



# Corporate Actions 2021

Is it all about the data?



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# Corporate Actions 2021: Key Survey Findings

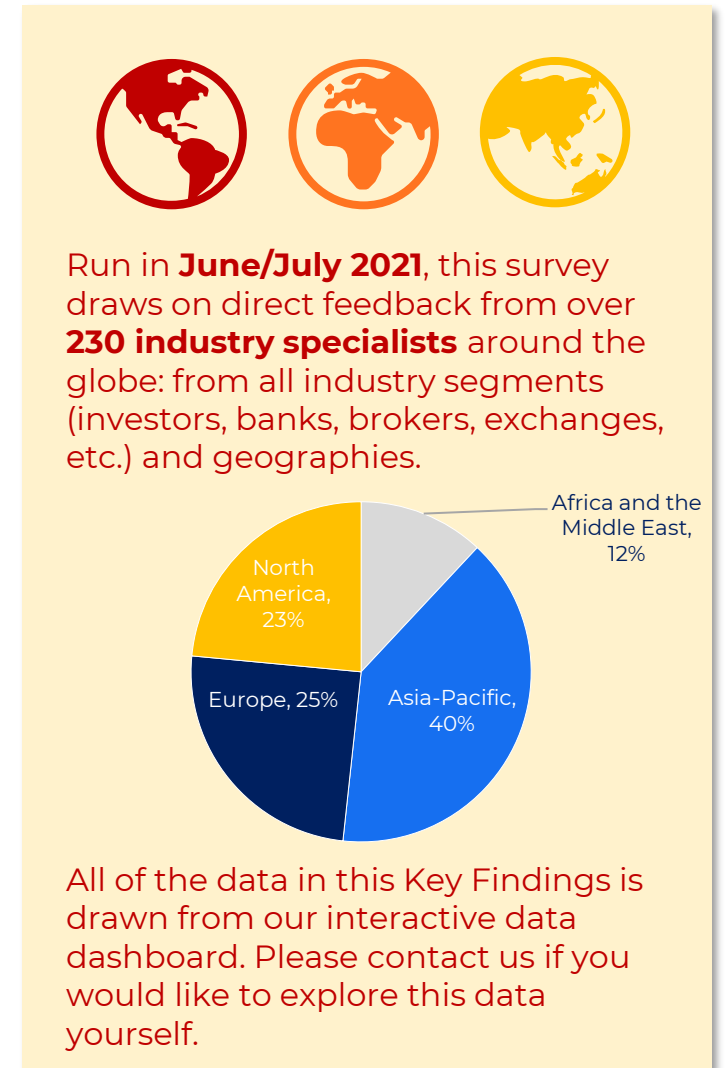
# Corporate Actions 2021: Overview



Our 2020 “Asset Servicing Innovation” survey highlighted corporate action data as the key area of corporate action errors today.

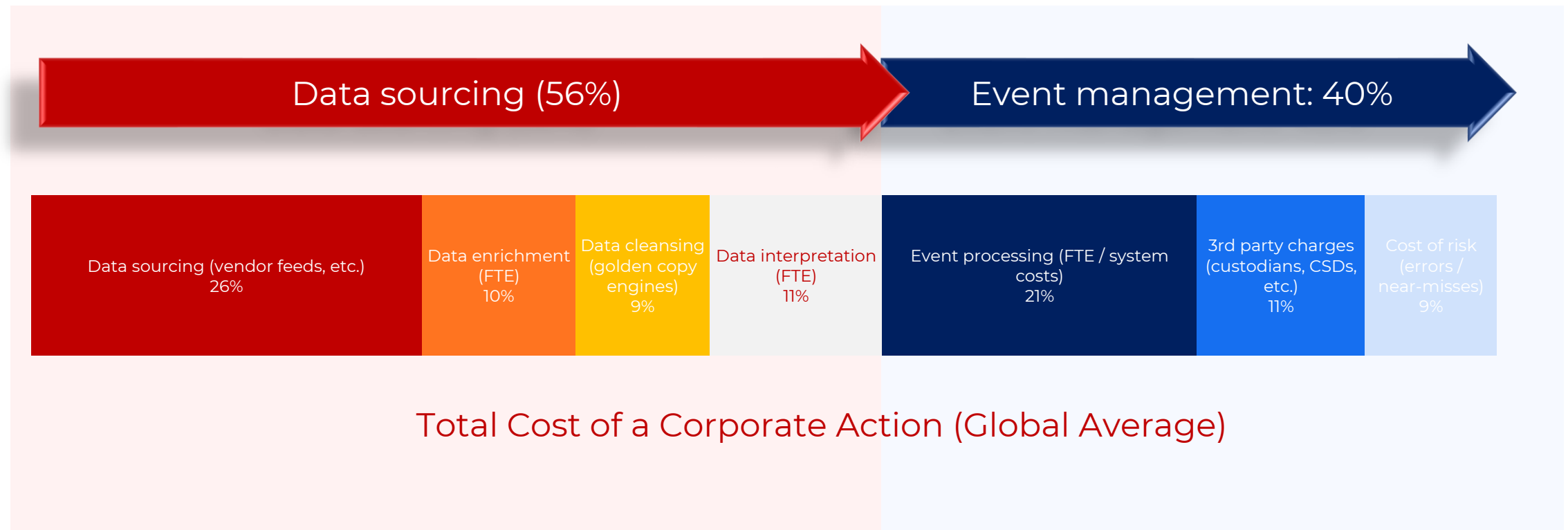
With the support of **Accenture, FIS, the DTCC, HKEX** and **ISSA**, this benchmarking campaign set out to explain the true role of data in the corporate action lifecycle – its role in driving risk today and in helping to create new efficiencies tomorrow.

