

SCoREBOARD

Corporate Actions – H1 2021

Italian NSG





The Single Collateral Management Rulebook for Europe (SCoRE) contains 15 Standards related to the processing of corporate actions (published as the [AMI-SeCo Standards for Corporate Actions](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H1 2021 monitoring exercise conducted by the Italian NSG with the involvement of the following stakeholders:

- 1 CSD – Monte Titoli
- 7 Custodians
- 1 Issuer association
- 2 Issuers

11 entities are monitored in the Italian market

The SCoRE Overview provides a high-level summary of the H121 monitoring exercise.

SCoRE Overview

SCoRE SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE	 Response Rate	 Implementation Status	 Milestones achieved?	 Implemented on Time?
Custodians	100%	Implemented 43.5% Analysis started 36.1% Implementation started 5.71%	64%	100%
Issuers	100%	Yes 88% No 10.6%	n/a	n/a
CSD - Monte Titoli	100%	Implemented 55.2% Analysis started 37.8% Implementation started 0%	Yes	Yes

Note: Implemented on time reflects the entity's expected ability to achieve the final milestone on time.

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

Activities regarding the Corporate Action standards in the Italian market are on track¹.

Implementation of Corporate Action Standards in the Italian market is on track.

Regarding standard 6 (Business day rule) the Italian NSG is actively raising awareness of this standard among all stakeholders and issuers, in collaboration with Italian industry associations. For ISO 20022 Corporate Action messages (except those required by SRD II) some custodians have stressed that their implementation is requested in wave 2 (i.e. 2025).

The majority of the reporting entities responded to the survey. This section presents the key findings of the survey for each entity type.

CSD – Monte Titoli

Monte Titoli adaptation activities are on track.

Monte Titoli adaptation activities are on track: 54% of the standards are already implemented while analysis has started for 38% of the standards.

Adaptations are related to Standard 1A-1F, Standard 6 (Business day rule), Standard 8 (Payment time), Standard 10 (Blocking), Standard 11(Default options), Standard 12 (Handling of fees), Standard 14 (Foreign currency) and Standard 15 (ISO 20022). Some adaptations are needed for Standard 1 (Business processes and workflows) – as for the ‘Meeting’ segment (i.e. 1F, 1G, 1H) Monte Titoli confirmed that they will implement only the ‘Notification’ (i.e. 1F).

Custodians

High response rate among custodians.. All custodians have responded to the survey (100% response rate); at aggregate level, about 44% of the standards are already implemented, for 36% of them the analysis for the adaptation has started, while for 6% the implementation has started.

The standards under analysis are similar to the ones reported by the CSD; most of the implementation ongoing are related to Standard 3 (Consistency of information) and Standard 1 (Business processes and workflows), in particular for meeting events.

Issuers

The questionnaire for issuers was sent to ASSONIME, the Association of Italian Joint Stock Companies, and two financial issuers.

¹Implemented on time reflects the entity's expected ability to achieve the final milestone on time

It was confirmed that issuers can act according to almost all the standards (88%); Standard 1F (Meeting event notifications) was not confirmed as the Italian issuers do not provide the Issuer CSD with all information among those listed in the standard itself.

The Italian NSG is actively raising awareness of the Standards amongst issuers.

Regarding standard 6 (Business day rule) it was confirmed that new securities issuances (as of November 2023) will be in accordance with the standard. On this point, the Italian NSG is actively raising awareness of this standard among all stakeholders and issuers, in collaboration with Italian industry associations.

For standard 8 (Payment time), government bonds issued in Monte Titoli are already compliant while for corporate bonds the discussion is still awaiting a decision to put forward the current cut-off. One issuer has not yet confirmed the redemption rule.

NCB

Banca d'Italia is on track to adopt the AMI-SeCo Standards by November 2023

Banca d'Italia is on track to adopt the AMI-SeCo 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 1². Custodians and Issuers are monitored on an aggregated basis and assigned a percentage compliance status.

Box 1

SCoREBOARD – Implementation Phase



- 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

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.

