

SCoREBOARD

Corporate Actions – H1 2021

Cypriot 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 Cypriot NSG with the involvement of the following stakeholders:

- 1 CSD – Cyprus Stock Exchange
- 7 Custodians
- 2 Issuers

10 entities are monitored in the Cypriot 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	100%	Implemented 18.5% Analysis started 66.1% Implementation started 1.19%	21%	100%
Issuers	50%	Yes 50% No 0%	n/a	n/a
CSD - CYPRUS STOCK EXCHANGE	100%	Implemented 1.24% Analysis started 0% Implementation started 0%	No	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 then provides an overview of the progress against the individual milestones. Section 3 provides a more detailed overview of the implementation status per Standard for each entity type.

Executive Summary

Implementation of the Corporate Action Standards in the Cypriot market is on track

9 reporting entities out of 10 responded to the survey. Implementation of the Corporate Action Standards in the Cypriot market is on track.

This section presents the key findings of the survey for each entity type.

CSD – Cyprus Stock Exchange

CSE implementation is on track

The CSE is slightly behind schedule for the implementation of AMI-SeCo Corporate Action Standards (based on the agreed milestones), as the CSE has indicated that no analysis has started yet. Nevertheless, the CSE expects to meet the final implementation date of November 2023.

The CSE's compliance with interim milestones depends, to a great extent, on the corresponding harmonisation work of ATHEXCSD (i.e. for Corporate Action Standards 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 13 and 15). This is because ATHEXCSD is a critical service provider to the CSE as: (i) it hosts and maintains the servers of the Central Depository Central Registry (i.e. 'CDCR', which is a department of the CSE) at the primary site, and (ii) it also maintains the dematerialised securities system of CDCR at a second processing site in Greece.

ATHEXCSD submitted its adaptation plan for AMI-SeCo Standards in June 2020, enabling CSE to obtain a clearer picture of the compliance of the Cypriot market with the future milestones.

In light of this, the CSE has revised its adaptation plan and submitted an updated version to the ECB. Therefore, interim milestones were updated in order to be compatible with ATHEXCSD plan.

Currently, 12 standards require harmonisation, 1 standard is already implemented and 2 standards are not applicable for the Cypriot market. With respect to the standards requiring harmonisation, the CSE has indicated that the analysis and communication activity (Milestones 1-5) will be slightly behind schedule, as the CSE expects to meet these milestones by February 2022 instead of end of December 2021, while the analysis on the technical changes will start in July 2021 (Milestone 1).

It is noted though that the CSE intends to take such action in order to meet future milestones set and comply with the implementation date of November 2023.

Custodians

H1 monitoring exercise covers 90% of custodians which are active in the Cypriot market, the implementation status of whose is distributed as follows:

- 66% have reported that harmonisation is in progress;
- 20% have reported that they have already implemented the relevant Standards, and
- 14% have reported that harmonisation is not applicable to their operations.

Custodians confirm that the Standards will be implemented on time

Therefore, the implementation of AMI-SeCo Corporate Action Standards by the Custodians is on track (i.e. at a minimum, analysis has already started, or implementation has started). However, results appear to be adversely affected by the following two factors:

- (a) Some custodians have submitted a response for Standard 5, even though this is already implemented.
- (b) Some custodians have submitted a response for Standard 4 (rounding rules 3 and 4) and for Standard 12, even though these are not applicable for the Cypriot market.

Custodians have indicated 46% compliance with the milestones for the implementation of AMI-SeCo Corporate Action Standards. In particular, delays are expected for the analysis and communication activities (Milestones 1-5) and the Internal Adaptation activity (Milestone 7). Nevertheless, all custodians expect to meet the final implementation date of November 2023.

Issuers

The issuer of government bonds has confirmed awareness of its obligations

Only one of the two issuers that are represented in AMI-SeCo CY-NSG responded to this monitoring exercise. In specific, the Public Debt Management Office confirmed awareness of its obligations under AMI-SeCo Corporate Action Standards in its capacity as issuer of government bonds.

The major issuer of bonds in the Cypriot market is a corporate issuer, which is already subject to AMI-SeCo Corporate Action Standards and is aware of its obligations

In terms of volume, government bonds constitute around 7% of the total bonds issued, while corporate bonds issued by a single issuer constitute around 91% of the total. This issuer is already subject to AMI-SeCo Corporate Action Standards in its capacity as a custodian. In conclusion, the current monitoring exercise covers 98% of the total government and corporate bonds issued – in terms of volume - in the Cypriot market.