This document summarises the key statistical findings of our campaign so far. We would love to hear your reactions to these findings and so please reach out if you have any comments or questions (to [info@thevalueexchange.co](mailto:info@thevalueexchange.co))



# The true cost of corporate action data

It costs more to source an event than it does to process it

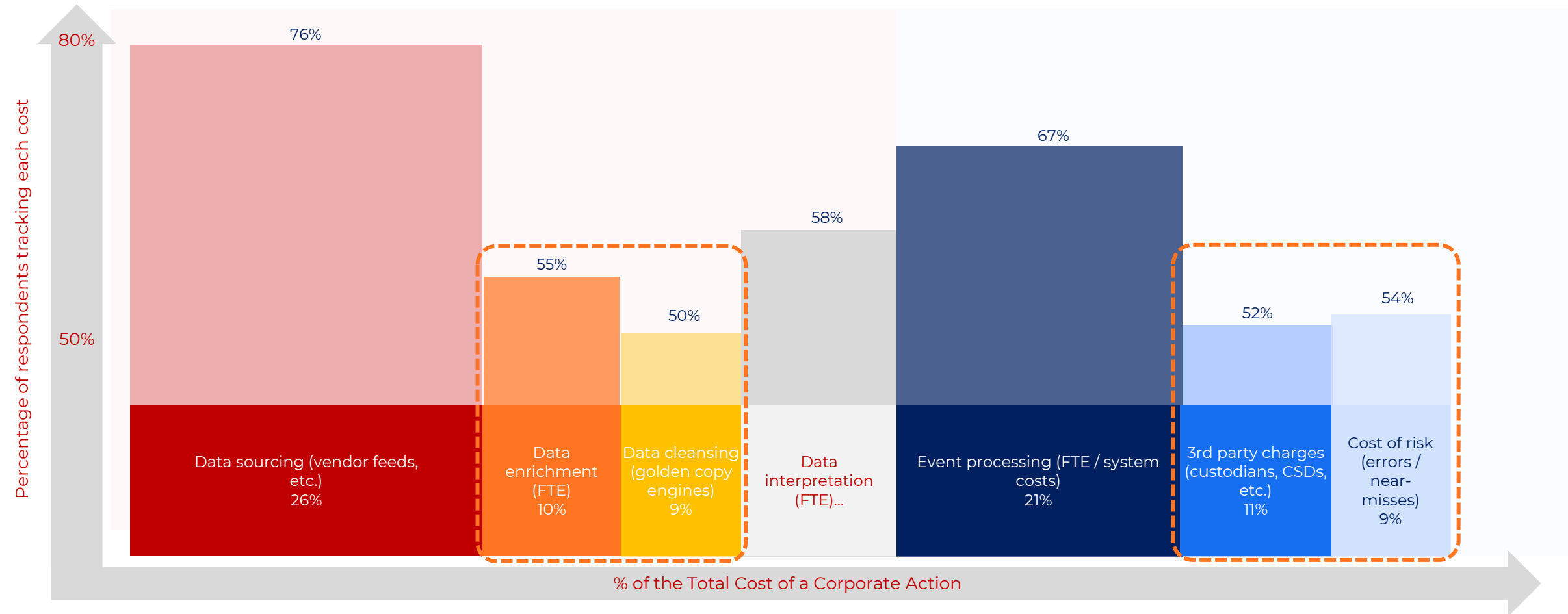


Question: What is the cost of a corporate action?  
Others = 4%



# The true cost of corporate action data

## “Hidden” costs make up 39% of the total

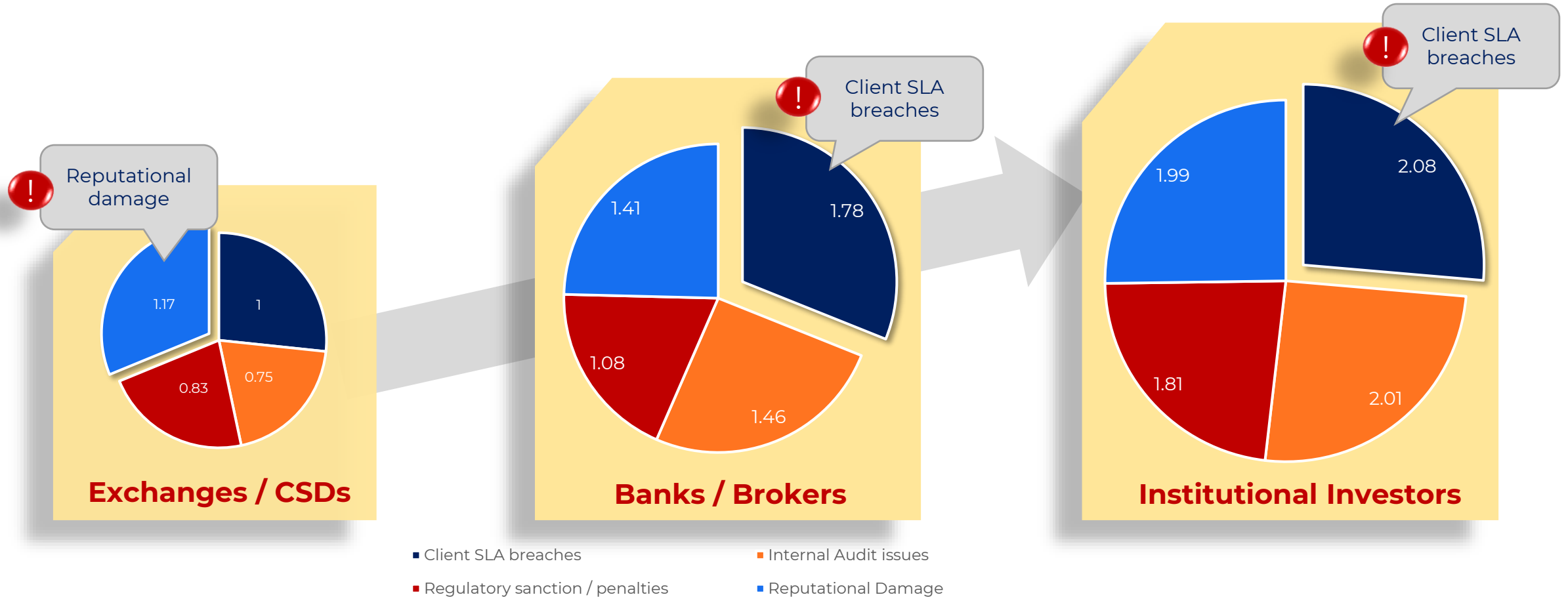


