

SCoREBOARD

Corporate Actions – H2 2021






Finnish 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 Finnish NSG with the involvement of the following stakeholders:

- 1 CSD – Euroclear Finland
- 4 Custodians
- 6 Issuers

11 entities are monitored in the Finnish market

The SCoRE Overview provides a high-level summary of the H2 21 monitoring exercise.

 <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small>	 Response Rate	 Implementation Status	 Milestone achieved?	 Implemented on Time?
Custodians	100%	Implemented 38.2% Analysis started 41.6% Implementation started 2.75%	25%	75%
Issuers	33%	Yes 22.2% No 11.1%	n/a	n/a
CSD - Euroclear Finland	100%	Implemented 60.5% Analysis started 17.3% Implementation started 1.27%	No	01/24

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

The preparations of the Finnish market have been impacted by Euroclear Finland's updated adaptation plan as well as its set T2S migration date in September 2023. This puts timely compliance with the Standards at risk and, thus, the Finnish market can be considered behind schedule overall. The Finnish NSG will follow-up on this matter in view of achieving full clarity as soon as possible.

CSD – Euroclear Finland

Euroclear Finland has reported that the roadmap for joining T2S in September 2023 is the current priority for the Finnish market. All other priorities are being analysed in proportion to the T2S roadmap and it is not expected that all outstanding compliance issue will be resolved by the November 2023 deadline.

Custodians

Finnish custodians reported compliance with several of the Standards. However, as these standards require that all relevant actors in the market are ready, there are interdependent risks between institutions which may impact custodians' ability to fully comply with all applicable Standards on schedule. This matter will be closely monitored.

Issuers

Issuers participated in the H2 2021 monitoring exercise, however, there was some confusion among the participants about the questions and therefore their replies may not be fully accurate. The FIN NSG is planning to have a meeting in early 2022 to discuss these issues in order to ensure that everyone is fully aware of what is required.

NCB

The Bank of Finland implementation of the SCoRE Standards for Corporate Actions for its collateral management activities as of the go-live of the ECMS is dependent on Euroclear Finland's implementation of the standards.

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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

The Finnish market is behind schedule overall as a result of the uncertainty surrounding Euroclear Finland's Adaptation Plan

Euroclear Finland implementation of the corporate action standard is not on schedule

Custodians may be impacted by Euroclear Finland's replanning exercise

The FIN NSG is planning to have meeting early in 2022 to discuss issuers' situation.

The Bank of Finland adoption of the SCoRE Standards is dependent on Euroclear Finland's implementation

accordance with the methodology outlined in Box 1¹. 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.

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

Table A
SCoREBOARD

STANDARD	Custodians	Issuers	CSD - Euroclear Finland
1A: Notification	100%	8%	Y
1B: Instruction	100%		B
1C: Advise	95%		Y
1D: Confirmation	89%		Y
1E: Reversal	75%		Y
1F: Meeting Notification	92%	7%	B
1G: Meeting Instruction	94%		B
1H: Meeting Results	65%		B
2: Calculation of Proceeds	79%	33%	Y
3: Consistency of Information	75%	33%	Y
4: Rounding Rule 1	100%	33%	B
4: Rounding Rule 2	100%	33%	B
4: Rounding Rule 3	100%	33%	B
4: Rounding Rule 4	100%	17%	G
4: Rounding Rule 5	75%	33%	B
5: Negative Cash Flows	75%	17%	B
6: Business Day Rule		17%	G
7: Securities Amount Data Rule 1		33%	B
7: Securities Amount Data Rule 2		33%	B
7: Securities Amount Data Rule 3		33%	B
7: Securities Amount Data Rule 4		33%	B
8: Payment Time Rule 1		17%	B
8: Payment Time Rule 2		17%	B
8: Payment Time General Principle 3		17%	B
9: Processing Status	100%	17%	Y
10: Blocking Rule 1	100%		B
10: Blocking Rule 2	100%		N/A
10: Blocking Rule 3	75%		N/A
10: Blocking Rule 4	100%		Y
10: Blocking Rule 5	75%		N/A
11: Default Option	100%	33%	B
12: Handling of Fees	50%		N/A
13: Reversal	100%	17%	Y
14: Foreign Currency			G
15: ISO 20022 Messaging	84%		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	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 - Euroclear Finland
Milestone 1 June 2020	50%	Yes
Milestone 2 March 2021	50%	Yes
Milestone 3 July 2021	25%	01/24
Milestone 4 December 2021	25%	01/24
Milestone 5 December 2021	25%	Yes
Milestone 6 January 2022	50%	01/24
Milestone 7 June 2022	25%	01/24
Milestone 8 July 2022	25%	01/24
Milestone 9 December 2022	75%	01/24
Milestone 10 December 2022	75%	01/24
Milestone 11 April 2023	100%	01/24
Milestone 12 October 2023	100%	01/24
Milestone 13 November 2023	75%	01/24

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

There is a delay in implementing the milestones which seems to jeopardise compliance with all the standards by November 2023. Despite the numerous uncertainties related to the milestones, the Finnish market is moving in the right direction.