² For further details please refer to the [AMI-SeCo Monitoring Framework](#)

Table A
SCoREBOARD

STANDARD	Custodians	Issuers	CSD - Monte Titoli
1A: Notification	98%	94%	G
1B: Instruction	94%		G
1C: Advise	100%		G
1D: Confirmation	97%		G
1E: Reversal	100%		G
1F: Meeting Notification	86%	83%	G
1G: Meeting Instruction	86%		N/A
1H: Meeting Results	86%		N/A
2: Calculation of Proceeds	92%	67%	B
3: Consistency of Information	93%	67%	B
4: Rounding Rule 1	100%	100%	B
4: Rounding Rule 2	100%	100%	B
4: Rounding Rule 3	100%	100%	B
4: Rounding Rule 4	100%	100%	B
5: Negative Cash Flows	100%	33%	B
6: Business Day Rule		100%	G
7: Securities Amount Data		100%	B
8: Payment Time Rule 1		67%	B
8: Payment Time Rule 2		100%	B
8: Payment Time Rule 3		67%	G
9: Processing Status	100%	100%	B
10: Blocking	100%		G
11: Default Option	100%	100%	G
12: Handling of Fees	100%		G
13: Reversal	100%	100%	B
14: Foreign Currency			G
15: ISO 20022 Messaging	63%		G

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	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)?	05/12/2022
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

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 - Monte Titoli
Milestone 1 June 2020	71%	Yes
Milestone 2 March 2021	57%	Yes
Milestone 3 July 2021	57%	12/21
Milestone 4 December 2021	86%	Yes
Milestone 5 December 2021	86%	Yes
Milestone 6 January 2022	43%	Yes
Milestone 7 June 2022	71%	Yes
Milestone 8 July 2022	71%	Yes
Milestone 9 December 2022	71%	Yes
Milestone 10 December 2022	71%	Yes
Milestone 11 April 2023	86%	Yes
Milestone 12 October 2023	100%	Yes
Milestone 13 November 2023	100%	Yes

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

Summary

Regarding Monte Titoli's planning, a yellow status is assigned to the next milestone (M3 Analysis completed). The planning has been put forward from July to December 2021, coinciding with the deadline of M4 and M5.

At present, all custodians have started the analysis (two of which started the analysis later than the planned deadline, in the course of 2021). Only 2 custodians have postponed the second milestone, start of the external communication, from March 2021 to the end of 2021 (i.e. when they would have completed their internal analysis).

The next milestone (M3, Analysis Completed by 31/07/2021) will be met by half of the custodians; custodians who will not meet the deadline they will complete the analysis at the end of 2021, together with the documentation (M4).

All custodians confirmed they will implement standards by November 2023 (wave 1), expect for the ISO 20022 (by wave2).