Question: What is the cost of a corporate action?  
Others = 4%



# The true cost of corporate action data

Data is hurting client relationships most of all



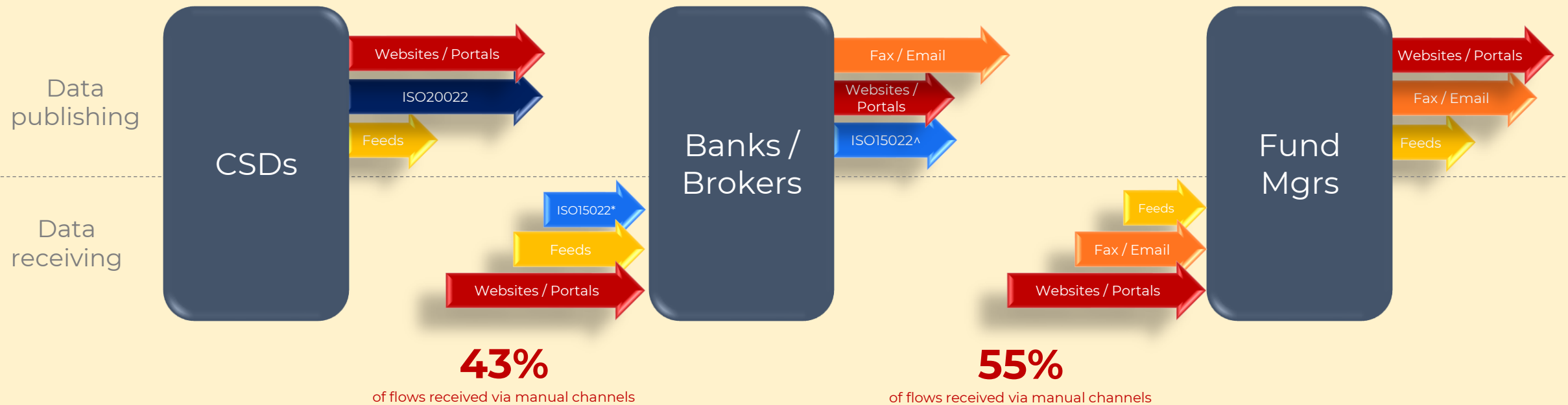
Question: What issues have you experienced as a result of corporate action data? (Out of 5)



# Where is event data creating risk?

46% of event data is entirely manual today

## Top 3 channels for transmitting corporate action notifications



Question: How do you publish your corporate action data today? How to you receive your corporate action data today?

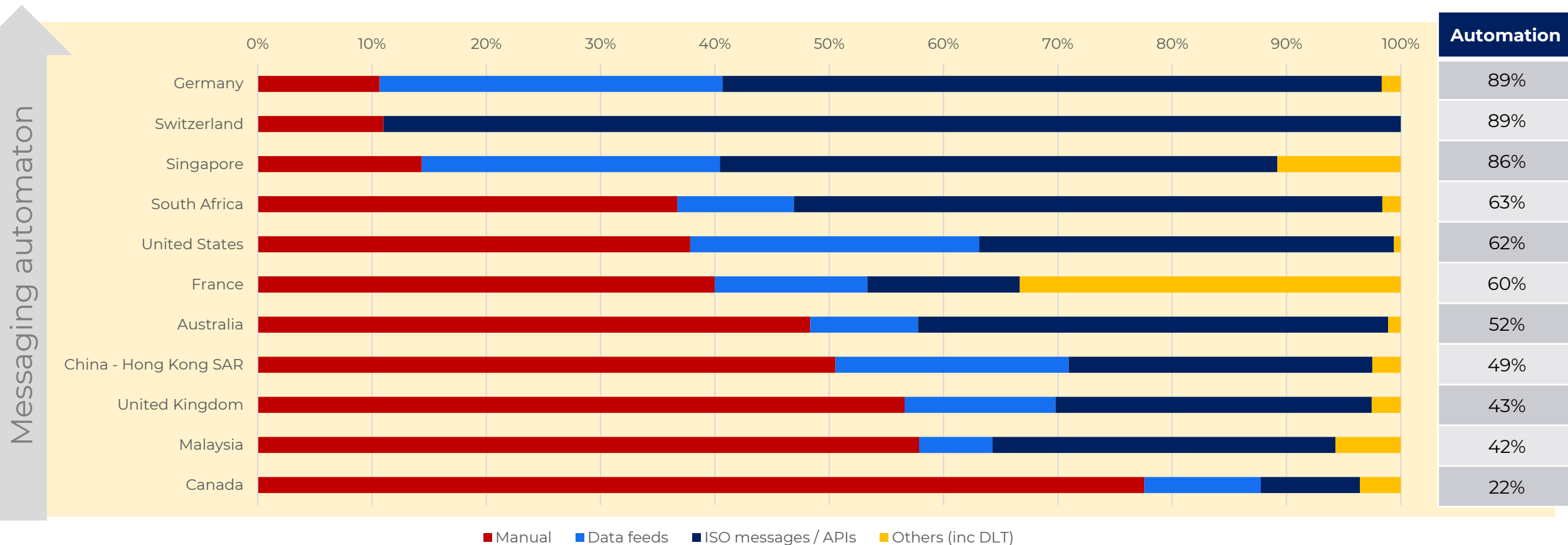
\* ISO15022 messages with less than 90% STP

