

SCoREBOARD

Triparty Collateral Management – H1 2022

Swiss NSG

Background

Since publication of the [Collateral Management Harmonisation Report](#) in December 2017, the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) has made a number of significant breakthroughs in its ambition to create a **Single Collateral Management Rulebook for Europe** (SCoRE).

What is SCoRE?

SCoRE defines common rules for managing collateral in Europe. These rules will replace the fragmented legacy standards, structural constraints and complex and diverse market practices that exist across Europe today. Implementation of SCoRE should remove operational impediments to the availability, usage and mobility of collateral. Market participants in AMI-SeCo have committed to implementing the SCoRE Rulebook, with the first set of rules due to be implemented by November 2023. Their implementation efforts are regularly monitored by AMI-SeCo which facilitates an active dialogue with market participants on issues related to the clearing and settlement of securities and to collateral management.

National stakeholder groups (NSGs) are coordination forums to support the implementation of the Single Collateral Management Rulebook for Europe. They have been established in the markets covered by the AMI-SeCo in order to support the implementation of the Single Collateral Management Rulebook for Europe (SCoRE).

The Single Collateral Management Rulebook for Europe (SCoRE) contains 17 Standards related to triparty collateral management (published as the [SCoRE Standards for Triparty Collateral Management](#)). Implementation progress is monitored twice per year.

The Single Collateral Management Rulebook for Europe (SCoRE) contains 17 Standards related to triparty collateral management (published as the [SCoRE](#)

[Standards for Triparty Collateral Management](#)). Implementation progress is monitored twice per year.

Introduction

This summary report presents the results of the H1 2022 monitoring exercise conducted by the Swiss NSG with the involvement of the following stakeholders:

- 1 TPA – SIX SIS






This report focuses on the milestones to be met by the time the survey was closed. In this monitoring exercise, participants were expected to have achieved all the milestones up to Milestone 6 inclusive as described in section 3 below.

Section 1 presents the key takeaway. Section 2 depicts the entity compliance status with the standards. Section 3 provides an overview of the progress against the individual milestones and section 4 focuses on concluding remarks.

1 Key takeaways

The Swiss market is in a special condition for being a non EU country

The Swiss NSG is an EU third country, with a CHF (not T2S settlement currency) and euro access for Swiss market participants is usually not directly via the ECB.

|  <small>STANDARD COLLATERAL MANAGEMENT REEBOARD</small> |  Response Rate |  Implementation Status |  Milestones achieved? |  Implemented on Time? |
|--|--|--|---|---|
| TPA - SIX SIS | 100% | Implemented 0% Analysis started 28.5% Implementation started 8.57% | No | Yes |

Implemented on Time is marked as yellow for SIX SIS as the entity is only expected to implement the relevant workflows by the November 2023 deadline. A decision is still outstanding as to whether ISO 20022 messaging will be implemented by this date.

TPA – SIX SIS

SIX SIS is currently revising the set-up of its TPA service and plans to include all standardised functionalities set out in SCoRE within its “Standard Triparty Collateral Management” service by November 2022. Implementation of the new ISO 20022 standard for triparty collateral management will be taken up after this date, it is currently not analysed. The potential implementation date will be November 2023.

Implementation date for the ISO 20022 messages is under discussion

CCPs

CCPs are monitored in their role as users of Triparty Collateral Management Services so they are assessed on their ability to communicate with their TPA using ISO 20022 messaging. As by today it is assumed that implementation of CCP is completed by November 2023 (planning is not yet confirmed).

CCPs are monitored in their role as users of Triparty Collateral Management Service

The implementation of the standards and the discussion of the timeline goes in parallel with SIX SIS as TPA and SIX x-Clear as CCP.

This is valid for the implementation of the standards and its compliance monitoring process. SIX x-Clear will be involved in the monitoring, based on its ongoing service discussions with SIX SIS as TPA, by the end of 2023.

2 Compliance level with the standards

This section provides an overview of the current status of compliance with the triparty collateral management standards. TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in figure 2 below.¹

Figure 2

Standards implementation status as defined in the AMI-SeCo framework document



- 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

¹ For further details please refer to the [AMI-SeCo Monitoring Framework](#)

Table 1

Compliance level with the standards

| STANDARD | TPA - SIX SIS |
|--------------------------|---------------|
| 1: ISO 20022 messaging | Y |
| 2: Initiation | Y |
| 3: Increase | Y |
| 4: Decrease | Y |
| 5: Revaluation | Y |
| 6: Cancellation | Y |
| 7: Unilateral removal | Y |
| 8: Reporting on flows | Y |
| 9: Reporting on stocks | Y |
| 10: Closure | Y |
| 11: Handling of CA | N/A |
| 12: Partial settlement | G |
| 13: Reference data | Y |
| 14: Usage of baskets | G |
| 15: Future dated | G |
| 16: Operating hours | N/A |
| 17: Cut-off Times Rule 1 | N/A |
| 17: Cut-off Times Rule 2 | N/A |
| 17: Cut-off Times Rule 3 | N/A |
| 17: Cut-off Times Rule 4 | N/A |

3 Progress against the milestones

This section tracks market stakeholders progress in implementing the Standards against the 13 set milestones identified by AMI-SeCo.

