

# SCoREBOARD

## Corporate Actions – H2 2021






### Latvian NSG

The Single Collateral Management Rulebook for Europe (SCoRE) contains 15 Standards related to the processing of corporate actions (published as the [SCoRE Standards for Corporate Actions](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H2 2021 monitoring exercise conducted by the Latvian NSG with the involvement of the following stakeholders:

- 1 CSD – Nasdaq CSD
- 13 Custodians
- 33 Issuers

47 entities are monitored in the Latvian market

The SCoRE Overview provides a high-level summary of the H2 2021 monitoring exercise.

 <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small>	 <b>Response Rate</b>	 <b>Implementation Status</b>	 <b>Milestone achieved?</b>	 <b>Implemented on Time?</b>
Custodians	0%	Implemented 3.32% Analysis started 7.96% Implementation started 3.49%	8%	15%
Issuers	0%	Yes 2.72% No 0.20%	n/a	n/a
CSD - NASDAQ	100%	Implemented 58.4% Analysis started 30.0% Implementation started 2.11%	No	Yes

Note: Implemented on Time reflects the entity's ability to meet the final reporting milestone prior to the adoption of the Standards.

This NSG summary report is structured as follows: The Executive Summary provides an overview of the responses received per Entity Type i.e. CSD, TPA, Custodian etc. Section 1 presents the compliance status of each entity type. Section 2 provides an overview of the progress against the individual milestones. Section 3 then provides a more detailed overview of the implementation status per Standard for each entity type.

## Executive Summary

The Latvian market is currently focusing on the analysis of the Standards

Nasdaq CSD SE and some of custodians and issuers responded to the survey. Responses reflected that implementation has started at limited number of standards more accent putting on analysis of the standards to be implemented. Given the relatively simple and small Baltic financial market, Nasdaq CSD SE together with participants will still consider in detail the usefulness of implementation of standards in national markets.

### CSD – Nasdaq CSD

Nasdaq CSD is currently compliant with approximately half of the Standards

About half of the standards has been introduced. The usefulness of implementing other standards will be analysed and considered together with the depositary participants.

### Custodians

Only a quarter of respondents provided answers to the survey

Only a small proportion of the respondents provided answers to the survey, that proves the fact that the Latvian securities market is relatively small and maximally simplified compared to the large European countries. For Latvian securities market participants some standards are irrelevant, or their implementation is not financially justified. Market participants will continue to work on the analysis of standards and will implement them as far as possible.

### Issuers

Issuer involvement has been initiated

Issuers were involved in this project only at the time of the survey, as their role in the implementation of standards is minor. Until now, issuers are not involved in the Latvian NSG, but if necessary, issuers will also be informed about the implementation of standards and asked to contribute to the implementation of standards.

### NCB

Bank of Latvia will implement the Standards as of November 2023

For the Bank of Latvia implementation of the Standards is underway in the context of the ECMS project. The Bank of Latvia is on track to implement the SCoRE Standards for Corporate Actions for its collateral management activities by November 2023.

## SCoREBOARD

This section presents the overall compliance status in the market. CSDs and TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in Box 1<sup>1</sup>. Custodians and Issuers are monitored on an aggregated basis and assigned a percentage compliance status.

### Box 1

#### SCoREBOARD – Implementation Phase

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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

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For custodians and issuers, progress is monitored and reported as a percentage; for example the % of custodians in a given market who have started internal adaptation of IT systems.

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

**Table A**  
**SCoREBOARD**

STANDARD	Custodians	Issuers	CSD - NASDAQ
1A: Notification	12%	6%	Y
1B: Instruction	9%		Y
1C: Advise	11%		Y
1D: Confirmation	12%		Y
1E: Reversal	9%		G
1F: Meeting Notification	14%	2%	G
1G: Meeting Instruction	14%		B
1H: Meeting Results	15%		Y
2: Calculation of Proceeds	16%	3%	Y
3: Consistency of Information	19%	3%	Y
4: Rounding Rule 1	31%	3%	B
4: Rounding Rule 2	31%	3%	B
4: Rounding Rule 3	0%	0%	B
4: Rounding Rule 4	31%	3%	B
4: Rounding Rule 5	31%	3%	B
5: Negative Cash Flows	31%	0%	Y
6: Business Day Rule		3%	B
7: Securities Amount Data Rule 1		3%	B
7: Securities Amount Data Rule 2		0%	N/A
7: Securities Amount Data Rule 3		0%	B
7: Securities Amount Data Rule 4		0%	B
8: Payment Time Rule 1		0%	B
8: Payment Time Rule 2		0%	Y
8: Payment Time General Principle 3		0%	B
9: Processing Status	31%	3%	Y
10: Blocking Rule 1	31%		G
10: Blocking Rule 2	0%		Y
10: Blocking Rule 3	0%		Y
10: Blocking Rule 4	0%		Y
10: Blocking Rule 5	0%		Y
11: Default Option	31%	3%	B
12: Handling of Fees	31%		Y
13: Reversal	31%	3%	B
14: Foreign Currency			B
15: ISO 20022 Messaging	8%		Y