<sup>^</sup> ISO15022 messages with more than 90% STP



# Where is event data creating risk?

## Event automation globally: beyond the DM / EM divide



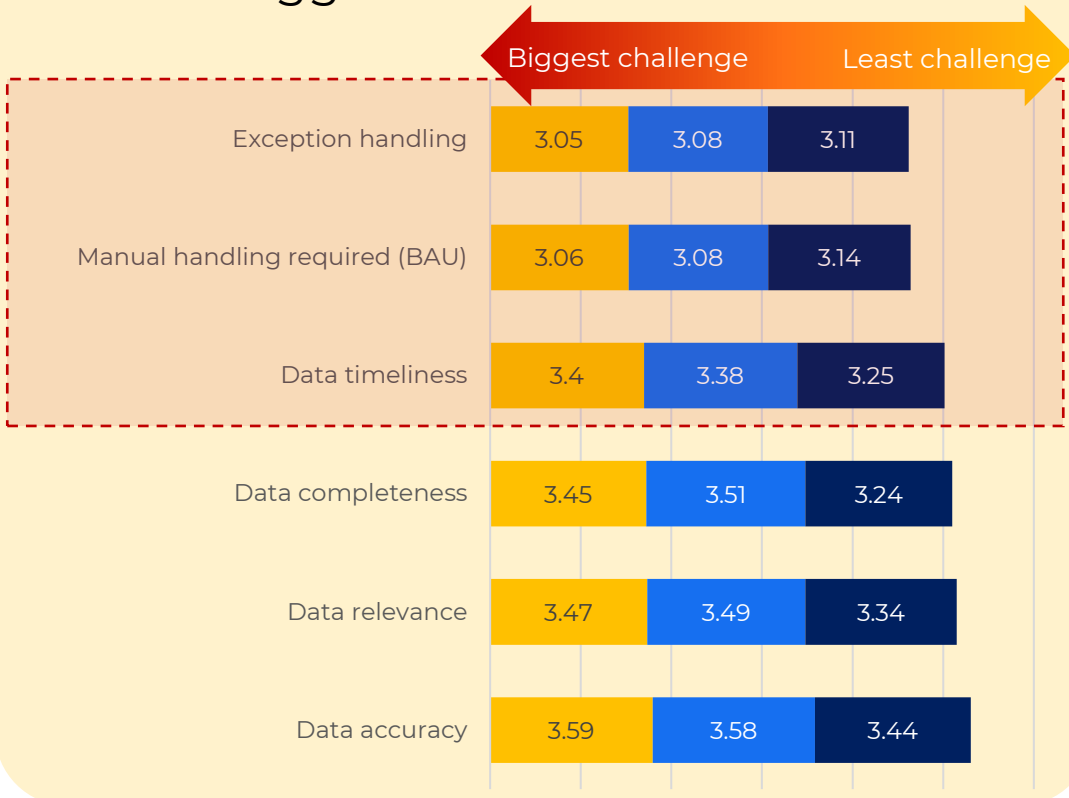
Question: How do you receive your corporate action data today?



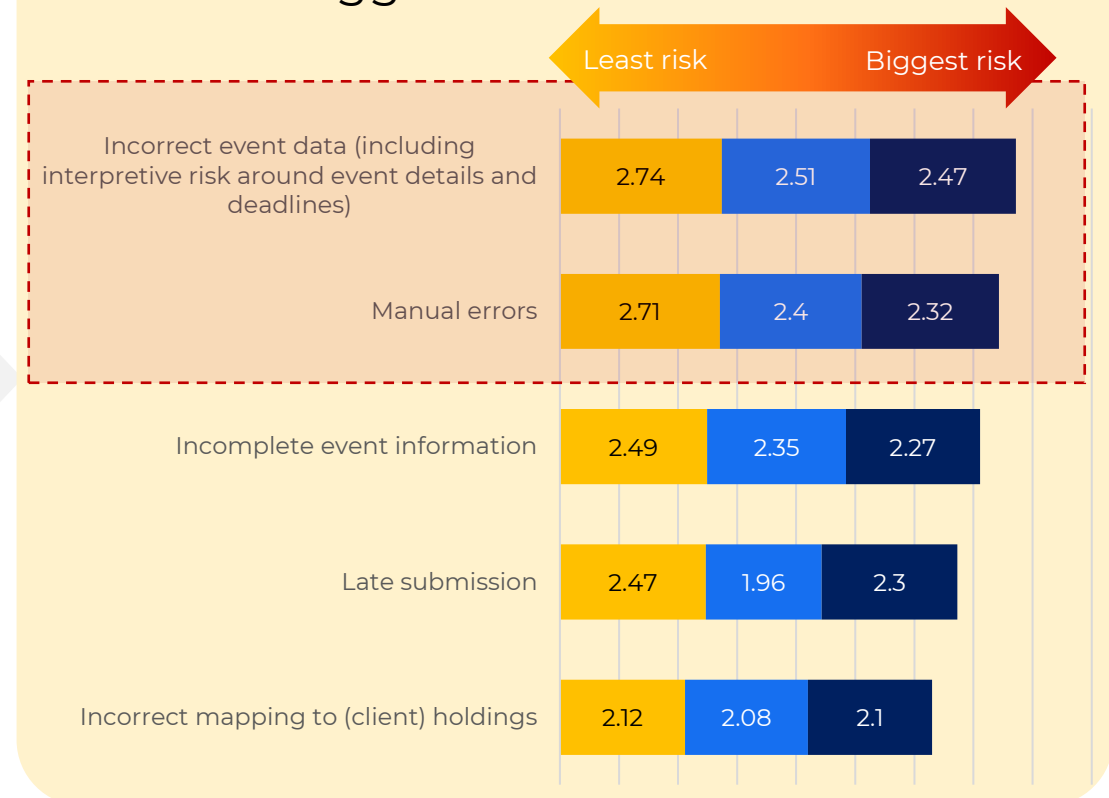
# Where is event data creating risk?