NCB

Central Bank of Cyprus will implement the AMI-SeCo Standards in November 2023

In the context of the ECMS project, the Central Bank of Cyprus is on track for implementing the AMI-SeCo Corporate Action Standards 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 - CYPRUS STOCK EXCHANGE
1A: Notification	100%	50%	Y
1B: Instruction	100%		Y
1C: Advise	100%		Y
1D: Confirmation	97%		Y
1E: Reversal	100%		Y
1F: Meeting Notification	100%	50%	Y
1G: Meeting Instruction	100%		Y
1H: Meeting Results	100%		Y
2: Calculation of Proceeds	80%	50%	Y
3: Consistency of Information	83%	50%	Y
4: Rounding Rule 1	86%	50%	Y
4: Rounding Rule 2	100%	50%	B
4: Rounding Rule 3	29%	50%	N/A
4: Rounding Rule 4	43%	50%	N/A
5: Negative Cash Flows	57%	50%	B
6: Business Day Rule		50%	Y
7: Securities Amount Data		50%	Y
8: Payment Time Rule 1		50%	Y
8: Payment Time Rule 2		50%	Y
8: Payment Time Rule 3		50%	Y
9: Processing Status	86%	50%	Y
10: Blocking	86%		Y
11: Default Option	100%	50%	Y
12: Handling of Fees	29%		N/A
13: Reversal	100%	50%	Y
14: Foreign Currency			N/A
15: ISO 20022 Messaging	86%		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.

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 - CYPRUS STOCK EXCHANGE
Milestone 1 June 2020	14%	07/21
Milestone 2 March 2021	29%	07/21
Milestone 3 July 2021	29%	12/21
Milestone 4 December 2021	29%	01/22
Milestone 5 December 2021	29%	02/22
Milestone 6 January 2022	14%	Yes
Milestone 7 June 2022	57%	12/22
Milestone 8 July 2022	57%	Yes
Milestone 9 December 2022	29%	01/23
Milestone 10 December 2022	29%	12/22
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

The CSE is slightly behind schedule for the implementation of AMI-SeCo Corporate Action Standards (based on the agreed milestones), as the CSE has indicated that no analysis has started yet. Nevertheless, the CSE expects to meet the final implementation date of November 2023.

The CSE's compliance with the set milestones depends, to a great extent, on the corresponding harmonisation work of ATHEXCSD, which is a critical service provider to the CSE for hosting and maintaining the servers of the Depository in Greece.

ATHEXCSD submitted its adaptation plan for AMI-SeCo Standards in June 2020, enabling the CSE to obtain a clearer picture of the compliance of the Cypriot market with future milestones.

In light of this, the CSE has revised its adaptation plan and submitted an updated version to the ECB. Therefore, interim milestones were updated in order to be compatible with ATHEXCSD plan.

