

ISSA



Global Corporate Actions Principles

Market Survey 2010

Americas

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Summary, as published in the Main Report, Status May 2010

North America

The U.S. market is moving towards ISO messaging, as DTCC (which includes the U.S. CSD, DTC) evolves from proprietary formats to ISO 20022 starting from early 2011 through 2015. At the same time, DTCC, SWIFT, XBRL U.S. and the U.S. market are working towards bringing issuers into the STP chain through the 'issuer to investor: corporate actions' initiative. This will be a major evolutionary initiative that may involve regulators.

The Canadian CSD, CDS, currently gathers information from issuers and transfer agents, scrubs it and disseminates in formats which include ISO 15022. CDS participates in the U.S. initiative to develop an XBRL taxonomy compliant with ISO 20022 standards, and plans to work with transfer agents in future to facilitate direct electronic delivery of data from the source.

The U.S. has a good foundation in defining the content within messages although there is still work to be done in harmonizing the content/usage across all U.S. security types, event types and parties. It is expected that planning for XBRL adoption will accelerate the engagement of issuers and their agents in the definition of standards by the U.S. national market practice group (NMPG), ISITC. DTCC's corporate action re-engineering initiative will help further consolidate the required content under a single set of templates. CDS chairs Canada's NMPG for corporate actions and actively pursues efficiencies through improved STP. In both markets, timeliness of announcements is not a major issue.

In regards to the creation of a unique event ID, the XBRL taxonomy will introduce to issuers the concept of a creating a reference ID to an event to be associated to all announcements related to a single event through its lifecycle. DTCC will provide an event ID as part of the corporate action re-engineering initiative, until issuers are able to generate the unique event ID.

Harmonization issues exist,

- where securities are settled in different markets (e.g. U.S. and Canada), all parties need to ensure alignment of local NMPGs.
- where securities are multi listed i.e. traded/settled in different markets the same applies. The U.S. NMPG (ISITC) supports the Event Interpretation Grid (EIG) as developed by the SMPG for general rules to assist in global harmonization. Local rules, which may be more detailed than the EIG, should be housed within the appropriate bodies and made publicly available.

Through continuous net settlement (CNS) the U.S. market operates a centralized process that in effect ensures investors are protected by the automatic adjustments on pay date. In addition, other mechanisms are in place to protect investors rights; for example, the due bill process for dividend type of events and the liability hub to net positions for elections on voluntary events. However, not all events are covered by the above processes. DTCC is working to close any gaps.

CDS generates market claims on matched transactions, and offers buyer protection on voluntary corporate actions through a web-based letter of liability service.

Select Gaps in North America

1. Greater support and involvement in market practice by all parties impacted by corporate actions.
2. Greater coordination by all relevant industry organizations.
3. Further develop the ISO 20022 data model.
4. More involvement with transfer/payment agents and stock exchanges.
5. Further analysis on other manual areas, e.g. between counterparties to close out a corporate action event e.g. swapping charges that occur in the Due Bill Process – expand on the obligation warehouse.
6. The treatment of multiple-listed securities where different trading rules (affecting ex-date) apply in different markets.

Mexico, Caribbean, Central and South America

In the last five years ACSDA has been very active regarding the corporate actions process. In 2006, a Corporate Action Working Group was formed to examine the weaknesses and strengths of the corporate actions process in the Americas. In 2007, the Working Group developed a matrix which identified the characteristics of each ACSDA member's service offering and produced an overview of the region. It is recognized that, in this region where some of the world's largest but also the smallest markets and CSDs operate, the standardization of business processes requires great efforts; and priorities and investment budgets differ greatly. However, progress has been achieved in the recent years. ACSDA's participation in international forums related to corporate actions processing is growing stronger and there has been a shift from acting as spectators in the beginning to now becoming an influential force.

Considering the importance that corporate actions have taken globally, ACSDA has raised significant awareness among its members of the challenges of standardization and harmonization, being key requirements to attract foreign investment into the region.

The larger central depositories have committed to make their know-how available to support the smaller CSDs to implement cutting-edge technology and processes.

Among the main achievements of the region, many ACSDA members have become participants in the Securities Market Practice Group (SMPG) which focuses on corporate action best practices. The number of members continues to grow and some are even in the process of establishing national market practice groups.