## Manual sourcing is the key risk driver

### Data in: biggest issues



### Data out: biggest risks



■ Elective events ■ Non-Elective Events ■ Proxy Events

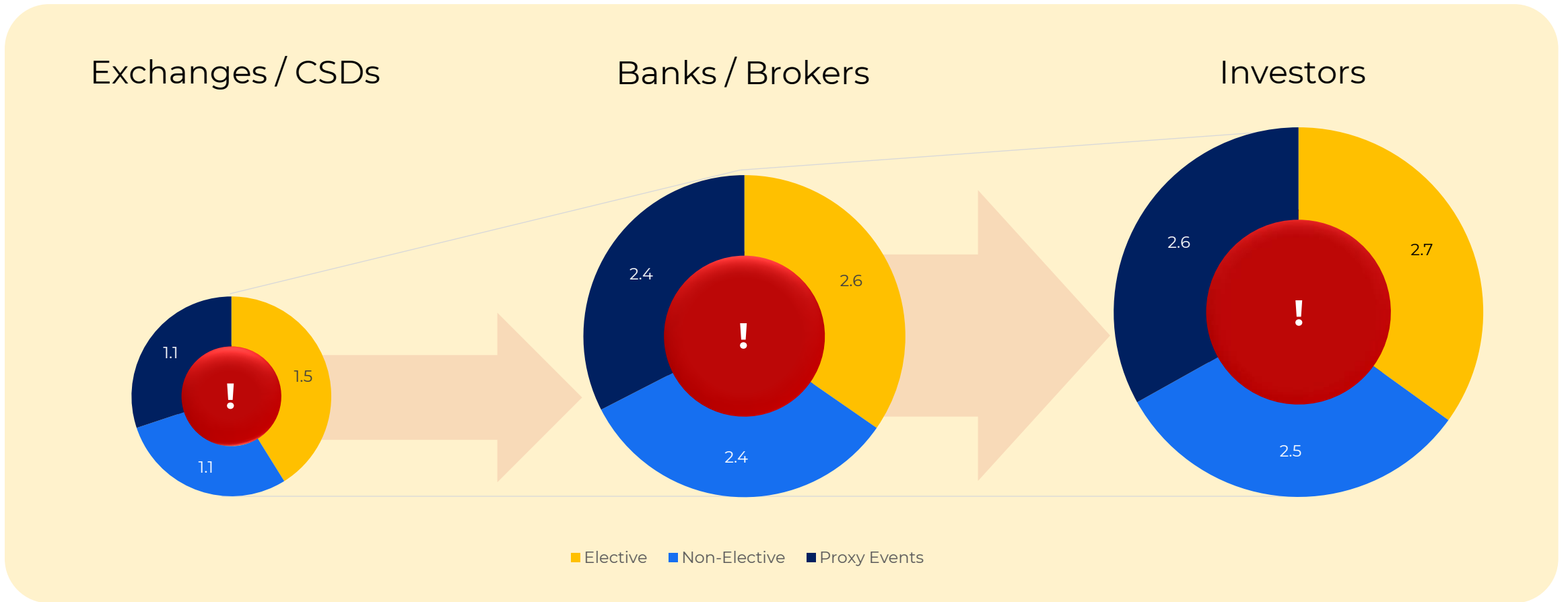
Question: How do rate the quality of events as you receive them? (Score out of 5); What are the key risks for you in each corporate action?





# Where is event data creating risk?

Risks accumulate with every step in the cycle

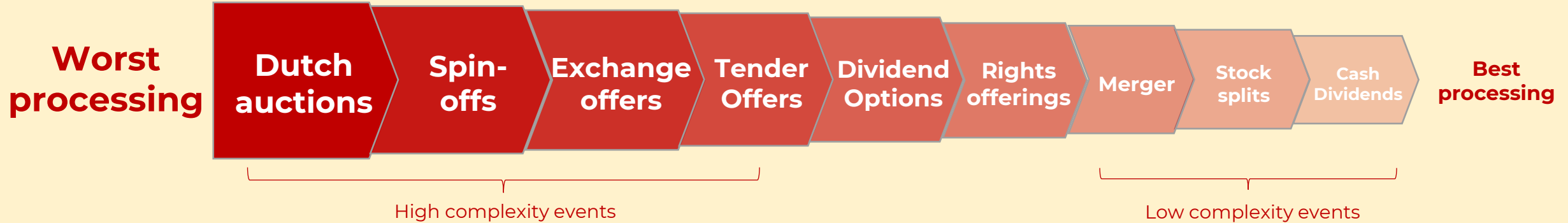


Question: What are the key risks for you in each corporate action? (Score out of 5)



