



EUROPEAN CENTRAL BANK

EUROSYSTEM

# SCoREBOARD

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Overview of  
First Compliance &  
Progress Report

CMH-TF  
12/03/2020

Single Collateral Management Rulebook for Europe  
common rules for managing collateral



European Central Bank

# Background

- Following the preparation of the Adaptation Plans, the regular monitoring of the implementation of the Standards has now commenced.
- The monitoring surveys are issued twice per year and are scheduled to allow submission of the monitoring reports to the respective AMI-SeCo meetings in H1 and H2 of each year.
- The first survey was conducted between March and May this year, the results of which are presented today.

# Background

- A *SCoREBOARD* is prepared per entity type (e.g. CSD, TPA etc.) for each set of Standards.
- Colours are assigned to each individual Standard in accordance with the methodology agreed by AMI-SeCo.

S C  R E B O A R D

SINGLE COLLATERAL MANAGEMENT RULEBOOK  
FOR EUROPE

- The Standard has been implemented
- Implementation of the Standard is on schedule (based on the agreed milestones)
- Implementation is behind schedule (based on the agreed milestones)
- Implementation has not started

# SCoREBOARD Overview

## Participation

23 out of 29 AMI-SeCo markets participated in the exercise



## Progress

Detailed analysis of the Standards is underway.



## Compliance

Some compliance with the Standards already achieved. Follow-up actions are required.



## Compliance Indicators

Full compliance expected by the majority of entities by AMI-SeCo deadlines



**The Executive Summary will be updated on the basis of the discussion in today's meeting and any written feedback received by Friday 19 June.**

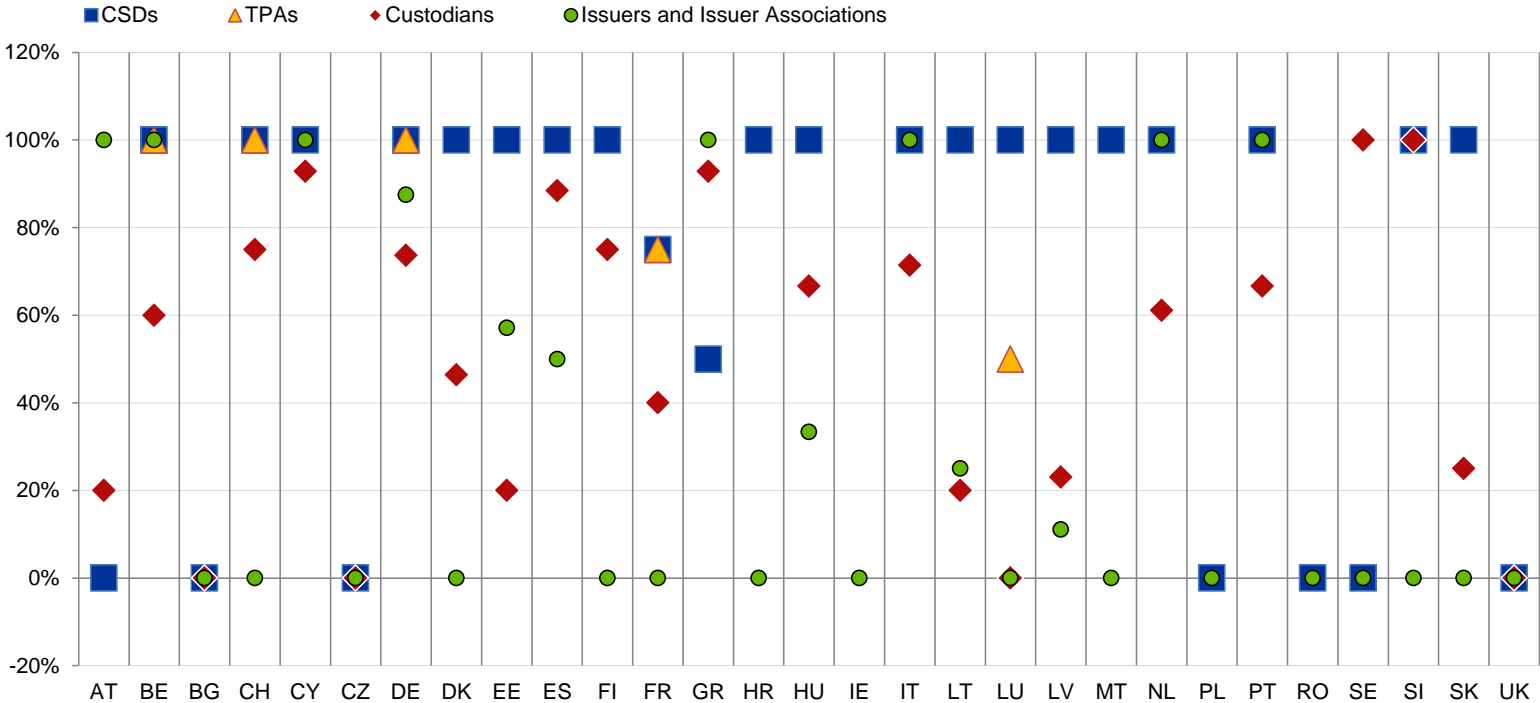
**It covers four main points:**

1. What is the level of stakeholder participation in the monitoring exercise?
2. Where has most progress been achieved?
3. What areas require follow-up actions / plausibility checks?
4. Where is full compliance expected (according to the compliance indicators)?