There is a need for the region to continue growing towards the principles identified in this document. This derives from:

- The fact that an increasing number of markets in the Americas are using ISO 15022 as their message standards for transactions as well as for corporate actions. They have designed their systems in order to be able to migrate towards ISO 20022 in a smooth way.
- They are beginning to use XBRL in corporate actions, in order to facilitate recordkeeping and communication.
- The relationship among the industry groups involved in corporate action processing is changing. Increasingly issuers, central banks, exchanges, regulators and others cooperate to standardize and harmonize local information with the long term goal of converging to a single process globally. An example is the use of a single event

identifier to facilitate centralized information collecting and distributing all events' schedules, calendars, rates, percentages, timings for key dates.

- Many ACSDA members responded to the ISSA Corporate Actions working group survey, demonstrating their interest in participating actively in the development of global best practices.

Select Gaps in Mexico, Caribbean, Central and South America

There is still work to do, such as looking for a greater participation of markets in the improvement of STP, increasing efforts to strengthen relations between the different local players involved in corporate actions processing, and in the area of customer service. There are also gaps to fill in those markets where the central depository is not the single entity holding securities and therefore not the sole payor of cash distributions and other entitlements.

Market:	Argentina
Contributor:	HSBC
Feedback date:	February 26, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

Paperless, Automated Information Exchange: Market sources of information for corporate actions and dividends are:

- the Daily Stock Exchange Bulletin (*Boletín Diario de la Bolsa de Comercio*)
- the Weekly Stock Exchange Bulletin (*Boletín Semanal de la Bolsa de Comercio*)
- the Daily Bulletin of the OTC Market (*Boletín diario del MAE*)
- the Daily Government Official Bulletin and Euroclear (Daces Notices)
- local newspapers

For all listed securities, companies must publish any corporate action, dividend and General Meeting agenda information in the Stock Exchange Bulletin. We have been lobbying the local CSD for the past two years to move to a model based on the proposed principle and our next step will be to lobby the National Securities Commission.

Event Creation: There are no established criteria for event creation and information published by issuers may widely vary because there are no defined standards or requirements. Sometimes, there is even missing or no information at all. In line with the former principle, our lobbying initiative consists of developing an internet-based tool for issuers to load corporate events information and make it more accessible to market participants; but given the Group's experience in a wide array of countries, we know this is a most desired enhancement everywhere else but unlikely to be implemented so far, so this initiative may merit concerted industry effort, possibly with the involvement of the NSC. As for Unique identifiers, Argentina is an ISIN market but local CSD (Caja de Valores - CDV) codes are most commonly used. In this regard, we have also been lobbying CDV for them to consolidate the usage of ISIN codes in the market; and this may merit the involvement of the NSC too.

Event Communication: For certain securities, announcements are even made on the event deadline date, giving little or almost no timeframe for receipt of instructions and execution. Consequently, sometimes deadlines are not respected based on the willingness to execute instructions received on or after deadline. This could be easily overcome by establishing a proper and standardised way of informing events and unifying timelines of notification for most securities.

Event Processing: This principle is mostly met already but with shorter timeframes in between ex and payment dates because securities may not be as complex as in other markets.

Unsettled Transaction Management, Including Claims: There are no regulations applicable to market claims. As the majority of transactions are settled through CDV and

fails are rare, dividend claims have become relatively uncommon. Claims for entitlements in the form of securities may take three to four weeks from official pay date as entitlements are automatically credited into the registered holder's account as at books close. Claims arising out of late settlement are claimed from the delivering broker.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

No, we agree with the proposed principles.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Please see our comments on our lobbying initiatives on progress in 1.1.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Argentina		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
HSBC		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	Proposals are in general presented and driven by the individual efforts of the top three sub-custodians, amongst which include HSBC. In addition, HSBC is a member of the Argentine Banks Association (<i>Asociación de Bancos Argentinos</i> or <i>ABA</i>), the industry body comprising of local banks and international banks with presence in Argentina. As such, it plays several roles in commissions and study groups for recommending best practice standards in different industry areas such as, lending, risk, custody, securitisation, etc. It also participates in advisor committees to the Central Bank (<i>Banco Central de la República Argentina</i> or <i>BCRA</i>) for regulatory, tax, and other purposes.
	CSD and intermediary space	
	Institutional investor space	
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	Proposals are in general presented and driven by the individual efforts of the top three sub-custodians, amongst which include HSBC. In addition, HSBC is a member of the Argentine Banks Association (<i>Asociación de Bancos Argentinos</i> or <i>ABA</i>), the industry body comprising of local banks and international banks with presence in Argentina. As such, it plays several roles in commissions and study groups for recommending best practice standards in different industry areas such as, lending, risk, custody, securitisation, etc. It also participates in advisor committees to the Central Bank (<i>Banco Central de la República Argentina</i> or <i>BCRA</i>) for regulatory, tax, and other purposes.
	CSD and intermediary space	
	Institutional investor space	

Market:	Bolivia
Contributor:	Entidad de Depósito de Valores de Bolivia S.A. (EDV)
Feedback date:	March 25, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

We do not perform Economic Rights' Payments (Entitlements), and we do not carry out Proxy Voting Services yet, although we are authorized to do both of them. Nevertheless, we are able to process changes in face value (Nominal Value), changes in names of issuers, splits, and similar services. However, we did not have experiences due to the incipient stock market.