# Where is event data creating risk?

## Complex events are driving the most risk



Australia	2.4	3.2	3.1	3.0	3.1	2.7	3.2	3.6	3.7
Canada	2.3	2.8	2.8	3.1	3.3	2.8	3.1	3.3	3.5
China - Hong Kong SAR	2.5	3.6	3.6	3.6	3.9	3.7	3.8	3.9	4.2
France	2.7	2.7	3.0	1.7	3.3	2.3	2.7	2.3	2.0
Germany	2.3	2.3	2.7	3.0	2.7	2.7	2.3	3.0	3.0
India	2.3	3.7	2.7	3.7	3.2	3.4	3.8	3.7	3.6
Ireland	3.4	3.8	4.1	3.9	3.7	3.7	3.9	3.8	3.8
Malaysia	3.4	3.6	4.3	4.0	4.0	4.1	4.1	4.3	4.7
Singapore	3.4	3.3	3.7	3.6	3.6	3.8	3.6	4.0	4.1
South Africa	2.9	3.0	2.9	3.0	3.2	3.2	3.3	3.0	3.1
Switzerland	3.4	3.2	3.2	3.2	3.0	3.2	3.4	3.0	3.8
United Kingdom	2.9	3.4	3.4	3.3	3.6	3.5	3.5	3.4	3.6
United States	2.9	3.0	3.2	2.9	3.4	2.8	3.2	3.2	3.4
<b>Global Average</b> <i>(Lowest = worst; Highest = best)</i>	<b>2.6</b>	<b>3.1</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>	<b>3.8</b>

Question: How would you rate your ability to process your corporate action events today?

# What can we do to reduce risk?

Messaging automation can yield 50% gains



Manual

Automation of notifications improves the ability to process events by

**25%**

...and generates a

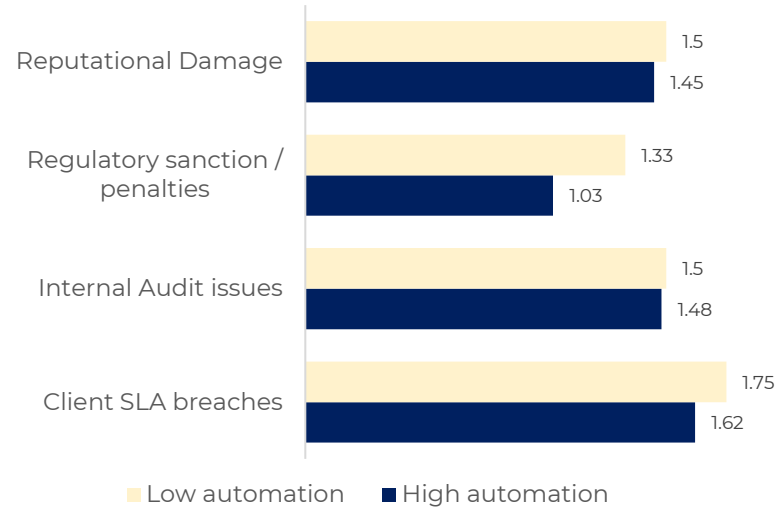
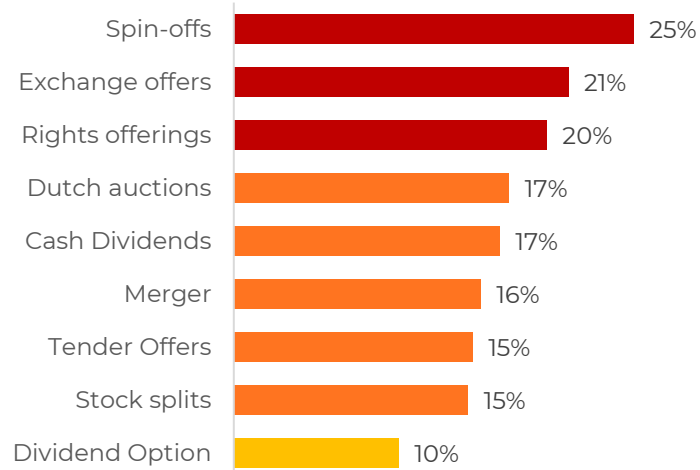
**23%**