# 1. Participation

- All **TPAs** (8 out of 8) participated in the exercise.
- The majority of **CSDs** (28 out of 38) also participated in the exercise.
- There was a broad involvement of **custodians** in the exercise, with minimum of 5 custodians reporting in most markets thus ensuring large coverage of custody activities in each market. In some markets (such as Luxembourg) there is a need for further engagement in order to achieve broader representation of custodians.
- **Issuer** engagement has commenced in the field of corporate actions. Further work on issuer engagement is needed.
- Some **markets** (NSGs) did not report yet (i.e. BG, CZ, IE, PL, RO and UK). In particular further engagement is planned with these markets with a view to putting in place the necessary reporting structures in order to ensure participation in future exercises.
- For the smaller number of **markets without an NSG** at present (BG, CZ, PL, RO, and SE), most are making towards progress establishing NSGs or co-ordination forums.

# 1. Participation



Notes: Percentages reflect the proportion of completed surveys submitted per entity type by monitored entities in each AMI-SeCo market.

## 2. Progress

- **In the area of triparty collateral management:**
  - **Most Standards are on schedule.** TPAs are currently focussing on conducting a detailed analysis of the Standards and are planning user communication. In addition, Eurex CCP commenced efforts (in their role as user) in view of Nov. 2022 adoption. Further engagement with other CCPs is needed.
  - **Issues:** Efforts to comply with Standard 1 (on ISO 20022) and Standard 8 (Reporting of Flows) are not clear and / or have not been initiated by three TPAs, i.e. Euroclear Bank, Euroclear France and SIX SIS. JP Morgan did not report as part of the monitoring exercise. Please refer to the follow-up actions identified below for more details.

## 2. Progress

- **In the area of corporate actions:**
  - **Most Standards are on schedule (for CSDs and TPAs).** Some Standards are already in the process of being implemented by CSDs and TPAs as a result of synergies with SRDII requirements. Compliance by custodians with many of the SCoRE CA Standards is generally on track i.e. in 15 (out of 29) markets, more than 50% of custodians were on track (see 2.2.3).
  - **Behind Schedule:** Two CSDs reported delays in their efforts to comply with certain standards: NBB-SSS has delays for Standards 1 (E, F, G, H), S2 and S15. Keler has delays for Standards 1B, S10, S12, S15.
  - **Issues:** Four CSDs have issues that require attention, including Euroclear Finland who recently explained that all priorities are being analysed in view of their T2S migration and a new planning exercise is needed. Euroclear Bank will adapt to Standard 15 (ISO 20022) as part of their migration to T2S but further clarity is needed. SIX SIS should also provide further clarity on Standard 15 and Keler on Standard 13. Several CSDs did not participate (in AT, BG, CZ, GR, PL, RO, SE and UK). One TPA (JP Morgan) did not participate. Please refer to the follow-up actions identified below for more details.



## 2. Progress

- **In the area of Billing Processes**

- **Most Standards are on schedule (for CSDs and TPAs).** Compliance by custodians is also generally on track.
- **Issues:** Five CSDs (ESES CSDs in BE, FR and NL, Euroclear Finland and SIX SIS) should provide further clarity on their efforts to comply with Standards 1 (ISO 20022) and 4 (Payment Date). Several CSDs did not participate (in AT, BG, CZ, GR, PL, RO, SE and UK).). Further clarity is also required from a number of TPAs. Please refer to the follow-up actions identified below for more details.

## 2. Progress







- The aforementioned points are captured in this overview table.

On Schedule indicates that analysis has commenced.

Behind Schedule indicates that analysis will not commence until a later date.

Issues indicate that analysis has not started and no timeline has been provided.

- Entities who did not report are identified with the annotation N/R (No Reporting) in the Issues column.