Probably the principles would not be implemented in the next 3 to 5 years, and we consider it is strongly necessary to involve the Bolivia's Regulators for the corresponding normative development.

Todavía no realizamos pagos de Derechos Económicos y no realizamos Votación en Representación (mediante Poder), aunque estamos facultados para hacerlo. Operativamente podemos procesar cambios de Valor Nominal, de razón social, fusiones, escisiones, entre otros. Sin embargo, no hemos tenido experiencias debido al incipiente desarrollo del mercado de acciones.

Es poco probable que los principios se puedan implementar en un plazo de entre 3 a 5 años, y para ello sería absolutamente necesario involucrar a los reguladores para el desarrollo normativo correspondiente.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

The low development of our stock market and our lack of experience in corporate actions, inhibit us to recommend improvements or modifications to the principles.

La magnitud y el escaso desarrollo de nuestro mercado accionario así como nuestra escasa experiencia en eventos corporativos, nos impiden plantear mejoras o modificaciones a los principios como fueron planteados.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

- Considering the size and the development of our stock market, we consider that issuers would not appreciate a benefit over the costs and investments that will demand the implementation of these principles.

- In Bolivia, there is not yet established an electronic messaging regulation, neither of the international standards that must be applied.
- It is very difficult that issuers would be able to adopt the necessary technology for the principles' implementation. Also, we consider that technological skills in Final Beneficiaries' are not as high as the principles will require.
- Dado el tamaño y el escaso desarrollo de nuestro mercado de acciones, consideramos que los emisores no apreciarían un beneficio por encima de los costos e inversiones que demandaría la implementación de estos principios.
- No existe normativa sobre mensajes electrónicos y sobre los estándares a ser aplicados.
- Es difícil que los Emisores adopten la tecnología necesaria para iniciar estos procedimientos electrónicos, y los conocimientos necesarios para que los Beneficiarios Finales accedan al manejo de soluciones tecnológicas son reducidos.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Bolivia		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
EDV		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	None / Ninguno
	CSD and intermediary space	None / Ninguno
	Institutional investor space	None / Ninguno
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	None / Ninguno
	CSD and intermediary space	Entidad de Depósito de Valores de Bolivia S.A. (EDV). We are developing a preliminary analysis for being Entitlements' Paying Agent. Entidad de Depósito de Valores de Bolivia S.A. (EDV), está realizando un análisis preliminar para ser Agentes Pagadores de Derechos Económicos.
	Institutional investor space	None / Ninguno

Market:	Brazil
Contributor:	BM & FBOVESPA
Feedback date:	May 5, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

Corporate actions in Brazil, especially at BM&FBOVESPA, comply with most of the proposed principles presented in the draft report. For a long time, BM&FBOVESPA has always been concerned to inform corporate action data to the market in a clear, fast and safe way.

It is important to mention that, in Brazil, corporate action information is centralized within BM&FBOVESPA and the Brazilian Securities Commission. The centralized corporate actions information disclosure enables the market participants to receive information in a fast, safe and standardized way, thus enhancing STP and mitigating operational risk.

In this context, BM&FBOVESPA has a list of well established corporate actions, each one with its specific rules, so the information begins with the announcement of the corporate action and goes until the payment date. BM&FBOVESPA informs the whole market of any corporate action in different ways, from website publications to XML messages.

Additionally, BM&FBOVESPA processes corporate actions at the level of the final beneficiary, thus protecting the rights of all investors in case of an unsettled transaction or other processes that may affect the investor right.

