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B.Com Honours

Semester V

Calicut University

ESSENTIALS OF INVESTMENT BANKING OPERATIONS

Course Code: COM5EJ316 • Module 1 Notes

Module I: Reference Data Management & Corporate Actions

Covers reference data infrastructure (DTCC, SWIFT, Markit), global security identifiers (ISIN, CUSIP, SEDOL, LEI), instrument setup, settlement instructions, and corporate action events.

Unit 1: Significance of Reference Data & Industry Utilities

Reference Data: Static core master data identifying financial instruments, counterparties, & clearing locations. **Industry Utilities:** DTCC (central clearing & depository in US), SWIFT (ISO 15022/20022 messaging), & Markit (financial data & pricing).

Unit 2: Security Identification Numbers & Settlement Instructions

Identifier Taxonomy:

- 1. **ISIN (12 alphanumeric chars):** ISO 6166 global standard (e.g. US0378331005 for Apple Inc).
- 2. **CUSIP (9 chars):** North American security ID.
- 3. **SEDOL (7 chars):** UK/Irish security ID.
- 4. **LEI (20 chars):** ISO 17442 Legal Entity Identifier. **Standard Settlement Instructions (SSIs):** Pre-agreed counterparty routing instructions.

Unit 3: Corporate Actions Management & Trade Life Cycle

Corporate Action Types:

- 1. *Mandatory:* Stock Split, Reverse Split, Cash Dividend (no shareholder choice).
- 2. *Mandatory with Options:* Dividend in Cash vs Stock (shareholder selects option).
- 3. *Voluntary:* Buyback Offer, Rights Issue, Tender Offer (shareholder opts in).

Key Timeline Dates: Announcement Date $\rightarrow$ Cum-Date $\rightarrow$ Ex-Date $\rightarrow$ Record Date $\rightarrow$ Payment Date.

Practical Case Framework 1 (Global Securities Identification Systems Comparison Matrix): Compare identifier format, character length, geographical scope, and governance body.

Global Security Identifiers Framework Table:

Identifier	Format	Length	Geographical Scope	Governance Body
ISIN	12 alphanumeric	12	Global	ISO 6166
CUSIP	9 alphanumeric	9	North America	DTCC
SEDOL	7 alphanumeric	7	UK/Ireland	UK Listing Authority
LEI	20 alphanumeric	20	Global	ISO 17442

Security Identifier	Structure & Length	Geographical & Asset Scope
ISIN (ISO 6166)	12 Alphanumeric (Country Code + NSIN + Check digit)	Global universal identifier for equities/bonds
CUSIP	9 Alphanumeric characters	North America (USA & Canada securities)
SEDOL	7 Alphanumeric characters	United Kingdom & Ireland securities
LEI (ISO 17442)	20 Alphanumeric characters	Global Legal Entity counterparty identifier

Practical Case Framework 2 (Corporate Actions Timeline & Price Impact Matrix): Detail corporate action event date, operational mandate, and share price adjustment effect.

Corporate Action Event Timeline Table:		
Corporate Action Date	Operational Settlement Mandate	Market Share Price Effect
Cum-Dividend Date	Last date to purchase share WITH dividend entitlement	Full stock price including dividend value
Ex-Dividend Date	First trading day WITHOUT dividend entitlement	Stock price drops by dividend amount per share
Record Date	Company checks shareholder register at market close	Freezes list of eligible dividend recipients

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