | ECSDA Standards for mandatory distributions | | N/A | | | | Joint Working Group (EALIC, ECSA, ECSDA, ESF, FESE) on General Meeting related Operational Processes | | |
| ECSA Recommendations for Cash Dividends | | | | | | | | | | a) Process 1: Notice to convene the general meeting | |
| ECSAs Recommendations on Interest Payments | | | | ECSAs Recommendations on Events including Securities Distribution | | | | ECSAs Recommendations on Reorganisation Events | | | b) Process 2: Entitlement/shareholder qualification/record date |
|  | ECSDA Standards for Optional Distributions | | |  | | ECSDA Standards for Optional Distributions | | ECSDA standards on reorganisations | | | c) Process 3: Notification of attendance to the general meeting |
| | | | | | | | | ESF Abstract of Proposals to harmonise and standardise key corporate actions processes | | | |
| ECSA/ECSDA common deliverables on mandatory distributions¹ | | | ECSA/ECSDA common deliverables on mandatory distributions | | | | | | | | |
| TRANSACTION MANAGEMENT | | | | | | | | | | | |
| ECSDA report on automatic transformations and buyer protection | | | | | | | | | | | |
| ESF Abstract of Proposals to harmonise and standardise key corporate actions processes | | | | | | | | | | | |
| ECSDA Standards for market claims | | | | | | | | | | | |

« Common Deliverables »

- There need to be **mutual endorsement** by associations not directly involved in their development
- As regards dividends and other mandatory distributions preferably by 31st March 2007

Interrelation with legal and fiscal procedures barriers

- Ad hoc informal group with representatives of ECSAs and ECSDA, the LCG, the FISCO group and of the Commission:
 - To feed up the work of the LCG and the FISCO group as regards corporate actions
 - Meeting in December
 - Next meeting in March

Transparency

- Operational Conclusions
- Document on classification of events
- Table with all pdf-files of standards and recommendations
- Annual Progress Reports starting from 2007

Implementation

- What about implementation?
- We need start having some tight deadlines
- **Focus of monitoring will gradually shift towards implementation**