For the next years, BM&FBOVESPA will continue to strive for improving its own corporate actions systems, information flows and processes. The adoption of standardized XML messages along with the centralized disclosure of information model turned out to be extremely positive for the whole market. The consolidation of even more types of corporate actions (proxy voting, IPO etc.), corporate actions harmonization among issuers and the participation within the Global Securities Market Practice Group (SMPG) regarding ISO messaging standards will be the main objectives for the future.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

The proposed principles in this draft are complete and represent what the market participants should strive for. Although BM&FBOVESPA already complies with most of the principles, BM&FBOVESPA will continue discuss with the market (Securities Commission, custodians, etc.) in order to achieve even more adherence to the principles.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Throughout the times, BM&FBOVESPA has always discussed corporate action issues with its participants and the Securities Commission in order to achieve STP into corporate action processes along the intermediary chain. BM&FBOVESPA believes that further developments around proxy voting and corporate actions harmonization among issuers would be very positive for the market.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Brazil		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
BM&FBOVESPA		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	<p>BM&FBOVESPA is developing a solution to the whole market called iMERCADO. This solution allows, in a standardized way and through the use of messages for:</p> <ul style="list-style-type: none"> - Exchange of information among market participants - Distribution of information generated by BM&FBOVESPA - Possibility of distribution of information from other depositories, registration and settlement systems <p>iMercado also allows the use of diverse protocols and communication instruments (FIX, FIXML, SWIFT etc)</p>
	CSD and intermediary space	<p>In order to ensure an STP flow along the intermediary chain BM&FBOVESPA created RADAR in 2006 and has been developing and improving this system since then.</p> <p>RADAR is an electronic, XML based system for corporate actions which supplies data in real time from the moment of registration to settlement date, encompassing the entire life cycle of the corporate action. This might include anything from alterations in the date of expected payment date to changing event values and partial settlement.</p> <p>Radar is an intelligent, flexible and effective control system that transmits all the information supplied by the issuers to the market participants.</p>

		<p>Radar allows Depository Agents (brokerage houses, banks and dealers) to upgrade performance in the management of customer funds, monitoring up-to-the-minute information on the assets held in their custody.</p> <p>Besides RADAR, BM&FBOVESPA has been working close to SMPG in order to achieve even more harmonization in corporate action information.</p>
	Institutional investor space	As mentioned before, the iMercado will allow the exchange the information electronically (message based) among the participants and it will be highly important for institutional investors and their service providers (administrators, custodians, brokers, asset managers etc.)
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	As mentioned before, the iMercado will provide a new platform for communication among participants regarding trade and post-trade activities, including corporate actions.
	CSD and intermediary space	<p>BM&FBOVESPA and the Brazilian Securities Exchange Commission (CVM) centralize all corporate action information using the IPE, which is the system where issuers input all their key information regarding corporate actions. The information is promptly captured by RADAR and transmitted for all the market participants in an electronic way. BM&FBOVESPA has been working on the consolidation of even more types of corporate actions into the information flow.</p> <p>Additionally, BM&FBOVESPA has an internet based service delivered directly to the final investor. This service is called <i>CEI – Canal Eletrônico do Investidor</i> (Electronic Investor Channel). With CEI, the final investor can follow not only corporate actions information and provisions, but also positions and statements as well. BM&FBOVESPA is working on upgrading CEI with new services for the investors including even more corporate actions information.</p>
	Institutional investor space	iMercado will allow the exchange the information among institutional investors and their services providers. The information catalog will include corporate actions as well.

Market:	Canada
Contributor:	The Canadian Depository for Securities Limited (CDS)
Feedback date:	May 10, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

CDS currently gathers corporate action information manually and electronically from issuers, transfer agents, CSDs and exchanges. The information is electronically and manually scrubbed and one of the dissemination methods to intermediaries is via MT564/568 ISO 15022 messages, which will eventually be replaced by the 20022 ISO standard. The information that is required for the processing of the event as defined by Canadian market standards consistent with global standards is disseminated in the announcement.

As issuers' corporate action information is largely handled by a relatively small number of transfer agents in the Canadian capital markets, CDS plans to work with the transfer agents to facilitate the delivery of the data directly from the source in a electronic format.

CDS has been participating in the current initiative between DTCC, SWIFT and XBRL US to develop an XBRL taxonomy that complies with the ISO 20022 standard, for application to corporate action announcements by U.S. and Canadian issuers. ISO extensions may be used in cases where certain corporate action events cannot be accommodated by the existing global standard.

CDS chairs Canada's NMPG for corporate actions and actively pursues efficiencies by promoting STP, with other industry participants, through out the life cycle of a corporate action event.

CDS uses ISIN as the security identifier and assigns a system generated event ID in the absence of an ISO identifier by issuers.

CDS sends notifications to intermediaries in a timely manner and as close as possible to the issuer's announcement date and time. Sufficient notice is given to execute the event and complete the process effectively before the event deadline.