	 On Schedule	 Behind Schedule	 Issues
 Triparty	<b>5 TPAs</b> • BE – BNY Mellon • LU – JP Morgan • DE – Clearstream Frankfurt • FR – BNP Paribas • LU – Clearstream Luxembourg	N/A	<b>3 TPAs</b> • BE – Euroclear Bank (S1, S8) • CH – SIX SIS (S1, S8) • FR – Euroclear France (S1, S8)
 Corporate Actions	<b>20 CSDs</b> • BE – Euroclear BE • IT – Monte Titoli • CY – CSE • LT – NASDAQ • DE – Clearstream • LU – Clearstream • DK – VP • LU – LuxCSD • EE – NASDAQ • LV – NASDAQ • ES – Iberclear • MT – MSE • FR – Euroclear FR • NL – Euroclear NL • FR – ID2S • PT – Interbolsa • GR – BOGS • SI – KDD • SK – CDCP & NCDCP	<b>2 CSDs</b> • BE – NBB-SSS (1E to 1H) • HU – Keler (1B)	<b>16 CSDs</b> • AT – OeKB (N/R) • RO – Dep. Central (N/R) • BG – BNB-SSS (N/R) • RO – NBR SSS (N/R) • BG – CDAD (N/R) • SE – Euroclear SE (N/R) • CZ – CSD Prague (N/R) • UK – Euroclear UK (N/R) • CZ – SKD (N/R) • CH – SIX (S13, S15) • GR – AthexCSD (N/R) • HR – SKDD (Dates TBC) • PL – KDPW (N/R) • FI – Euroclear FI (Dates) • PL – SKARBNET4 (N/R) TBC) • BE – Euroclear Bank (S15)
	<b>7 TPAs</b> • BE – Euroclear Bank • FR – Euroclear France • BE – BNY Mellon • FR – BNP Paribas • DE – Clearstream • LU – Clearstream • LU – JP Morgan	N/A	<b>1 TPA</b> • CH – SIX SIS (1F to 1H – N/R)
	<b>52% of Custodians</b>	N/A	N/A
 Billing Processes	<b>21 CSDs</b> • BE – Euroclear Bank • HU – KELER • BE – NBB-SSS • IT – Monte Titoli • CY – CSE • LT – NASDAQ • DE – Clearstream • LU – Clearstream • DK – VP • LU – LuxCSD • EE – NASDAQ • LV – NASDAQ • ES – Iberclear • MT – MSE • FR – ID2S • PT – Interbolsa • GR – BOGS • SI – KDD • SK – CDCP & NCDCP	N/A	<b>17 CSDs</b> • AT – OeKB (N/R) • NL – Euroclear NL (S4) • BE – Euroclear BE (S4) • PL – KDPW (N/R) • BG – BNB-SSS (N/R) • PL – SKARBNET (N/R) • BG – CDAD (N/R) • RO – Dep. Cent (N/R) • CZ – CSD Prague (N/R) • RO – NBR-SSS (N/R) • CZ – SKD (N/R) • SE – Euroclear SE (N/R) • FR – Euroclear FR (S4) • UK – Euroclear UK (N/R) • GR – Athex (N/R) • HR – SKDD (Dates TBC) • FI – Euroclear FI (Dates) • CH – SIX SIS (S1 - Dates)
	<b>6 TPAs</b> • BE – Euroclear Bank • FR – BNP Paribas • BE – BNY Mellon • LU – Clearstream • DE – Clearstream • LU – JP Morgan	N/A	<b>2 TPAs</b> • CH – SIX SIS (S1) • FR – Euroclear France (S4)
	<b>52% of Custodians</b>	N/A	N/A

## 3. Follow-up actions

In order to tackle the issues identified, a series of follow-up actions are foreseen.

- **In the area of triparty collateral management:**
  - **Standard 1 (ISO 20022 messaging):** A schedule / Adaptation Plan is requested from three TPAs, i.e. Euroclear Bank, Euroclear France and SIX SIS. Input on Standard 1 should be provided in the next survey.
  - **Standard 8 (Reporting on Flows):** This Standard 8 was reported as N/A, but it is applicable and a schedule / Adaptation Plan is needed from three TPAs i.e. Euroclear Bank, Euroclear France and SIX SIS. Input on Standard 8 should be provided in the next survey.

## 3. Follow-up actions

- **In the area of corporate actions:**
  - **Standard 5 (Negative cash flow):** If the CSD only accepts securities with a positive interest rate (or floating rate coupons with a floor), this should be reported as compliant as foreseen in the Standard. Nasdaq, Keler and Interbolsa are invited to update their feedback in the next round.
  - **Standard 11 (Default options):** A default option should be supported (irrespective of whether it is used). If this is the case, this should be reported as compliant. SIX SIS is invited to update their feedback in the next round.
  - **Standard 13 (Reversals):** Processes for reversals must be implemented (including the notification of reversal). Keler and SIX SIS are invited to update their feedback in the next round.
  - **Standard 12 (Fees):** In some CSDs, fees are not applied as a result of participation in a CA event (on all assets held as issuer CSD and investor CSD). The N/A reason (no fees) should be provided when responding.
  - **Standard 14 (Foreign currency):** If no foreign currency is handled in the CSD, the N/A reason should be provided.
  - **Standard 15 (ISO 20022)** should be implemented according to a clear plan. In the next round, further clarity on planning should be provided by Euroclear Bank, Euroclear Finland and SIX SIS.