reduction in regulatory penalties



**Automation**

via ISO15022,  
ISO20022, APIs and  
Data feeds



**50%**  
reduction  
in issues



**27%**  
reduction  
in issues

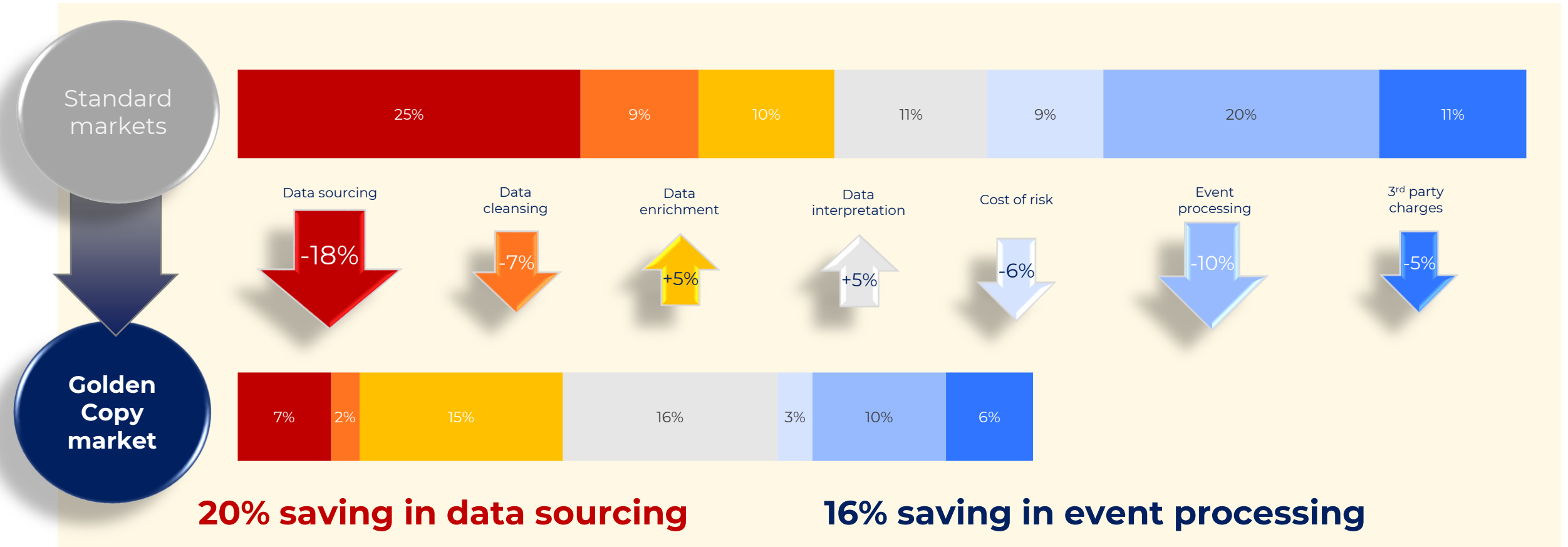


**12%**  
increase  
in issues (?)



# What can we do to reduce risk?

Golden-copy markets drive 20% savings in data sourcing

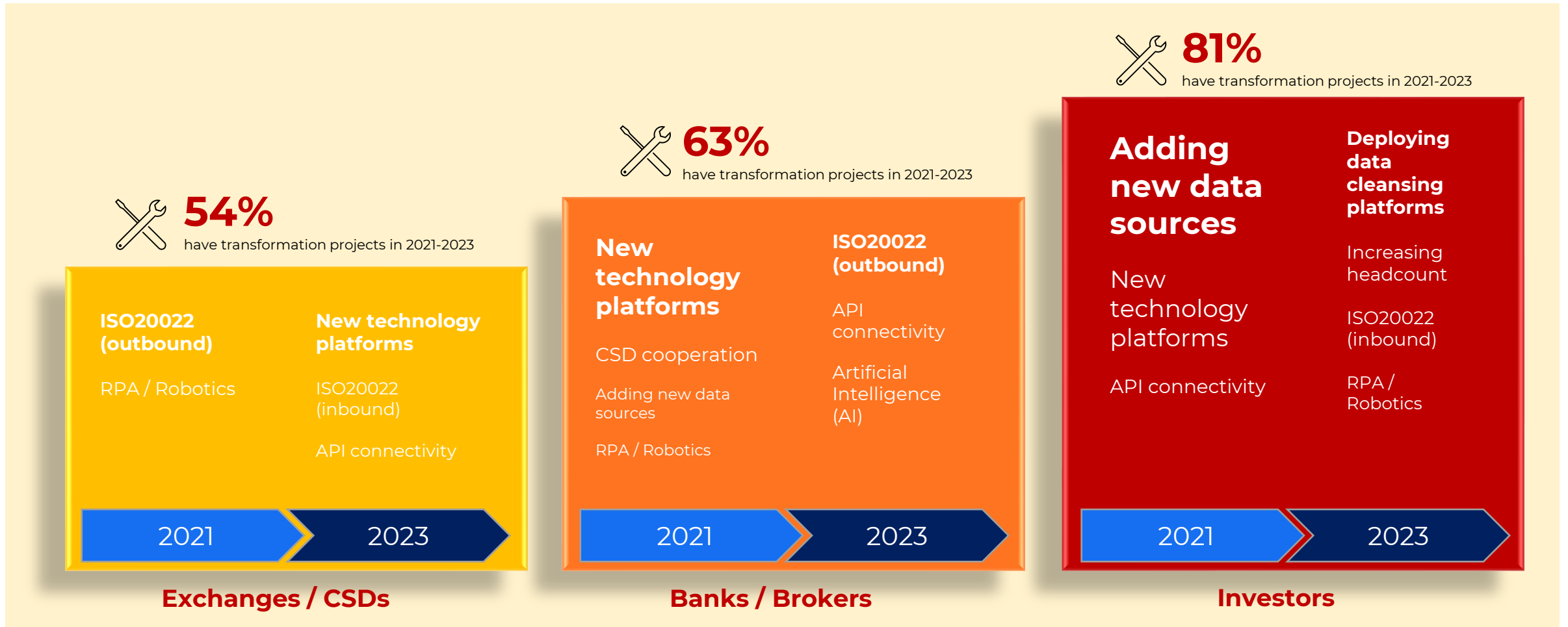


Question: What is the cost of a corporate action?  
Standard Markets is Global Average; Golden-copy market is Switzerland  
Others: 4% in Standard Markets, 41% in Golden Copy markets (i.e. previously smaller costs grow in proportion to the overall)