CDS currently allocates payments of cash and securities in a book-entry environment, and make payments on payable date upon receipt of the proceeds from the issuers or their agents. Transfer agents are taking on the role of depository agents in CDS's system. Tender instructions and shares move from the participants' ledger directly into the depository agent's ledger via an electronic movement, supporting extended instruction deadlines up to the legal expiry of the offer.

CDS is also working with transfer agents to assume the role paying agent in CDS's system for more corporate action events. This leads to efficiencies due to direct allocation of payments by the agents to CDS's participants through automated processes.

CDS will develop MT565/567 ISO messages to gain efficiencies in the option/tender process. CDS currently disseminates payment information via a proprietary message, but plans to develop the MT566 benefit distribution confirmation message to comply with ISO standards either late in 2010 or in 2011.

CDS generates market claims on matched transactions to ensure that proceeds of distributions reach contractually entitled parties who have not received their full entitlement on record date. CDS processes trade conversions as a process in which pending transactions in a corporate action event are replaced by new instructions. CDS offers buyer protection on voluntary corporate actions by offering a web-based letter of liability service.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

None

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

A gap is the different trading rules that apply in different markets. Where the same security is listed in different markets and different rules apply as to whether the security trades with or without an entitlement (i.e. ex date is prior or after recorded date) is an ongoing concern and to be addressed in order to achieve harmonization between markets.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Canada		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
CDS		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	
	CSD and intermediary space	<p>CDS – Ongoing work with participants to develop and implement ISO MT565, 566 and 567 messages.</p> <p>Corporate Action NMPG (Ensures that CDS adheres to ISO messaging standards and continuing work on the Event Interpretation Grid (EIG) for the Canadian market)</p> <p>U.S. I2I Working Group (created by DTCC, SWIFT and XBRL U.S.) - Initiative to develop XBRL taxonomy that complies with the ISO 20022 standard, to be used when issuers announce corporate actions)</p>
	Institutional investor space	
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	CDS and transfer agents – ongoing collaboration to have transfer agents adopt CDS system applications to effect automated processing (as described in feedback on ISSA principles above)
	CSD and intermediary space	<p>IIROC (Investment Industry Regulatory Organization of Canada) FAS Operations Working Group with Investment Industry Association of Canada – to develop due bill trading process in Canada consistent with U.S. practices</p> <p>ACSDA CAWG (Compiled market practices across the Americas in order to define best practices)</p>
	Institutional investor space	

Market:	Chile
Contributor:	Depósito Central de Valores S.A. (DCV)
Feedback date:	April 6, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

1. En Chile, no existe procesamiento STP ni normas ISO en esta materia. El emisor comunica los eventos de capital a través de la Superintendencia de Valores (SVS), de la bolsa de valores y publica un aviso en la prensa. El DCV debe obtener la información en la bolsa y lectura de prensa y luego comunica a sus Depositantes a través de mensajería electrónica.
2. Los contenidos de los mensajes son claros sin ambigüedades y contiene todas las fechas involucradas.
3. Los tiempos de notificaciones de los eventos están normados por la SVS, para cada tipo de evento corporativo, generalmente son entre 20 y 5 días antes a la fecha de cierre de registro.
4. Para que se logre avanzar en esta materia se debe efectuar un trabajo en conjunto con la autoridad (SVS) y el sector privado (Bolsas, Emisores, DCV).
5. Pensamos que el caso de negocios para la utilización de este tipo de protocolos es mucho más claro para proyectos e instituciones que están definiendo la forma en que se comunicarán. No lo es para el caso de instituciones donde ya existe una manera establecida de comunicarse, como es el caso de la infraestructura del mercado en Chile. De hecho, es obvio que, en este último caso, cualquier cambio de protocolo involucra costos y riesgos que hacen que un proyecto, cuyo único objetivo es la estandarización, sea difícil de justificar.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

Una forma de avanzar es poner metas menos ambiciosas y en un principio los emisores estén obligados a informar directamente al DCV, respecto de los eventos y éste replique a través de protocolos de comunicación estandarizados a sus participantes.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Los distintos actores involucrados no ven beneficios directos, respecto del costo que significa implementar esta forma de proceder.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Chile		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
DCV		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	
	CSD and intermediary space	
	Institutional investor space	
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	
	CSD and intermediary space	
	Institutional investor space	

Market:	Mexico
Contributor:	S.D. Indeval Institución para el Depósito de Valores S.A. de C.V. (S.D. INDEVAL)
Feedback date:	March 25, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

From 2008 we released our new system and determined the following:

- ISO 15022 for the Corporate Actions.
- Communication via XML in all the internal services, the system is prepared for ISO20022
- Participation in SMPG.
- Starting the formation of NMPG