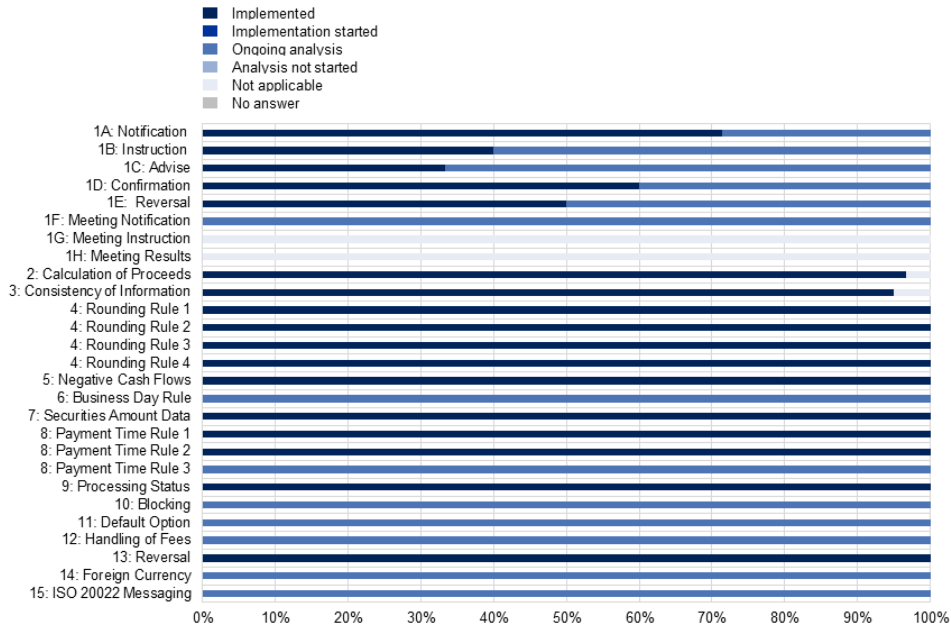
3

Implementation status per AMI-SeCo Standard

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

CSD – Monte Titoli

Implementation status per AMI-SeCo Standard

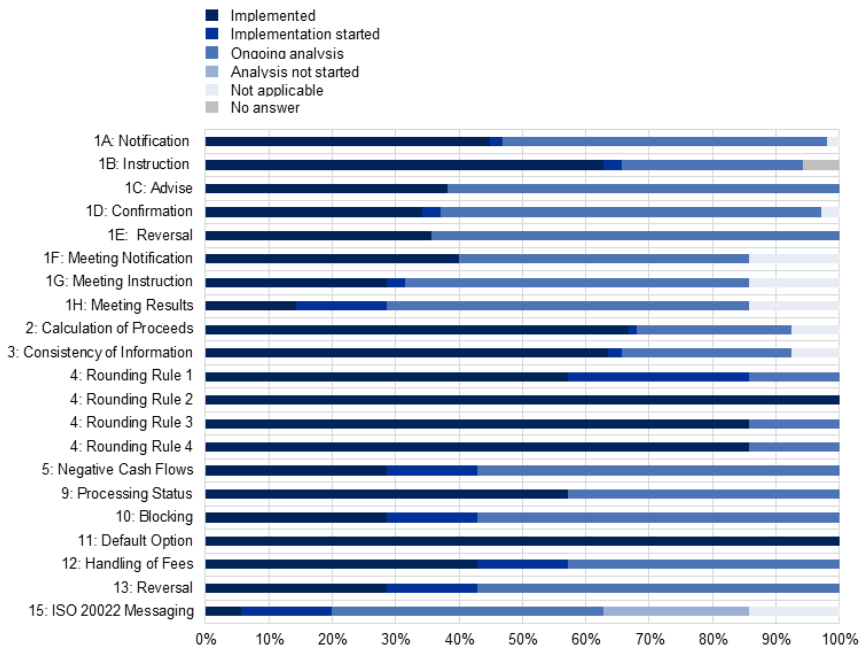


Notes

A plausibility check was performed by the CMH-TF.

Custodians

Implementation status per AMI-SeCo Standard

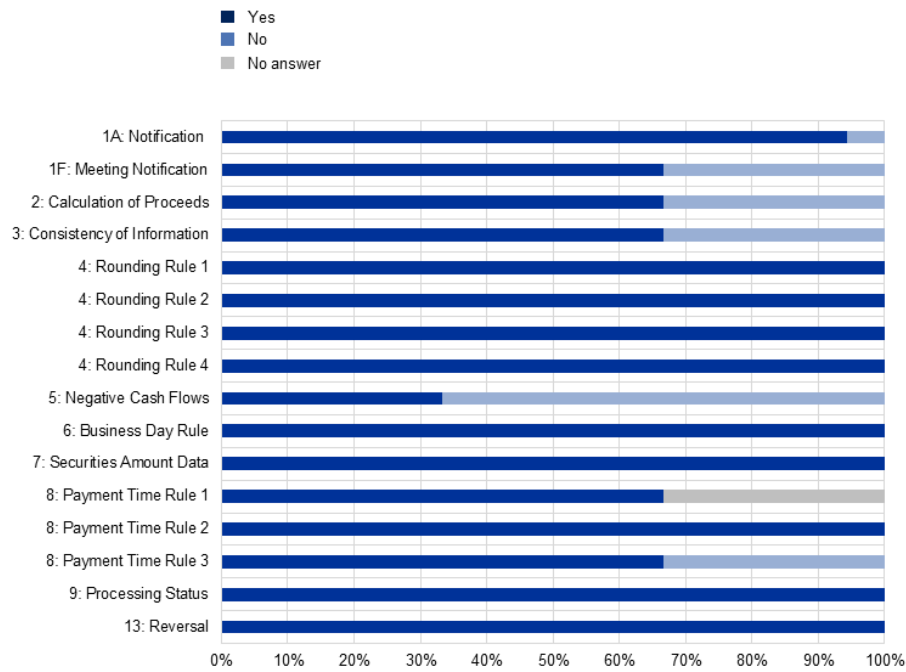


Notes

N/A

Issuers

Fulfilment of obligations per AMI-SeCo Standard



Notes

N/A

© European Central Bank, 2021

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.

The cut-off date for the data included in this report was 21 May 2021.

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