



SCoREBOARD

Billing Processes – H2 2022

Belgian 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 4 Standards related to billing processes (published as the [SCoRE Standards for Billing Processes](#)). Implementation progress is monitored twice per year.

Introduction

This summary report presents the results of the H2 2022 monitoring exercise conducted by the Belgian NSG among the following stakeholders:

- 3 CSD – Euroclear Bank, Euroclear Belgium, NBB-SSS
- 2 TPA – BNY Mellon, Euroclear Bank
- 5 Custodians

10 entities are monitored in the Belgian market

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 8 inclusive “Internal testing Started for SCoRE” (with a deadline of 1 July 2022) as described in section 3 below.

Section 1 presents the key takeaways per Entity Type i.e. CSD, TPA, Custodian etc. Section 2 depicts the compliance status with the standards by each entity type. Section 3 focuses on the progress against the individual milestones and Section 4 provides concluding remarks.

1 Key takeaways

The implementation of the Billing Processes Standards in the Belgian market is ongoing. The majority (90%) of the reporting entities responded to the survey; all CSDs and TPAs confirmed that they will implement the applicable Billing Processes Standards by November 2023. One custodian responded that it will implement the final milestone at a later stage. Delays are expected regarding the interim milestones for several reasons, but they are not jeopardising the November 2023 deadline. This section presents the key findings of the survey for each entity type.

Implementation of the Billing Processes Standards in the Belgian market is partly on track

Figure 1
Summary of the monitoring exercise

|  |  Response Rate |  Implementation Status | Are all milestones 1 to 8 inclusive achieved? | Will the last milestone 13 be implemented on time (i.e. by 20 November 2023)? |
|---|---|---|--|--|
| Custodians | 80% | Implemented 13.3% Implementation started 0% Analysis started 26.6% Analysis not started 13.3% Non applicable standards 26.6% Replies not submitted 20% | Average % of milestones achieved 13% | % of custodians on time 60% |
| TPA - BNY Mellon | Survey submitted | Implemented 40% Implementation started 0% Analysis started 20% Analysis not started 0% Non applicable standards 40% Replies not submitted 0% | No | Yes |
| TPA - Euroclear Bank | Survey submitted | Implemented 60% Implementation started 0% Analysis started 20% Analysis not started 0% Non applicable standards 20% Replies not submitted 0% | No | Yes |
| CSD - Euroclear Bank | Survey submitted | Implemented 60% Implementation started 0% Analysis started 20% Analysis not started 0% Non applicable standards 20% Replies not submitted 0% | No | Yes |
| CSD - Euroclear Belgium | Survey submitted | Implemented 40% Implementation started 0% Analysis started 40% Analysis not started 0% Non applicable standards 20% Replies not submitted 0% | No | Yes |
| CSD - NBB-SSS | Survey submitted | Implemented 80% Implementation started 0% Analysis started 20% Analysis not started 0% Non applicable standards 0% Replies not submitted 0% | No | Yes |

Euroclear Bank reports a high-level of compliance with the Standards

CSD – Euroclear Bank

Euroclear Bank as a CSD has already implemented Billing Standards 2, 3 and 4. Analysis has started on the ISO 20022 messaging Standard.

Euroclear Bank confirmed implementation of the relevant Billing Processes Standards by November 2023. However, milestones 2, 3, 4, 5 and 7 have not been met. Euroclear started the adaptation phase of the new ISO 20022 message in May 2022, after the launch of its new billing tool. The development effort will be completed by the end of 2022. This will have an impact on some of the future milestones.

CSD – Euroclear Belgium

Euroclear Belgium confirmed compliance with all Billing Standards by November 2023

Euroclear Belgium has already implemented Billing Standards 2 (billing cycles) and 3 (cut-off date). It has started the analysis on the other 2 Billing Standards.

It is confirmed that Euroclear Belgium will implement the relevant Billing Processes Standards by November 2023. However, milestones 2, 3, 4, 5 and 7 have not been met. Euroclear is not planning a high-level communication to its users before the end of 2022 and an in-dept analysis started in May 2022. Milestone 9 has also been delayed due to the launch of a new Euroclear billing tool. However, the project plan of the migration to this new tool has been adapted to ensure compliance with the new standards.

CSD – NBB-SSS

NBB-SSS implementation is currently on track

NBB-SSS is on track to implement Billing Standards 1 by November 2023. The three other Billing Processes Standards have already been implemented.

NBB-SSS communicated the future deployments in relation to the Billing Processes Standards to its users in May 2021. Regarding the implementation of the ISO 20022 messaging Standard, NBB-SSS decided to give priority to other projects while waiting for a stable version of the camt.077 message. Nevertheless, NBB-SSS is expected to complete external testing and implement the ISO 20022 messaging Standard in time.

TPA – BNY Mellon

BNY Mellon TPA implementation is currently on track

BNY Mellon as a TPA has already implemented 2 out of 4 Billing Processes Standards. Analysis is ongoing with regard to the implementation of the ISO 20022 messaging Standard. Billing Standard 3 (cut-off times) does not apply to BNY Mellon.

BNY Mellon confirmed that it will implement the Billing Processes Standards by November 2023. However, BNY Mellon had a dependency on the publication of the ISO 20022 Billing messaging formats to start its analysis phase. Since the messaging formats were not published in time, milestone 3 (completion of the analysis) was not met in time. This delay has a knock-on effect on some of the future milestones.