In the next 3 to 5 years we will be working on the following points:

- ISIN code deployment, now the local market is using proprietary codes.
- Work with regulators and market to define and use a standard event code for Corporate Actions
- Work with global custodians for rules and cleaner operational processes for reversals
- Use ISO 15022 along SMPG principles
- We will work to align with Global principles

México, a partir del 2008 cuando libero su nuevo sistema, resolvió los siguiente:

- Uso del ISO 15022 para los Eventos.
- Comunicación vía XML lo cual prepara al mercado para el ISO20022
- Participación en el SMPG, lo cual apoya al mercado local, para la aplicación de las mejores prácticas.
- Formación del NMPG

En los próximos 3 a 5 años estaremos trabajando en los siguientes puntos:

- Con la Industria para buscar la implantación del código ISIN, que Indeval ya maneja, pero en el mercado local se utiliza el código propietario
- Estaremos buscando unir los esfuerzos de los reguladores e Industria para implementar el concepto de referencia única del Evento.
- Utilizar para capitales el uso del ISO 15022, así como, una homologación con el SMPG.
- Con los custodios globales estamos platicando nuestros requerimientos de reglas claras y otros procesos operativos más limpios para los reversos.

Estamos trabajando para estar 100% apegados a los principios en un plazo de 3 años.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

As we mentioned in the last point, we need rules and cleaner process for reversals.

Por el tipo de operación que tenemos en el Mercado Mexicano y por la experiencia presentada, solicitamos que la parte de los reversos se amplíe y se busque una solución integral en base a políticas estándares.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

We thought it is necessary to work closer with international regulators organizations (Supervisors and Payment Systems) as well as Stock Exchanges, in order promote our needs and the proposed solution that the ISSA group is elaborating. In this way we think that the market will benefit.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Mexico		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
S.D. INDEVAL		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	Bolsa Mexicana de Valores Banco de México Comisión Nacional Bancaria y de Valores
	CSD and intermediary space	Asociación de Bancos de Mexico Asociación Mexicana de Intermediarios Bursátiles ACSDA ISSA
	Institutional investor space	Asociación de Bancos de Mexico Asociación Mexicana de Intermediarios Bursátiles
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	Bolsa Mexicana de Valores Banco de México Comisión Nacional Bancaria y de Valores
	CSD and intermediary space	NMPG
	Institutional investor space	Asociación de Bancos de Mexico Asociación Mexicana de Intermediarios Bursátiles

Market:	Panama
Contributor:	Central Latinoamericana de Valores (LATINCLEAR)
Feedback date:	March 25, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

En Panamá la notificación de eventos corporativos de los emisores, con valores inmovilizados o desmaterializados en DCV se manejan de la siguiente manera: El Emisor del valor (registrado en el DCV) está obligado a: i) Informar por escrito y con antelación al DCV, a la Bolsa de Valores y a la Comisión Nacional de Valores, ya sea por medio escrito (carta) o bien por un medio mecánico o electrónico. Tanto el DV, como la Bolsa de Valores y la Comisión Nacional de Valores, diseminan la información o el Hecho Relevante, publicándolo, ya sea en los medios o bien en sus respectivas páginas de Internet.

Latin Clear (DCV), como una entidad autorregulada, puede según sus Reglas Internas, cambiar la forma y plazo del contenido y la forma de envío de esta información, a través del DV; para lo cual solamente necesita la autorización de la Comisión Nacional de Valores.

En el caso particular, Latin Clear (DCV) ha realizado esfuerzos, a fin de implementar durante este año 2010, la plataforma Swift para el uso de comunicaciones de valores y efectivo.

En un plazo de 3 a 5 años se debe homologar el contenido de la comunicación por mecanismos propuestos de formatos ISO.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

A nuestro juicio, este rol, lo debe liderizar el ente regulador en cada país, a fin de que las entidades y participantes activos en el mercado de valores incorporen estos sistemas, infraestructura de comunicaciones de manera electrónica a fin de modernizar, agilizar, dar más seguridad el envío este tipo de información que es relevante para todo mercado de valores.

