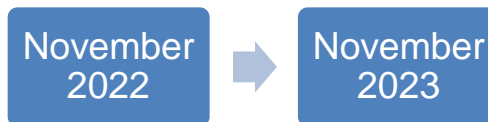


## Updated SCoRE planning

### 1. Introduction

AMI-SeCo has decided to reschedule the implementation of the Single Collateral Management Rulebook for Europe (SCoRE) Standards from November 2022 to November 2023, covering the first wave adoption of the Standards on Triparty Collateral Management, Corporate Actions and Billing Processes.



This note provides the updated SCoRE planning, which includes the updated (i) SCoRE Compliance Indicators/milestones (ii) timeline for the preparation of Adaptation Plans (iii) SCoRE Monitoring schedule and (iv) the timeline for Wave 2.

*Disclaimer: The updated planning for the SCoRE Compliance Indicators presented in this document are a first proposal and still need to be verified further (e.g. to ensure close alignment with the ECMS).*

### 2. Overview of SCoRE Compliance Indicators

The updated SCoRE plan is generally structured around three phases from 2021 until November 2023: i.e. the focus will be on (1) Analysis and Communication, (2) Internal Adaptation and (3) Testing and Implementation. The internal adaptations may also start earlier e.g. if actors follow an agile approach and conduct analysis and adaptations in parallel.

| SCoRE plan  | 2021                       |    |                     |    | 2022 |    |    |    | 2023                       |    |    |    |
|---|----------------------------|----|---------------------|----|------|----|----|----|----------------------------|----|----|----|
|   | Q1                         | Q2 | Q3                  | Q4 | Q1   | Q2 | Q3 | Q4 | Q1                         | Q2 | Q3 | Q4 |
| Analysis (Impact Assessment and Documentation)<br>Communication | Analysis and Communication |    |                     |    |      |    |    |    |                            |    |    |    |
| Internal Adaptation (Development and Internal Testing)          | Internal adaptation        |    | Internal Adaptation |    |      |    |    |    |                            |    |    |    |
| Testing and Implementation                                      |                            |    |                     |    |      |    |    |    | Testing and Implementation |    |    |    |

▼ As background previous plan/deadlines

### 3. SCoRE Compliance Indicators

A set of Compliance Indicators/milestones have been defined for each of the three phases. The SCoRE implementing actors, which are defined in the SCoRE Standards (e.g. CSDs, TPAs, custodians, issuers, etc) will be asked if they have met the respective Indicators. The table below lists the questions and the related date/milestone.

|                                   | Date  | Indicators Questions  |
|-----------------------------------|---|---|
| <b>Analysis and Communication</b> | <b>01/01/2021</b>                             | <b>Analysis of SCoRE Standards and Drafting of Internal SCoRE Documentation 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 [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?  |
|                                   | <b>01/03/2021</b>                             | <b>Initial External Communication on SCoRE:</b> has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?   |
|                                   | <b>31/07/2021</b>                             | <b>Analysis of SCoRE Standards Completed:</b> Have you completed an in-depth analysis of all applicable SCoRE Standards [Triparty Collateral Management/Corporate Actions/Billing Processes Standards]?   |
|                                   | <b>30/09/2021</b>                             | <b>Drafting of Internal SCoRE Documentation Completed</b> Have you documented all the internal processes and procedures which need to be adapted in order to comply with the [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?  |
|                                   | <b>31/12/2021</b>                             | <b>Detailed External Communication on SCoRE:</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 related to [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards? |
| <b>Internal Adaptation</b>        | <b>01/01/2021</b>                             | <b>SCoRE Adaptation Started:</b> Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?   |
|                                   | <b>30/06/2022</b>                             | <b>SCoRE Adaptation Complete:</b> Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?  |
|                                   | <b>01/07/2022</b>                             | <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 [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?  |
|                                   | <b>2/12/2022</b>                              | <b>Internal Testing Complete for SCoRE:</b> Have you completed the necessary internal testing?  |
| <b>Testing and Implementation</b> | TBD [After Internal Testing Complete 12/2022] | <b>External Testing Started for SCoRE:</b> Are you in a position to test the changes introduced in order to comply with the SCoRE [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards with your user community (i.e. CSD participants / Collateral Givers and Collateral Takers in the context of the Standards applicable to TPAs)?   |

|  |   |
|--|---|
| TBD<br>[Before<br>Standards<br>Implement<br>ed<br>10/2023] | <b>External Testing Completed for SCoRE:</b> Is the testing of the changes introduced in order to comply with the SCoRE [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards with your user community completed (i.e. CSD participants / Collateral Givers and Collateral Takers in the context of the Standards applicable to TPAs)? |
| 01/04/2023   | <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 [Triparty Collateral Management/Corporate Actions/Billing Processes] Standards?  |
| 01/11/2023   | <b>SCoRE Standards Implemented:</b> have the SCoRE Standards been implemented?  |

#### 4. Planning for the updated Adaptation Plans

In each market/NSG, CSDs and TPAs will be invited to update the Adaptation Plan. The NSGs will then consider the updated Plan and endorse it. The Adaption Plan will then be submitted to the ECB CMH Secretariat for publication on the ECB website.

| Date       | Adaptation Plans   |
|------------|--|
| 5/02/2021  | <b>Draft updated Adaptation Plan:</b> CSDs and TPAs should prepare an updated Adaptation Plan based on the SCoRE Compliance Indicators (interim milestones) adopted by the AMI-SeCo. Draft plans are sent to NSGs and ECB SCoRE Secretariat for two week comments. |
| 19/02/2021 | <b>NSG adoption of Adaptation Plans:</b> NSGs adopt the Adaptation Plans and send them to the ECB SCoRE Secretariat for publication on the ECB website.  |
| 01/03/2021 | <b>All Adaptation Plans are published</b> on ECB website (at the latest).  |

#### 5. Planning for the monitoring exercise (draft)

The monitoring exercise will take place two times per year. Actors will receive the survey on the dates below (see table) and will have two weeks to provide responses to the ECB CMH Secretariat. The monitoring exercise consist of an online survey to facilitate the update of responses in each round.