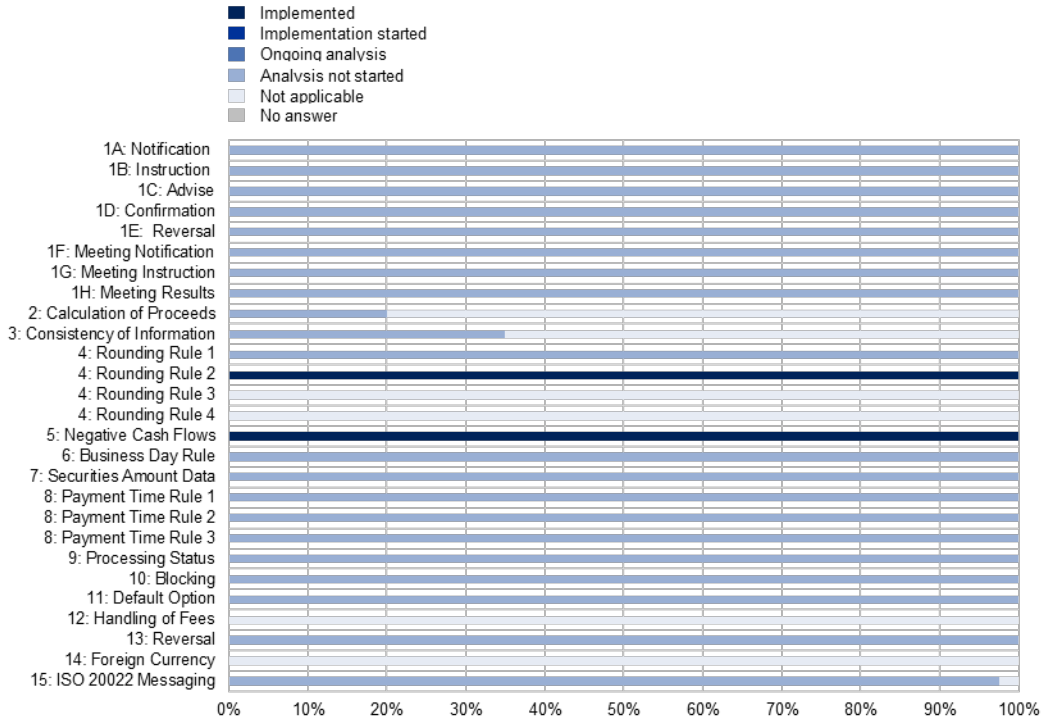
3

Implementation status per AMI-SeCo Standard

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

CSD – Cyprus Stock Exchange

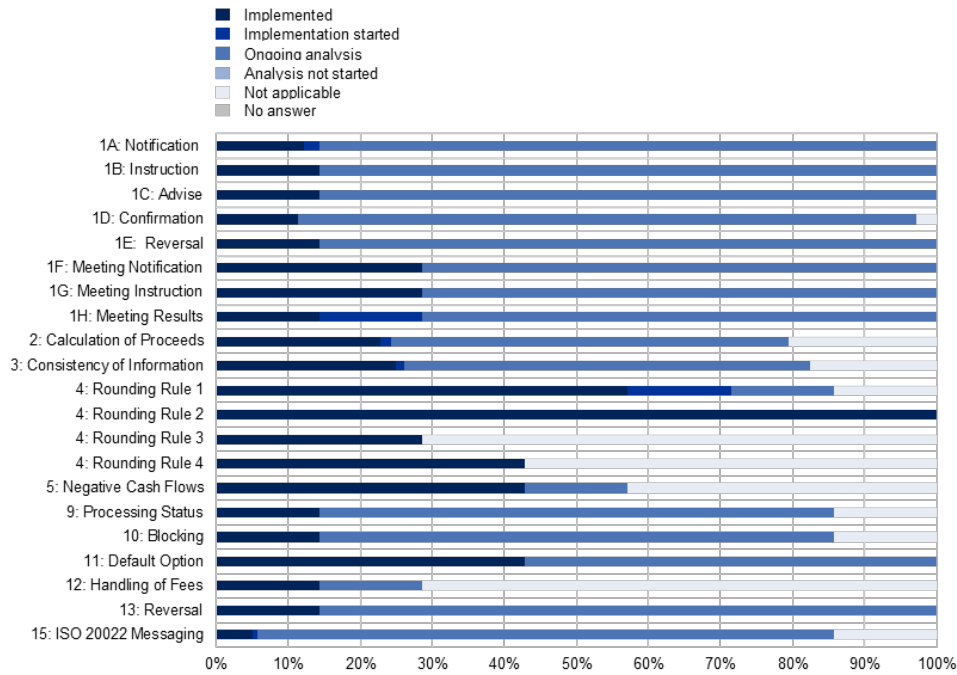
Implementation status per AMI-SeCo Standard



Notes
N/A

Custodians

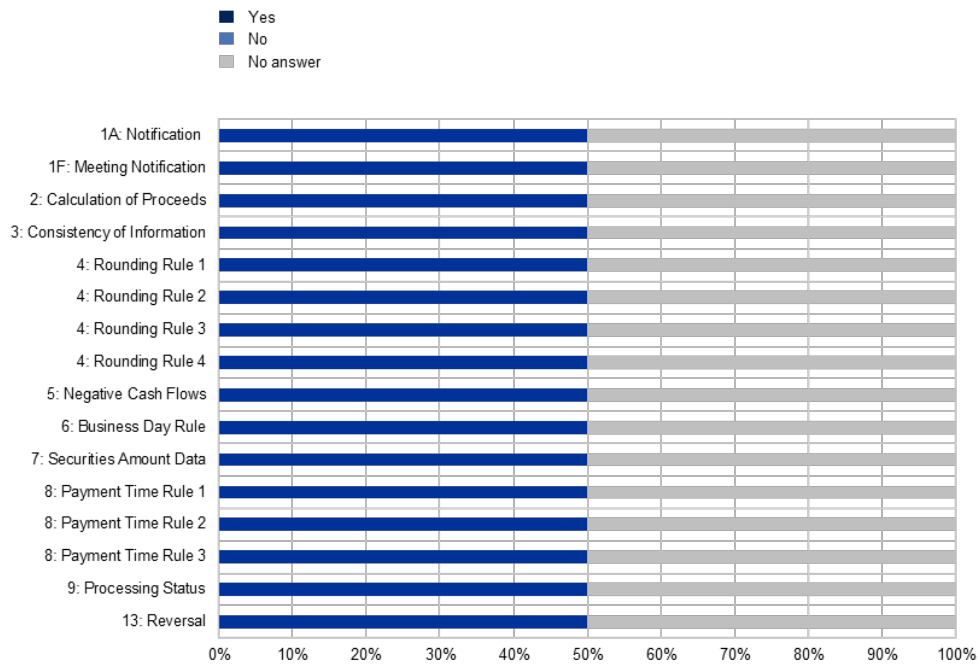
Implementation status per AMI-SeCo Standard



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).