

SCoREBOARD

Corporate Actions – H1 2021

Lithuanian 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 Lithuanian NSG with the involvement of the following stakeholders:

- 1 CSD – Nasdaq CSD
- 9 Custodians
- 7 Issuers

17 entities are monitored in the Lithuanian market

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

SCoRE Overview

 <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small>	 Response Rate	 Implementation Status	 Milestones achieved?	 Implemented on Time?
Custodians	22%	Implemented 2.43% Analysis started 16.3% Implementation started 0.07%	11%	22%
Issuers	14%	Yes 2.28% No 26.2%	n/a	n/a
CSD - NASDAQ	100%	Implemented 39.1% Analysis started 39.7% Implementation started 18.0%	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 participation rate amongst custodians and issuers remains low in the current monitoring exercise

While the CSD fully participated in the monitoring exercise, the response rate amongst the custodian and issuer communities remains low which makes it difficult to draw meaningful conclusions from the current monitoring exercise.

CSD – Nasdaq CSD

Standards which are not yet implemented are currently being analysed

Approximately 39% of the Standards have already been implemented while the remaining Standards are being analysed.

Custodians

The participation rate amongst custodians was low

The participation rate amongst custodians was low which makes it difficult to draw any meaningful conclusions on the situation in the market. As a general remark – market is aware of the standards, however due to COVID-19 the reprioritisation of various projects was done and as standards' entry into force date was delayed to 2023, the work related to the implementation of the standards is delayed at the level of custodians.

Issuers

The participation rate amongst issuers was low

The participation rate amongst issuers was low which makes it difficult to draw any meaningful conclusions on the situation in the market.

NCB

The Bank of Lithuania is on track to adopt the AMI-SeCo Standards in November 2023

The Bank of Lithuania is on track to implement 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 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 - NASDAQ
1A: Notification	24%	0%	G
1B: Instruction	22%		G
1C: Advise	22%		G
1D: Confirmation	22%		G
1E: Reversal	22%		G
1F: Meeting Notification	24%	0%	G
1G: Meeting Instruction	31%		G
1H: Meeting Results	22%		G
2: Calculation of Proceeds	19%	0%	G
3: Consistency of Information	19%	0%	G
4: Rounding Rule 1	33%	0%	G
4: Rounding Rule 2	33%	0%	B
4: Rounding Rule 3	33%	0%	B
4: Rounding Rule 4	33%	0%	B
5: Negative Cash Flows	33%	14%	G
6: Business Day Rule		14%	B
7: Securities Amount Data		14%	G
8: Payment Time Rule 1		0%	B
8: Payment Time Rule 2		0%	B
8: Payment Time Rule 3		0%	B
9: Processing Status	33%	14%	G
10: Blocking	33%		G
11: Default Option	33%	0%	B
12: Handling of Fees	22%		G
13: Reversal	22%	0%	B
14: Foreign Currency			B
15: ISO 20022 Messaging	11%		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 - NASDAQ
Milestone 1 June 2020	11%	06/21
Milestone 2 March 2021	11%	01/22
Milestone 3 July 2021	11%	12/21
Milestone 4 December 2021	11%	Yes
Milestone 5 December 2021	11%	01/22
Milestone 6 January 2022	11%	Yes
Milestone 7 June 2022	22%	Yes
Milestone 8 July 2022	11%	Yes
Milestone 9 December 2022	11%	Yes
Milestone 10 December 2022	11%	Yes
Milestone 11 April 2023	11%	Yes
Milestone 12 October 2023	22%	Yes
Milestone 13 November 2023	22%	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

Taking into account that the implementation deadline for the standards have been delayed, the priorities of the related tasks were changed as well. Despite the fact that some milestones are not met, the new dates are set, and Nasdaq expects to implement the AMI-SeCo Standards for Corporate Actions for its collateral management activities by November 2023.