Notes:

- For CSDs and TPAs the colour-code reflects the current implementation status of each Standard in accordance with the methodology outlined in Box 1 above.
- TPAs are using custody services provided by CSDs or Custodians in order to disseminate CA information to Collateral Givers and Collateral Takers. Monitoring of TPAs thus focuses on the implementation of triparty specific workflows described in Standard 1.
- For custodians the % indicates that the standard has either already been implemented, or that implementation is on track i.e. at a minimum that analysis has already started or that implementation has started per Standard.
- Issuers were asked to confirm awareness of their obligation to provide all relevant information to the Issuer CSD (on a Yes/No basis). The % reflects the number of issuers who responded yes to the survey.
- Percentages are calculated on the basis of expected respondents, i.e. number of entities monitored in the market.
- A plausibility check was performed by the CMH-TF secretariat.

## 2 Milestones

This section tracks an entity's progress in implementing the Standards on an ongoing basis. 13 milestones have been defined as listed in the box below.

### Box 2

#### SCoRE Milestones

Milestone	Description	Date
M1	<b>Analysis Started:</b> 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	<b>Initial Communication:</b> Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?	01/03/2021
M3	<b>Analysis Completed:</b> Have you completed an in-depth analysis of all applicable SCoRE Standards?	31/07/2021
M4	<b>Documentation Completed:</b> 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	<b>Detailed External Communication:</b> 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	<b>SCoRE Adaptation Started:</b> Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE Standards?	01/01/2022
M7	<b>SCoRE Adaptation Complete:</b> Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE Standards?	30/06/2022
M8	<b>Internal Testing Started for SCoRE:</b> 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	<b>Internal Testing Complete for SCoRE:</b> Have you completed the necessary internal testing?	02/12/2022
M10	<b>External Testing Started for SCoRE:</b> 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)?	05/12/2022
M11	<b>Final External Communication on SCoRE:</b> 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	<b>External Testing Completed for SCoRE:</b> 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	<b>SCoRE Standards Implemented:</b> have the SCoRE Standards been implemented?	20/11/2023

Notes: N/A

Milestones expected to be achieved in the current reporting period are highlighted in blue in the header of Table B below. The blue colour-code is then assigned to those milestones which have been successfully achieved to date for each respective entity. Milestones which will only be achieved later are assigned a yellow status, while milestones which will only be achieved with significant delays / where work has not yet commenced are marked in red.

For the remaining milestones (i.e. milestones due to be achieved only after the current reporting cycle) the colour-code indicates an entity's expected ability to achieve a future milestone on time. The expected date of achievement is also indicated in the table if it is different to the milestone date defined by AMI-SeCo.

**Table B**  
Milestones

	Custodians	CSD - NASDAQ
Milestone 1 June 2020	8%	06/21
Milestone 2 March 2021	8%	01/22
Milestone 3 July 2021	8%	12/21
Milestone 4 December 2021	15%	Yes
Milestone 5 December 2021	15%	01/22
Milestone 6 January 2022	15%	Yes
Milestone 7 June 2022	15%	Yes
Milestone 8 July 2022	15%	Yes
Milestone 9 December 2022	15%	Yes
Milestone 10 December 2022	15%	Yes
Milestone 11 April 2023	15%	Yes
Milestone 12 October 2023	15%	Yes
Milestone 13 November 2023	15%	Yes

Notes: Actors were asked to report for all milestones, i.e. whether they meet the current milestone (1) and whether they expect to meet the dates for future milestones.

### Summary

Overall, the survey showed that the analysis had started.

Nasdaq CSD SE provided the following additional information on milestone planning:

**Milestone 1:** Due to ongoing two large projects at Nasdaq CSD there is no possibility to dedicate resources for this activity.

