



Corporate Actions Committee

Meeting Notes – March 8, 2007

Meeting Participants:

Tina Davis, Mellon Financial (*Chair of the Best Practices Working Group and Liaison to the AMF Steering Committee*)

Susan Gagne, Aetna

Steven Gale, Northern Trust

Horace Harris, J.P. Morgan Chase

Scott Nihart, 40/86 Advisors

Lorraine Morrison, DTCC (*Co-Chair of the AMF Corporate Actions Committee*)

Katie O'Connell, Goldman Sachs Asset Management

Barry Silverstein, SWIFT

Michael Stern, Morgan Stanley Investment Management (*Co-Chair of the AMF Corporate Actions Committee*)

Monica Wible, Federated Investors

Elisa Nuottajarvi, The Asset Managers Forum

George Reis, The Asset Managers Forum

Diane Trupia, The Asset Managers Forum

The upcoming AMF Corporate Actions Committee meetings are scheduled for the first Monday of the month at 3:00 p.m. The following meeting dates were broadcasted: April 1st, May 7th, June 4th, July 2nd and August 6th.

Standard Deadlines:

Best Practice Recommendation: Standard deadlines for corporate action responses are recommended as follows: Domestic DTCC expiration minus 2; Global 2 days prior to the international sub-custodian or depository deadline (9.15 and 9.16).

Comments from asset managers and broker-dealers advocate for more aggressive and more specific (the actual deadline hour) response deadlines. The Committee discussed proposing different deadlines based on market and action type.

Action types that need more consideration: Brady bond exchanges (notifications are not provided timely, asset manager oftentimes requests more time for decision from the lead manager of the issue); Optional dividends; Bonus Issues; Rights Issues; Mergers with Options (include elections and prorations which complicate the action type thus requiring a longer deadline).

Markets that require more consideration: Emerging markets (these often have a young infrastructure and/or no central system or depository for securities, corporate action related paperwork can be laborious); Inter-listed or Dual-listed securities (security may be held in a variety of places, e.g. French security could be held in France or Germany, or a Japanese security could be held in Euroclear). CREST Depository Receipts.

Proration:

Best Practice Recommendations: Distribute final proration announcements as early as possible (9.12). Provide information related to how the proration factor was applied and the rounding methodology at the time of payment (9.13).

Comments on response deadlines and proration issues should be emailed to Elisa Nuottajarvi of the AMF staff at enuottajarvi@sifma.org.

Securities Operations Forum

Tina Davis gave an update regarding a presentation on the AMF recommended best practices that took place in an SOF event in Boston on March 6th. The presentation was well received and reached a new audience. Tina urged attendees to get involved in the AMF initiative.

GFMI Corporate Actions Class

The AMF is sponsoring an educational class in corporate actions on April 18th. The class will be taught by an instructor from the Global Financial Markets Institute (GFMI). Committee members recommended an intermediate class. The syllabus will be circulated for comments, which should be sent to enuottajarvi@sifma.org.

STP Corporate Actions Event at SWIFT

The AMF is working with the STP magazine to develop a panel presentation for this event which will take place on June 7th. The panel is titled “The Asset Managers Forum: Implementation Priorities of Best Practices” and will discuss the following:

- How to ensure and encourage best practices are implemented and followed by the securities industry?
- What are the priorities for implementation?
- Which best practices should be implemented first?
- How can technology and standards help?

Interested panel speakers should contact enuottajarvi@sifma.org.

Next Meeting

The next meeting date of the committee is Monday, April 2nd at 3:00 p.m. ET.