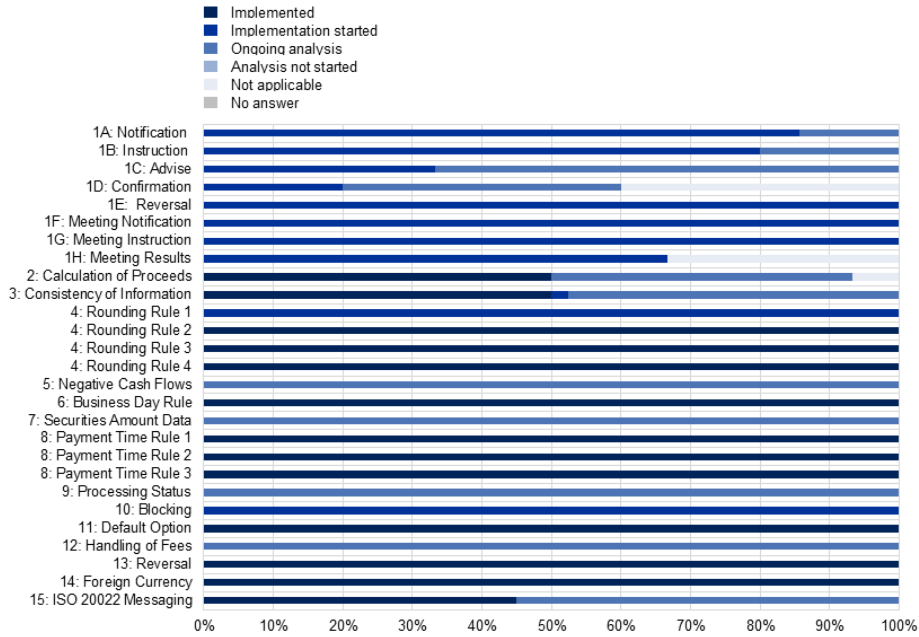
3

Implementation status per AMI-SeCo Standard

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

CSD – Nasdaq CSD

Implementation status per AMI-SeCo Standard

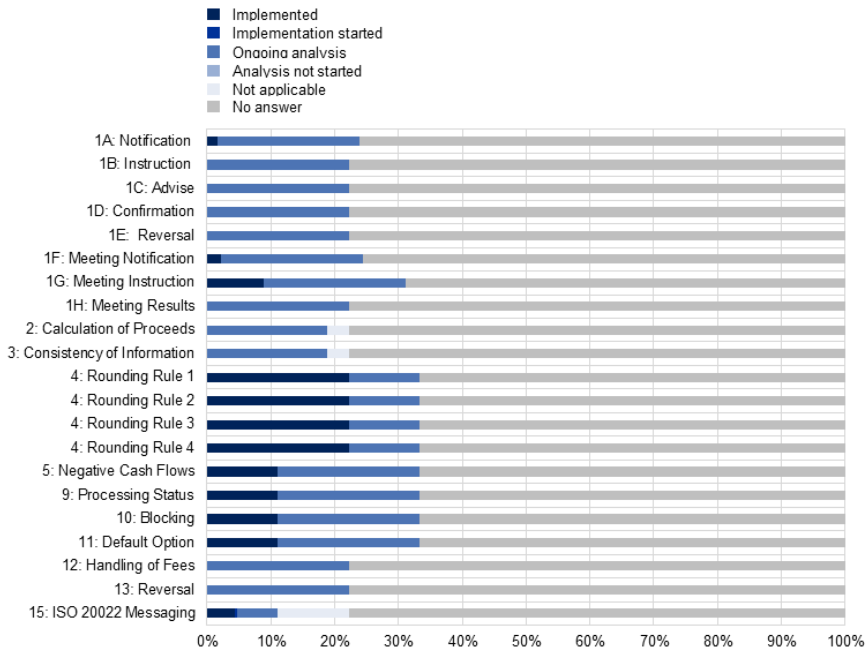


Notes

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

Custodians

Implementation status per AMI-SeCo Standard

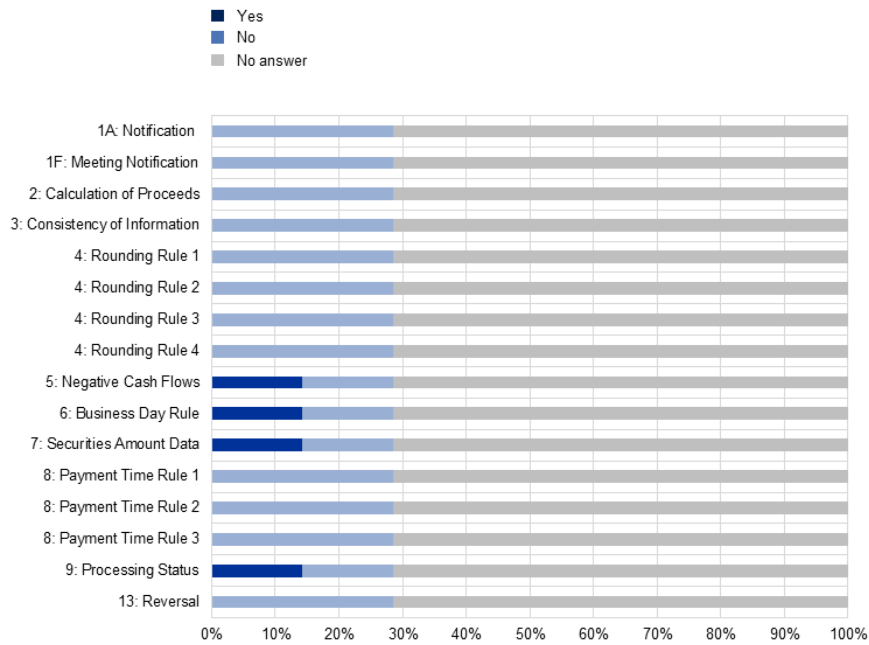


Notes

N/A

Issuers

Fulfilment of obligations per AMI-SeCo Standard



Notes

N/A

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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).