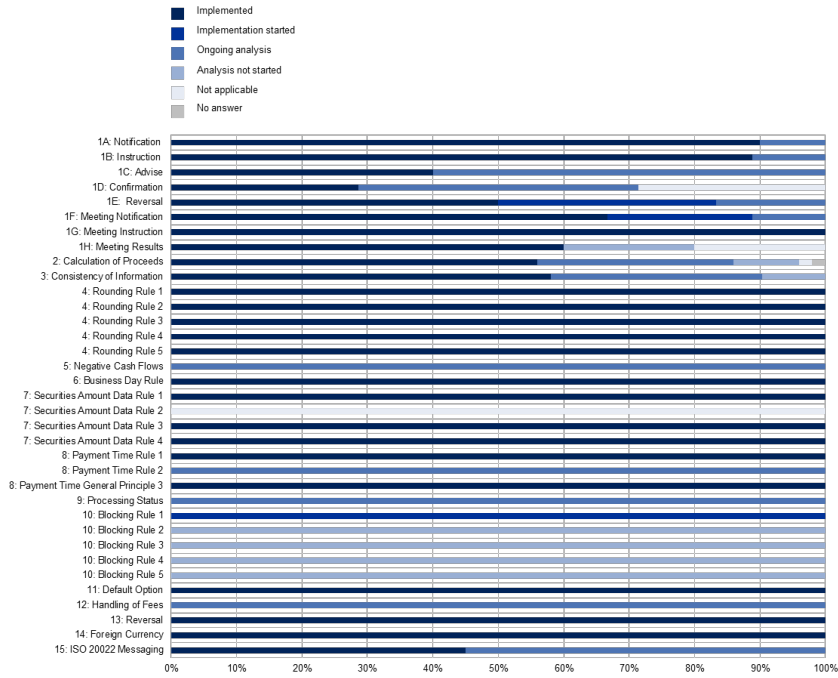
### 3

## Implementation status per SCoRE Standard

This section presents the implementation status of each Standard per entity type.

### CSD – Nasdaq CSD

#### Implementation status per SCoRE Standard

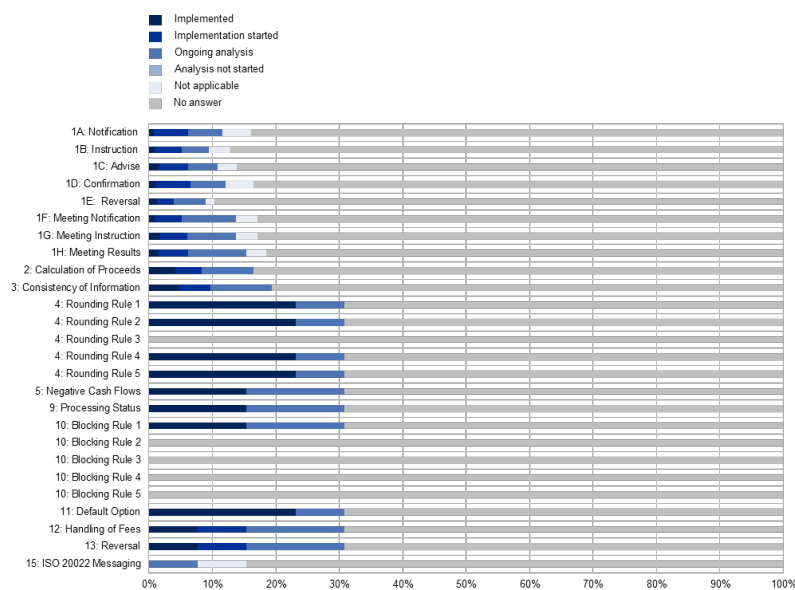


#### Notes

A plausibility check was performed by the CMH-TF secretariat.

### Custodians

#### Implementation status per SCoRE Standard

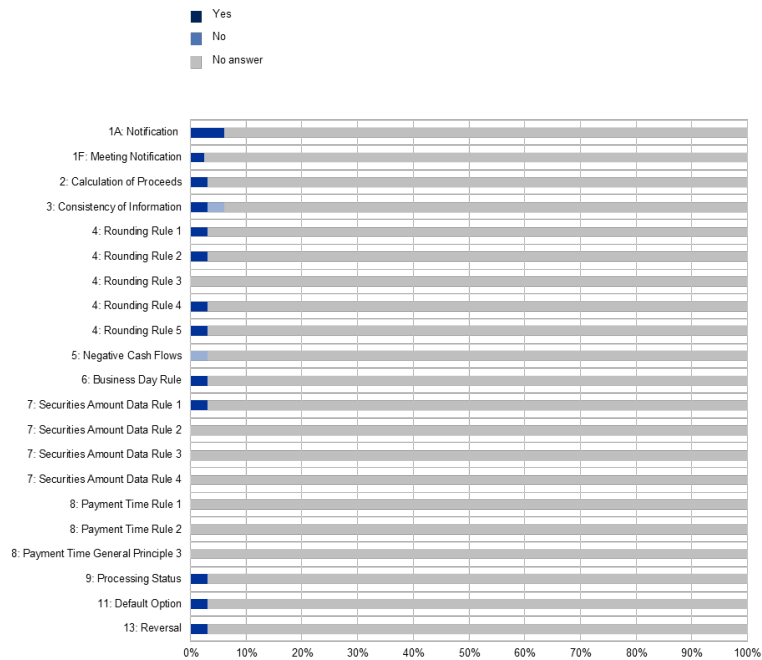


#### Notes

N/A

## Issuers

### Fulfilment of obligations per SCoRE Standard



#### Notes

No issuers submitted replies in the H1-21 monitoring.

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The cut-off date for the data included in this report was 17 November 2021.

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