

# Corporate Actions Issues & Opportunities

## NBCN Perspective

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*September 2008*

## Broker View – NBCN Perspective

- Disseminating the most complete, and accurate information in a timely manner.
  - Multiple sources of information required
    - Multiple formats (ISO, XML, Others)
      - Lack of data standardization
        - Missing required data to inform I.A.'s
  - Security Master information relies on human input

- Potential solution
  - Information should be provided by the issuer in a mandated format that would simplify downstream processing.
- Provide information as quickly as possible to investment advisors
  - Consolidate messages for designated persons by firm / I.A.
  - Access updated information on-line according to individual needs
- Receive all voluntary instructions electronically
  - Manual intervention for instructions received 2-3 hours prior to deadline

- Tracking same day trades at expiry date
- Submit instructions to depositories
  - Unable to transmit via messaging
    - Internal default options differ from depositories
- Submit instructions to counterparties
  - Borrowing / Lending positions
    - Not all events are being tracked by Depositories
      - DPL positions & specific event types
  - Failed trades D.V.P. accounts

- Trading beyond depositories deadlines to flip positions
  - issue eligibility
  - Currency difference
- Settling trades after instruction deadline
  - DTC able to submit through protect function
  - CDS – requires rush withdrawal to submit to transfer agent

- Payment of Corporate actions
  - Need to process in multiple downstream systems
  - Multi currency
  - Fractional shares
  - Due - Bill processing
  - Unit-splitting physicals issues
  - Tax treaties according to serviced company domicile
  - Tracking of Tax reclaims
  - Public 302 distribution

- Potential solutions to improve current process
  - Industry initiative
    - Centralized database of corporate actions with mandated fields from the issuer
    - Claim counterparties through depositories systems
    - Depository capabilities to disseminate all relevant information in a standardized format and ability to receive all instructions electronically

– Internal solution

- Manage and process Corporate actions in one single platform for all downstream systems
  - Dissemination of information
  - Receive voluntary instructions electronically
  - Transmit instructions to depositories
  - Provide flexibility to handle complex events
    - Multi currency
    - Handle Tax treaties for Canadian and foreign books of record
  - Pay proceeds