TPA – Euroclear Bank

Euroclear Bank TPA reports a high level of compliance with the Standards

Euroclear Bank as a TPA has already implemented Billing Standards 2, 3 and 4. Analysis has started on the ISO 20022 messaging Standard.

Euroclear Bank confirmed implementation of the relevant Billing Processes Standards by November 2023. However, milestones 2, 3, 4, 5 and 7 have not been met. Euroclear started the adaptation phase of the new ISO 20022 message in May 2022, after the launch of its new billing tool. The development effort will be completed by the end of 2022. This will have an impact on Milestone 9.

Custodians

60% of the custodians confirmed compliance by November 2023 with Billing Standard 2

Response was received from 4 (out of 5) reporting Custodians in the Belgian market. Two Custodians have started internal analysis regarding the Billing Processes Standards that they find relevant and that have not yet been implemented. One Custodian has postponed the start of the analysis phase. 40% of the Custodians are on track to become compliant with Billing Standard 2 (billing cycles) which is the only Billing Processes Standard in scope of implementation by November 2023. One of the Custodians argues that Billing Standard 2 is not applicable as it will not use ISO20022 messages.

Only two Custodians have met milestones 1 and 2. None of them has met milestone 3, 5, 6, 7 and 8. Delays can be expected for most of the future milestones for all Custodians for various reasons. Nevertheless, three of the four responding Custodians are confident to meet the implementation deadline of November 2023.

NCB

National Bank of Belgium implementation is currently on track

The National Bank of Belgium is on track to implement the AMI-SeCo Standards for Billing Processes for its collateral management activities by November 2023, provided that the ECMS project remains on track.

2 Compliance level with the standards

This section provides an overview of the current status of compliance with the billing processes standards. CSDs and TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in Figure 2 below. Custodians are too many to represent individually. Thus, the replies of custodians from the AMI-SeCo community participating in the monitoring are presented on an aggregated basis per market and assigned a percentage representing their compliance status.

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

Table 1
Compliance level with the standards by each entity type

| STANDARD | Custodians | TPA - BNY Mellon | TPA - Euroclear Bank | CSD - Euroclear Bank | CSD - Euroclear Belgium | CSD - NBB-SSS |
|----------------------------|------------|------------------|----------------------|----------------------|-------------------------|---------------|
| 1: ISO 20022 messaging | 0% | Y | Y | Y | Y | Y |
| 2: Billing cycles | 40% | B | B | B | B | B |
| 3: Cut-off date | | N/A | B | B | B | B |
| 4: Dates for payments fees | | B | B | B | Y | B |

Notes:

- For CSDs and TPAs the colour-code reflects the current implementation status of each Standard in accordance with the methodology outlined in figure 2 above.
- For custodians, the percentage of custodians which have implemented standards / standards being under development and implementation.
- Percentages are calculated on the basis of expected respondents, i.e. number of entities monitored in the market.

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 H2 2022 monitoring exercise focuses on milestones 1 to 8 given that Milestone 8 inclusive “Internal testing Started for SCoRE” (with a deadline of 1 July 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

| | Custodians | TPA - BNY Mellon | TPA - Euroclear Bank | CSD - Euroclear Bank | CSD - Euroclear Belgium | CSD - NBB-SSS |
|-------------------------------|------------|------------------|----------------------|----------------------|-------------------------|---------------|
| Milestone 1 June 2020 | 40% | Yes | Yes | Yes | Yes | 02/23 |
| Milestone 2 March 2021 | 40% | Yes | 12/22 | 12/22 | 12/22 | Yes |
| Milestone 3 July 2021 | 0% | Yes | 12/22 | 12/22 | 12/22 | 02/23 |
| Milestone 4 December 2021 | 20% | Yes | 12/22 | 12/22 | 12/22 | 02/23 |
| Milestone 5 December 2021 | 0% | 03/23 | 12/22 | 12/22 | 12/22 | 06/23 |
| Milestone 6 January 2022 | 0% | 01/23 | Yes | Yes | Yes | 02/23 |
| Milestone 7 June 2022 | 0% | 04/23 | 12/22 | 12/22 | 12/22 | 02/23 |
| Milestone 8 July 2022 | 0% | 05/23 | Yes | Yes | Yes | 02/23 |
| Milestone 9 December 2022 | 0% | 06/23 | 02/23 | 02/23 | 02/23 | 06/23 |
| Milestone 10 March 2023 | 0% | 07/23 | Yes | Yes | Yes | Yes |
| Milestone 11 April 2023 | 0% | 06/23 | Yes | Yes | Yes | Yes |
| Milestone 12 October 2023 | 60% | Yes | Yes | Yes | Yes | Yes |
| Milestone 13 November 2023 | 60% | Yes | Yes | Yes | Yes | Yes |

4 Concluding remarks

Only a few Belgian entities have reached the first milestones in time. Some entities are planning an initial user communication (milestone 2) at a later stage, while others were facing a delay in the start of its analysis (milestone 1) due to the lack of a stable ISO20022 messaging format. The delay for milestone 1 has an impact on the future milestones. Additional delays on future milestones can be expected due to dependencies on other projects, lack of resources, prioritisation of other projects as well as the extensive impact of the new standards on existing IT systems and procedures. Although no entity is on track to reach all 13 milestones in time, all responding Belgian entities (except one custodian) confirmed that they will be able to implement the relevant Billing Processes Standards by November 2023.

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