The milestones facilitate consistent implementation across markets (given the long-term efforts that are needed) and avoids issues remaining undetected until the deadline of 20 November 2023 to achieve compliance and implementation of the standards.

Table 2
Milestones identified by AMI-SeCo

| Milestone | Description | Date |
|-----------|--|------------|
| M1 | Analysis Started: Have you commenced an in-depth analysis of all applicable SCoRE Standards in order to identify and document all the changes required to internal processes and procedures in order to comply with the SCoRE Standards? | 30/06/2020 |
| M2 | Initial Communication: Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced? | 01/03/2021 |
| M3 | Analysis Completed: Have you completed an in-depth analysis of all applicable SCoRE Standards? | 31/07/2021 |
| M4 | Documentation Completed: Have you documented all the internal processes and procedures which need to be adapted in order to comply with the SCoRE Standards? | 31/12/2021 |
| M5 | Detailed External Communication: Has detailed communication started regarding (i) upcoming changes in business processes, (ii) messaging formats and usage guidelines (in the case of new messages based on non-registered latest drafts by SWIFT) and (iii) planned testing activities been provided to users? | 31/12/2021 |
| M6 | SCoRE Adaptation Started: Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE Standards? | 01/01/2022 |
| M7 | SCoRE Adaptation Complete: Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE Standards? | 30/06/2022 |
| M8 | Internal Testing Started for SCoRE: Have you started to test the changes to your internal processes and procedures which have been introduced in order to comply with the SCoRE Standards? | 01/07/2022 |
| M9 | Internal Testing Complete for SCoRE: Have you completed the necessary internal testing? | 02/12/2022 |
| M10 | External Testing Started for SCoRE: Are you in a position to test the changes introduced in order to comply with the SCoRE Standards with your user community (i.e. CSD participants / Collateral Givers and Collateral Takers in the context of the Standards applicable to TPAs)? | 20/03/2023 |
| M11 | Final External Communication on SCoRE: has final communication to users been provided (i.e. updated user guide to reflect the changes implemented, final message usage guidelines for A2A communication) related to the SCoRE Standards? | 01/04/2023 |
| M12 | External Testing Completed for SCoRE: Is the testing of the changes introduced in order to comply with the SCoRE Standards with your user community completed (i.e. CSD participants / Collateral Givers and Collateral Takers in the context of the Standards applicable to TPAs)? | 13/10/2023 |
| M13 | SCoRE Standards Implemented: have the SCoRE Standards been implemented? | 20/11/2023 |

The current H1 2022 monitoring exercise focuses on milestones 1 to 6 given that Milestone 6 (with a deadline of 1 January 2022) was meant to have been achieved by the time the survey closed.

In each survey round, all the entities are asked to confirm (on a yes/no basis) whether the milestones will be met by the set milestones dates. If it is not the case, they are also asked the expected date for when the milestone will be reached.

For the milestones which had to be achieved by the time the survey closed: the blue colour code is assigned to those milestones that have been successfully achieved. Milestones that will only be achieved later than their set deadline are assigned a yellow status with indication of the likely date of achievement.

For the milestones that are only due to be achieved after the current reporting cycle: the green colour code indicates that the entity anticipates achieving that future milestone on time. A yellow status indicates that the milestone is foreseen to be met later than the set milestone date. In this case, the date of achievement anticipated is also indicated in the table.

Table 3
Expectation of achieving the milestones at the set dates

| | TPA - SIX SIS |
|-------------------------------|---------------|
| Milestone 1 June 2020 | 11/22 |
| Milestone 2 March 2021 | 07/23 |
| Milestone 3 July 2021 | 07/22 |
| Milestone 4 December 2021 | 07/22 |
| Milestone 5 December 2021 | 07/22 |
| Milestone 6 January 2022 | 08/22 |
| Milestone 7 June 2022 | 07/23 |
| Milestone 8 July 2022 | Yes |
| Milestone 9 December 2022 | Yes |
| Milestone 10 December 2022 | Yes |
| Milestone 11 April 2023 | Yes |
| Milestone 12 October 2023 | Yes |
| Milestone 13 November 2023 | Yes |

4 Concluding remarks

SIX SIS provided the following additional information on milestone planning:

Milestone 1: Decision not yet taken to provide TPA services within T2S. In a first step, message format ISO 15022 is provided to TPA Participants. SCoRE workflow standards will be implemented and available by November 2023 .

Milestone 2: Analysis for workflow has started. Analysis on the format is planned for a later date as the decision for T2S as target system is not yet taken.

Milestone 3: Earliest client communication possible in May 2022.

Milestone 5: Milestone could potentially met if request for service offering approved.

© **European Central Bank, 2022**

Postal address 60640 Frankfurt am Main, Germany

Telephone +49 69 1344 0

Website www.ecb.europa.eu

All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

For specific terminology please refer to the [ECB glossary](#) (available in English only).