# What are we doing to cope?

Investors are leading the digitisation journey: but not this year

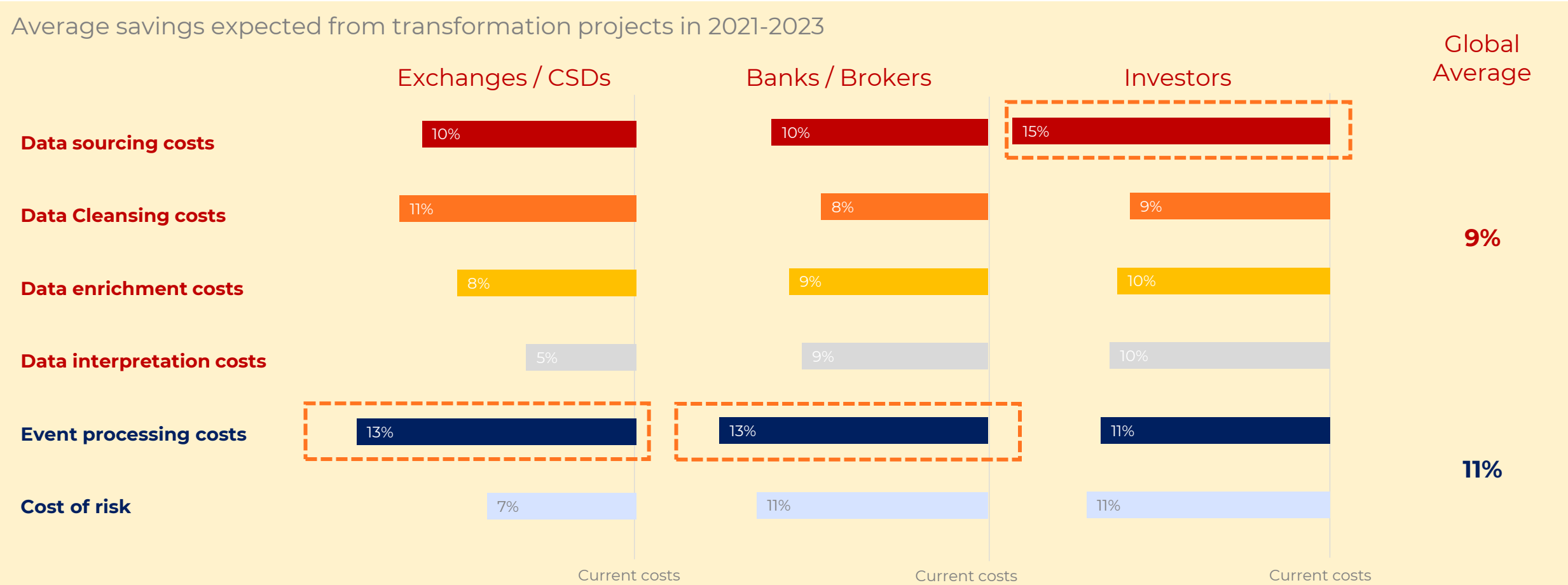


Question: what key actions are you taking to transform your corporate actions?



# What are we doing to transform?

Investors focus on sourcing whilst intermediaries focus on processing



Question: What returns do you expect to see from your investment in transformation?



# What are we doing to transform?

Defining ROI is still the biggest obstacle to automation:  
but is it a blockage?

How impactful are the challenges?



**Return on investment /  
Time horizon**

(2.2)



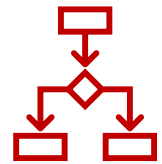
We can't find  
suitable  
technologies

(2.0)



Solutions don't  
reach required  
levels of STP /  
error rates

(1.9)



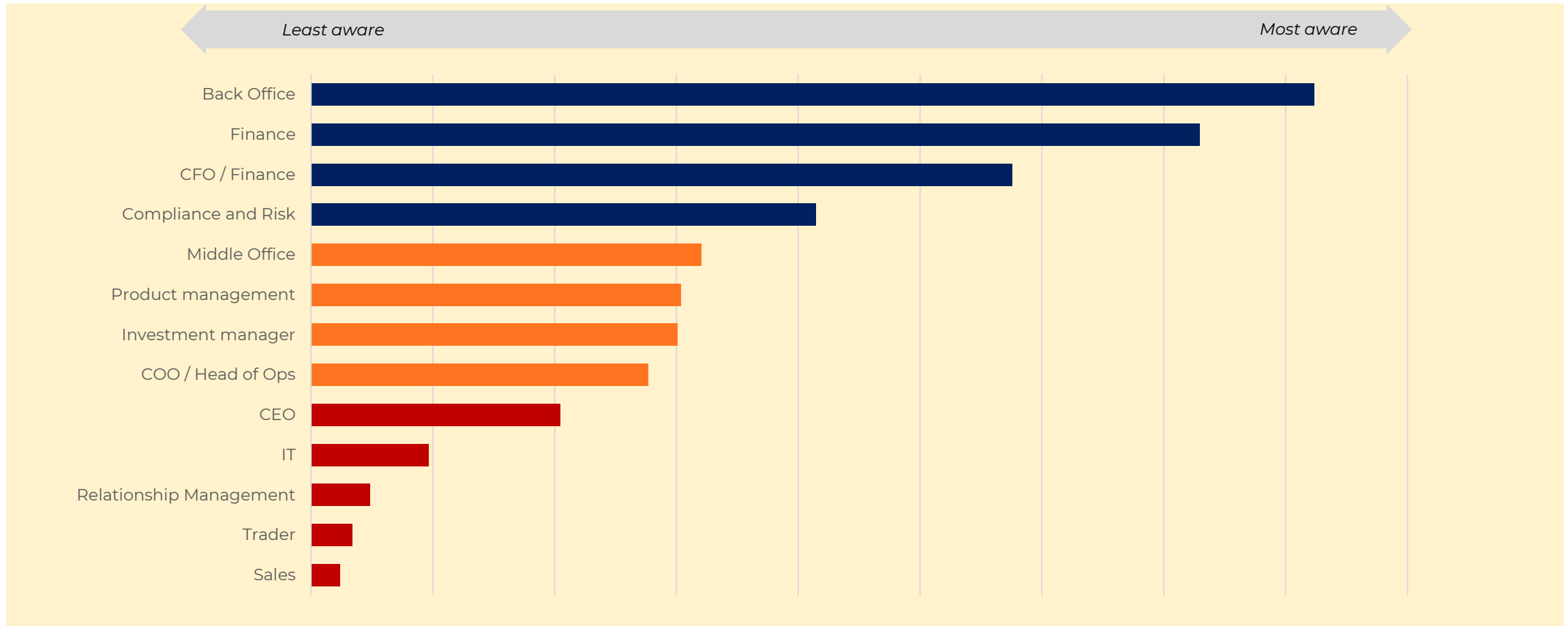
No one provider  
is able to make  
the required  
impact

(1.8)



# What are we doing to transform?

We need to tell the story in the front office too



Question: What is the cost of a corporate action?





# Corporate Actions in 2021

## What next?



[Click here to visit our full resource page for Corporate Actions 2021](#)

[Click here to register for our webinar on September 14<sup>th</sup> 2021](#)

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