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Para DCV pequeñas que no tengan una masa crítica suficiente, les resultará difícil contratar estas plataformas propuestas (SWIFT), por ejemplo, por el tema de costos, dado que no generan el nivel de negocio mínimo para acometer estas inversiones.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Panama		Grupos de la Industria, grupos, organizaciones activas en los procesos de liquidación, proyectos para mejoras, etc.; y la naturaleza o fin del trabajo a realizar
Latinclear		
Mensajes electrónicos basados en estándares ISO	Espacio para Emisor, Agentes de Emisión y Bolsas de Valores	Central de Valores (DCV) y Bolsa de Valores
	Espacio para Depósitos centrales e Intermediarios	Central de Valores (DCV)
	Espacio para Inversores institucionales	
Creación de Eventos, comunicación y procesos	Espacio para Emisor, Agentes de Emisión y Bolsas de Valores	Comisión Nacional de Valores, Bolsa de Valores, Central de Valores, Instituciones Financieras, Asociación de Emisores en Panamá
	Espacio para Depósitos centrales e Intermediarios	Central de Valores (DCV)
	Espacio para Inversores institucionales	

Market:	USA
Contributor:	Citi, JPMorgan, Goldman Sachs, DTCC
Feedback date:	May 18, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

The U.S. market is moving towards ISO messaging where electronic communication is required. This is evidenced by DTCC evolving from proprietary to ISO 20022 starting from early 2011 thru 2015. The major custodians and brokers offer a mix of ISO, proprietary and manual processes but recognize that their largest customers to overcome multiple proprietary offerings.

DTCC, SWIFT, XBRL US and the U.S. market are working towards bringing issuers in to the STP chain through the 'issuer to investor: corporate actions' initiative. This will be an evolutionary initiative that may involve regulators beyond their current awareness of the effort.

The U.S. has a good foundation in defining the content within messages although there is still work to be done in harmonizing the content/usage across all U.S. security types, event types and parties.

All financial service industry players are involved and/or have the opportunity to be involved in U.S. national market practice (NMPG), ISITC NA. Issuers and their agents have yet to fully engaged for their input into standards but we hope this will change as we explore the adoption of XBRL.

DTCC's corporate action re-engineering initiative will help further consolidate the required content under a single set of templates. We also expect that the content coverage and usage will also continue to evolve as other parties, eg issuers, get involved.

In regards to the creation of a unique event ID, the XBRL taxonomy will introduce to issuers the concept of a creating a reference id to an event to be associated to all announcements related to a single event through its lifecycle. DTCC will provide a event ID as part of the corporate action re-engineering initiative, until such a time issuers are able to generate the unique event ID.

The timeliness of announcements is somewhat addressed within the Securities and Exchange Acts of 1933 and 1934. However, while we push for more time between announcement date and key date, esp. Expiration Date, for voluntary events, we need to look at market intermediaries to ensure the issuer's announcement is reaching the end investors in a timely fashion. Therefore, we will need to consider implications to market practice in accounting for more direct and readily available information provided by the source for institutional and retail investors. This should shorten the length of time

information flows to the end investor.

We agree that there a number of levels of harmonization. Each market should work towards local market practice, align with SMPG, for the benefits of STP:

1. Internally held securities. There are a number of differences yet to be solved, however, there has been a lot of focus on harmonizing some regions which still needs to be examined and modified for global harmonization.
2. Where securities are settled in different markets (eg U.S and CA) that all parties need to ensure alignment of local NMPG.
3. Where securities are multi listed ie traded/settled in different markets the same applies. This is an ongoing concern that has yet to be fully rectified.

The U.S. NMPG (ISITC) supports the Event Interpretation Grid (EIG) as developed by the SMPG for general rules to assist in global harmonization. Local rules, which may be more detailed than the EIG, should be housed within the appropriate bodies and made publically available.

Through continuous net settlement (CNS) the U.S. market operates a centralized process that disconnects trades from the buyer and seller by taking on the responsibility for settlement. Unsettled fails over key date (eg record date) are adjusted by additional transactions applied to both the long and short sides of the CNS positions. This process in effects ensures investors are protected by the automatic adjustments on paydate.

In addition to CNS other mechanism are in place to protect investors rights and reduce risk, for example, the due bill process is applied for dividend type of events and the liability hub to net positions for elections on voluntary events.

However, not all events are covered by the above process, although DTCC is working to close any gaps.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

None

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

1. Greater support and involvement in market practice by all parties impacted by corporate actions.
2. Greater coordination by all relevant industry organizations.
3. Further develop the ISO 20022 data model.
4. More involvement with transfer/payment agents and stock exchanges.
5. Further analysis on other manual areas, eg between counterparties to close out a CA event eg swapping charges that occur in Due Bill Process – expand on the obligation warehouse.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