*Disclaimer: Monitoring survey dates below are a first proposal and need to be verified further.*

| Date       | Monitoring  |
|------------|---|
| 01/03/2021 | <b>Second SCoRE monitoring:</b> Topics covered: <i>Analysis of SCoRE Standards and Drafting of Internal SCoRE Documentation Started.</i>          |
| 01/10/2021 | <b>Third SCoRE monitoring:</b> Topics covered: <i>Analysis of SCoRE Standards Completed; Drafting of Internal SCoRE Documentation Completed .</i> |

|                   |   |
|-------------------|---|
| <b>30/03/2022</b> | <b>Fourth SCoRE monitoring:</b> Topics covered: <i>External Communication on SCoRE; SCoRE Adaptation Started</i>  |
| <b>31/10/2022</b> | <b>Fifth SCoRE monitoring:</b> Topics covered: <i>SCoRE Adaptation Complete, Internal Testing Started for SCoRE.</i>  |
| <b>20/03/2023</b> | <b>Sixth SCoRE monitoring:</b> Topics covered: <i>Internal Testing complete for SCoRE, External Testing started, Final External Communication on SCoRE.</i> |
| <b>31/10/2023</b> | <b>Seventh SCoRE monitoring:</b> Topics cover <i>External Testing completed for SCoRE, SCoRE Standards Implemented</i>                                      |

## 6. Planning for the start of the wave 2

At the end of October 2020, the [AMI-SeCo](#) suggested that that timeline for the second wave adaptations should be reviewed (which defines the start by when account servicers will have to offer messages in ISO20022 formats to their clients. AMI-SeCo mandated the CMH-TF to analyse all related considerations based on the feedback from market participants and prepare a proposal by the next AMI-SeCo meeting in December 2020.

AMI-SeCo had agreed on the Wave 2 implementation deadline for ISO 20022 messaging by November 2025. The following considerations are identified as being important aspects to review and determine the timeline for Wave 2, and to determine whether to keep it in November 2025 or move it to November 2026



### As of **November 2023**

- Eurosystem
  - CSDs, TPAs
  - Eurosystem counterparties
- must use ISO20022 messaging.

### As of **November 2025 or 2026:**

- Account servicers must offer ISO20022 messaging to clients that have the capability to use the ISO20022 protocol)

| Considerations   | keep November 2025 | November 2026 |
|--|--------------------|---------------|
| 1 Need to build upon the momentum for adoption of ISO20022,  | +                  | +             |
| 2 Best practice for optimal co-existence period,   | +                  | +             |
| 3 Need to take into account the work undertaken by the SWIFT community and lessons learnt from previous SWIFT migrations | ++                 | +             |
| 4 Need for sound planning assumptions.   | +                  | +             |

1. Regarding the momentum for adoption of ISO20022,

- Several countries around the globe have already adapted to ISO 20022. A lot of the momentum also comes from the preparations towards ECMS (until November 2023). This speaks for keeping November 2025 for the second Wave.
- On the other hand, the current adaptations with one year would also speak for a wave 2 in November 2026. However it cannot be assumed that the extending the wave 2 timelines with one year is needed and would be beneficial for keeping momentum.

2. Regarding the co-existence period,

- The 5 year lead time from agreement until full market migration (2020-2025) would be sufficiently long to migrate all actors to the new standard. It would also keep the phased implementation as short as possible.
- On the other hand, wave 2 actors could be extended with one year to November 2026 to keep the logic of have the two years after the first Wave where both standards are offered.

3. Regarding the ongoing work and lessons learnt,

- It has to be recognised that Market Infrastructures and market participants will be able to process ISO 20022 for part or all of their business processes (for T2 payments, for T2S securities and ECMS collateral management). Securities players will be connecting directly with those market infrastructures and other actors that will be ISO 20022-enabled. The new functionalities offered by ISO 20022, particularly in the areas of asset servicing and collateral/liquidity management should be taken into account. The majority of new or upcoming regulations, especially in the European Union, require ISO 20022 for reporting. This speaks for moving in 2025.
- On the other hand, from previous SWIFT and other consultations, there has not a clear signal so far and it could be considered to postpone the move.

4. Regarding the planning assumptions,

- For both options, it is important to have clarity as soon as possible.

Background:

An AMI-SeCo recommendation letter was sent to SWIFT with regards to the end of the co- existence of ISO15022 and ISO20022 messaging standards which should be November 2028, explaining the importance of a consistent approach to deliver on the commitment of the global community to transition to a single global standard. It was mentioned that discontinuing one-to-one equivalency is an important driver to motivate organisations to move from one (legacy) standard to another richer standard and thus the MT standard should no longer be maintained as from November 2025/2026. Feedback could be collected on the end of coexistence.

## **7. Next steps**

The updated SCoRE planning will presented in the AMI-SeCo meeting of 2/3 December 2020.