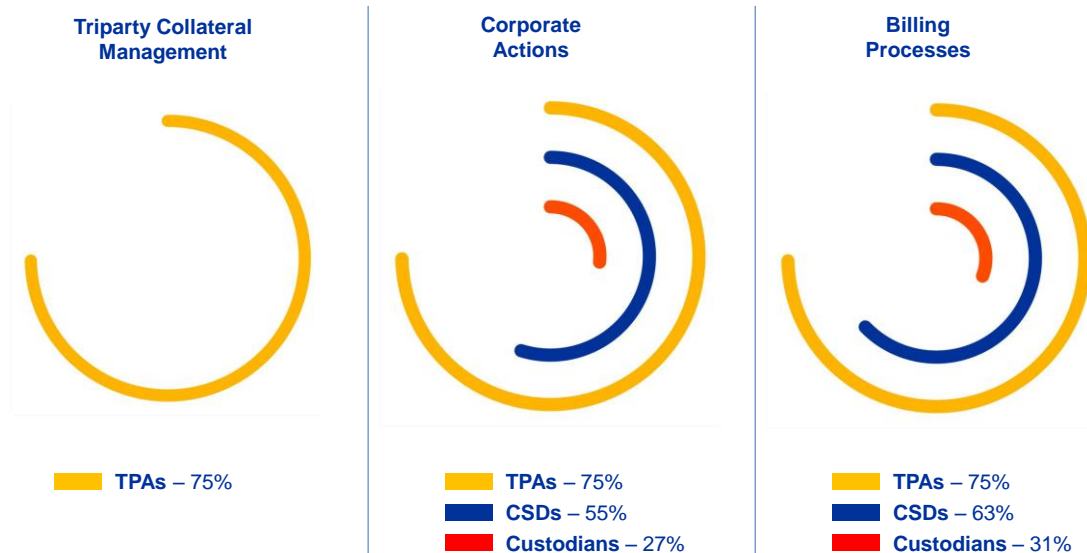
## 3. Follow-up actions

- **In the area of Billing Processes:**
  - **Standard 1 (ISO 20022):** planning information on efforts to comply with Standard 1 is required from SIX SIS (TPA) and Euroclear Finland.
  - **Standard 4 (payment date):** Compliance should not depend on the party creating the payments (i.e. CSD participants). In the next round, clarity is needed on the status of Standard 4 from ESES CSDs (in BE, FR and NL) and Euroclear Finland. Euroclear France should also provide clarity on Standard 4 in its role as TPA.

**In all cases, the follow-up actions underscore the importance of having a comprehensive Adaptation Plan with clear timelines in place.**

## 4. Indicators

- The Compliance Indicators do not point towards major blocking factors towards achieving full compliance with the SCoRE Standards on time.
- Nonetheless further efforts should be undertaken.



**Notes:** This provides an overview of the reporting entities who expect to meet the final Compliance Indicator prior to the implementation deadline. Percentages are calculated based on expected no. of respondents across all AMI-SeCo markets.

## 4. Indicators

- **In the area of Triparty Collateral Management:**
  - **Majority of TPAs expect to be on track to achieve full compliance on time** (i.e. 75% of TPAs). [Plausibility check to be conducted in accordance with aforementioned follow-up actions]
- **In the area of Corporate Actions:**
  - **For CSDs and TPAs, the majority of reporting entities expect to be compliant on time** (i.e. 55 % of CSDs and 75 % of TPAs). The gap primarily relates to ongoing planning exercises in non-euro CSDs. The number is therefore expected to increase in the next monitoring exercise as remaining Adaptation Plans are finalised.
  - **For Custodians, the numbers are low** (in 15 out of 29 markets, more than 50% of custodians were on track, see section 2.2.3.) and further action is need to increase awareness amongst custodians in view of meeting the deadline for compliance on time.

## 4. Indicators

- **In the area of Billing Processes:**
  - **For CSDs and TPAs, the majority of reporting entities expect to be compliant on time** (i.e. 63 % of CSDs and 75 % of TPAs). As with Corporate Actions, the gap primarily relates to ongoing planning exercises in non-euro CSDs. The number is therefore expected to increase in the next monitoring exercise as remaining Adaptation Plans are finalised.
  - **For Custodians, the numbers are low** (in 15 out of 29 markets, more than 50% of custodians were on track) and further action is need to increase awareness amongst custodians in view of meeting the deadline for compliance on time.



# Next steps

- **Finalisation of the report on the basis of the discussion in today's meeting and any written feedback received by Friday 19 June.**
- **The report will then be submitted to the June AMI-SeCo meeting.**