USA		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
Citi, JPMorgan, Goldman Sachs, DTCC		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	The 'Issuer to Investor: Corporate Actions' initiative aims to introduce the issuers to ISO standards through the XBRL corporate action taxonomy.
	CSD and intermediary space	ISITC – Working as the National Market Practice Group addressing messaging and market practice. Updated market practice document released in Nov 2009.
	Institutional investor space	ISITC – Working as the National Market Practice Group addressing messaging and market practice. Updated market practice document released in Nov 2009. SIFMA-AMF Corporate Action Working Group issued a principles document in Oct 2006 that supported ISO messaging.
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	A new initiative addressing the requirements of issuers, transfer agents and brokers on how cost basis is applied and communicated on corporate actions that involves many parties and organizations is taking shape.
	CSD and intermediary space	ISITC – Working as the National Market Practice Group addressing messaging and market practice. Updated market practice document released in Nov 2009.
	Institutional investor space	ISITC – Working as the National Market Practice Group addressing messaging and market practice. Updated market practice document released in Nov 2009. SIFMA-AMF Corporate Action Working Group issued templates for 8 key events in 2008.

Market:	Venezuela
Contributor:	Caja Venezolana de Valores S.A. (CVV)
Feedback date:	March 25, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

No estimamos que Venezuela pueda alcanzar dichos principios en el corto plazo.

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

Estamos de acuerdo en su totalidad con dichos principios

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Estas iniciativas deben tener el apoyo de los reguladores y el Banco Central a fin de poder estandarizar dichos principios-

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Venezuela		Grupos de la Industria, grupos, organizaciones activas en los procesos de liquidación, proyectos para mejoras, etc.; y la naturaleza o fin del trabajo a realizar
CVV		
Mensajes electrónicos basados en estándares ISO	Espacio para Emisor, Agentes de Emisión y Bolsas de Valores	No existen iniciativas
	Espacio para Depósitos centrales e Intermediarios	N/A
	Espacio para Inversores institucionales	N/A
Creación de Eventos, comunicación y procesos	Espacio para Emisor, Agentes de Emisión y Bolsas de Valores	Cada uno tiene su propio sistema de comunicación
	Espacio para Depósitos centrales e Intermediarios	La CVV ha unificado en todas sus áreas, creación de eventos, comunicación y proceso, pero dentro de los parámetros de su propio sistema
	Espacio para Inversores institucionales	N/A

Market:	Latin American Region
Contributor:	Citi
Feedback date:	May 3, 2010

1. Feedback on the proposed ISSA principles

1.1 How does your region (or market) compare against the proposed principles? Please give a high level comment on which ones are mostly met already, which ones are unlikely to be met within the next 3-5 years, and which ones may merit concerted industry effort, possibly with the involvement of regulators.

In our opinion Latin America lags, in various degrees, when compared to the proposed global principles. The most notable gap is around event communication and the lack of standardization in the way issuers, local infrastructures and intermediaries disseminate event information. Most if not all the event information is disseminated via local press and or web sites in non-standard/non formatted publications.

Attainable short-term goals for the region are standardization around unique event identifiers, timeliness of notifications and publication of event rules.

More difficult goals (3-5 years) include the adoption of STP and ISO standards by issuers, infrastructures (cost and expertise), Process harmonization across markets (regulation), Protection of investors' rights (CSD will have to expand their service scope considerably to internalize the pre-match process and the tracking of failed transactions, along with developing capability to STP settlement instructions)

1.2 Do you have any suggestions for changing, deleting or adding principles in order to make them more useful for the markets in your region?

For cash distributions announcement to clearly indicate the event base (announced) and payment currency. We have had several experiences in different markets where a cash distribution is announced in one currency but paid in a different one allegedly due to market practice

1.3 With regard to achieving adherence to the principles, what are the major gaps or obstacles in your region that you would wish to be addressed by an industry initiative?

Adoption of electronic, ISO formatted delivery mechanism of event information by issuers and local infrastructures.

2. Information on current corporate action market initiative

What are current priorities and initiatives in the corporate actions area in your region (or market)? Who is driving them? Please insert in the table below the relevant industry groups, advisory bodies, organizations etc. in your region or market that you are aware of and describe very briefly the focus or nature of their work. Where applicable please include a website or other contact point where any further information can be obtained.

Latin American Region		Industry bodies, groups, organizations active in standard setting, efficiency projects etc.; and the nature of their work
Citi		
Electronic messaging based on ISO standards	Issuer, issuer agents and stock exchange space	Latin America: None to our knowledge
	CSD and intermediary space	Citi
	Institutional investor space	None to our knowledge
Event creation, communication and processing	Issuer, issuer agents and stock exchange space	None to our knowledge
	CSD and intermediary space	Citi
	Institutional investor space	None to our knowledge