



## **Press Release**

### **SMPG meeting joins global securities market specialists at the ECB in Frankfurt on the 23-25<sup>th</sup> of April**

### **SMPG looks back at 15 years of work towards automation in the global securities industry**

The first 2013 global meeting of the Securities Market Practice Group, SMPG, hosted by the European Central Bank, will be held in Frankfurt on the 23-25<sup>th</sup> of April. The SMPG focuses on defining market practices for the securities industry based on business processes and related ISO messages for Trade Initiation/Confirmation, Settlements, Reconciliation, Corporate Actions and Investment Funds.

Representatives of nearly 20 markets from Asia-Pacific, Europe and the Americas as well as the ECB totalling over 50 securities experts will join the meeting. Karla McKenna, chair SMPG comments: "The Frankfurt meeting will celebrate 15 years of successful SMPG work and will push the global securities industry a significant step closer to full automation through standardisation of work flows and processes".

SMPG was founded in 1998 and aims at documenting and harmonising global and local market practices around the use of international securities messaging standards to achieve higher automation rates (STP).. With the implementation of the ISO 15022 standard - the backbone of global securities processing - the need arose to use the new standard in a harmonised way around the globe. An additional push for automation based on standardisation was the introduction of the ISO 20022 standard in the 2004. ISO 20022 is widely used in the payments area (e.g. SEPA), investment fund transaction messaging, and last but not least, supports the Eurosystem's T2S-settlement platform. Going forward, the standard will support the G-20 mandate to automate the derivatives business through central counterparty and collateral messages.

SMPG brings together representatives of national market practice groups in three dedicated work streams on settlement & reconciliation, corporate actions, and investment funds. Over time SMPG membership has risen from 16 to 40 countries, plus the ECB, the two ICSDs (Clearstream and Euroclear), and the UK market data providers group. Interest in SMPG work continues to rise, especially in the Asia Pacific region where a dedicated Regional Market Practice Group was formed in 2012.

The Settlement and Reconciliation Working Group has published throughout the years 26 global market practices on such diverse subject like common element listing of values for settlement, statement of holdings and transactions and block trades, supporting market practices in 35 countries. In Frankfurt, the group will discuss new subjects such as securities financing, post trade flows (CCP / bilateral clearing), as well

as potential changes to market practices under the Eurosystem's T2S settlement system.

The Corporate Actions Working Group continues to focus on consistent and standard definition and classification of corporate action events, achieved through the publication and maintenance of global market practice documents, templates, usage guidelines, and the Events Interpretation Grid (EIG) covering 60+ corporate action events and ISO messages examples as well as all business processes and event flows.

The newest working group, Investments Funds published a global market practice using the ISO20022 messages as well as local market practices in more than a dozen countries. At the global level, the focus is now on publishing global practices for transfers and account management messages.

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#### **Information for the Press:**

##### **Background on SMPG:**

The Securities Market Practice Group was established in July 1998 with a focus on defining market practices for the securities industry based on existing ISO messages for Trade Initiation/Confirmation, Settlements, Reconciliation and Corporate Actions. SMPG's goal was and still is to provide the community of ISO 15022 and ISO20022 securities message users with a global market practice on the usage of these messages. SMPG has produced over 30 market practice recommendations using ISO 15022 messages. SMPG has since expanded to define market practices for the Investment Funds industry using the new ISO 20022 messages. All market practices can be found on [www.smpg.info](http://www.smpg.info)

SMPG is open to all securities players – through participation in a National Market Practice Group – interested in creating globally-agreed market practices for the securities industry. NMPGs are established in about 40 countries. SMPG is a non-funded industry group that only functions thanks to the dedication and assistance of the local experts active in the NMPGs.

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