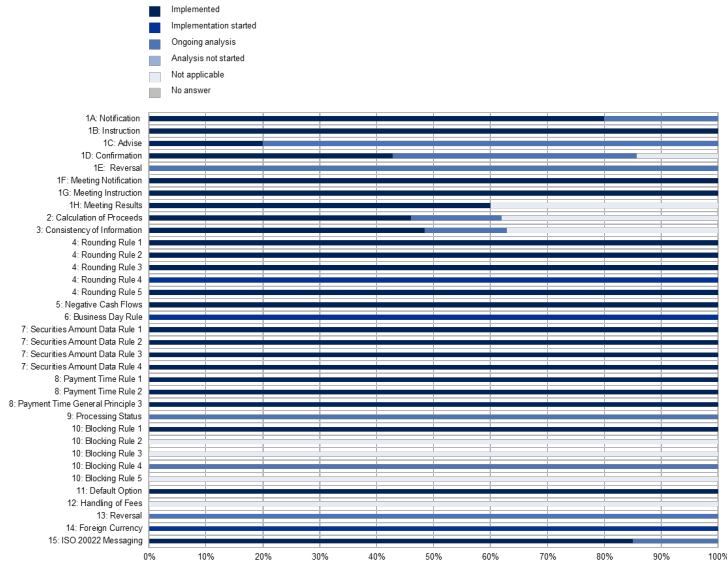
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Implementation status per SCoRE Standard

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

CSD – Euroclear Finland

Implementation status per SCoRE Standard

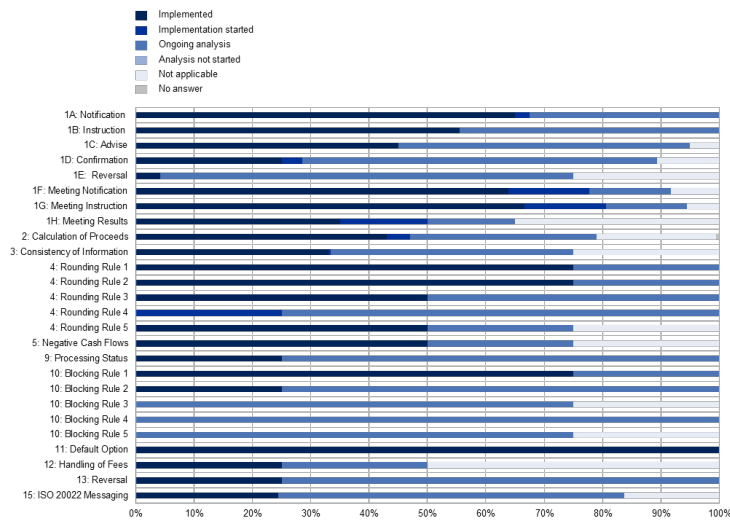


Notes

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

Custodians

Implementation status per SCoRE Standard

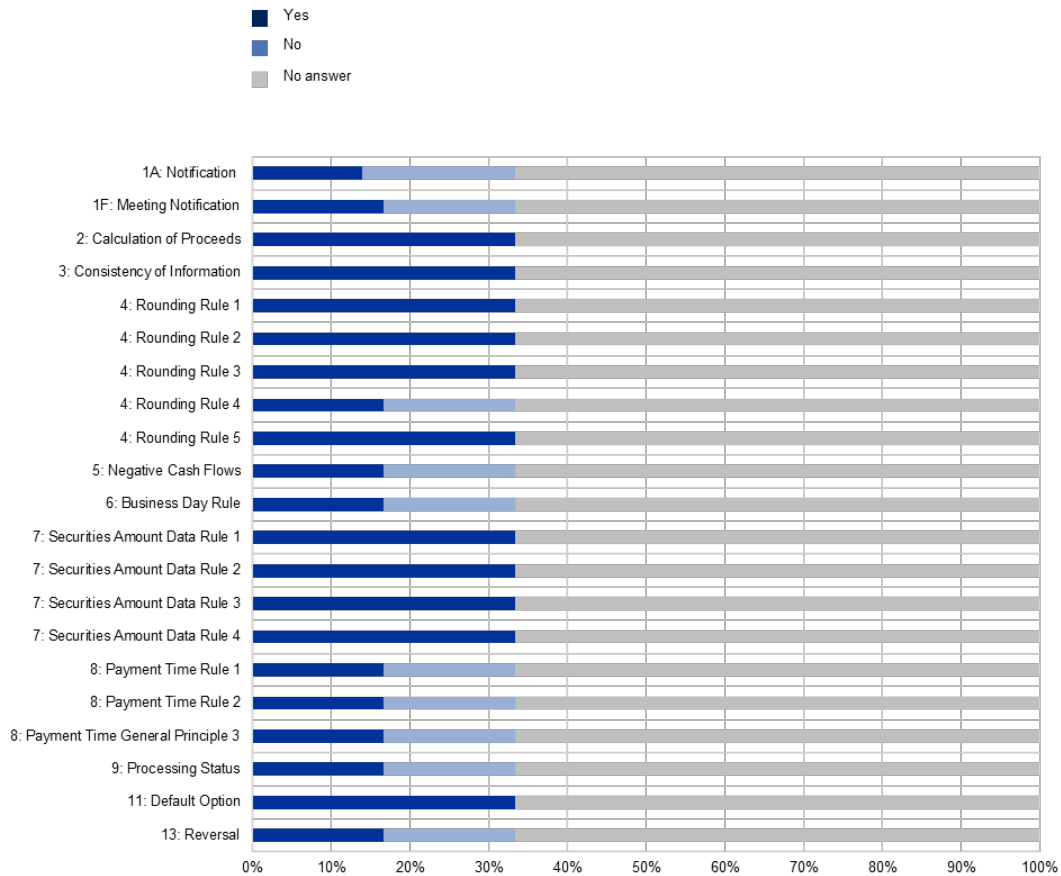


Notes

Results refer to the H2 2021 monitoring exercise.

Issuers

Fulfilment of obligations per SCoRE Standard



Notes

No reply received

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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).