

SCoREBOARD

Corporate Actions – H2 2023

Austrian NSG

Background

Since publication of the [Collateral Management Harmonisation Report](#) in December 2017, the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) has made a number of significant breakthroughs in its ambition to create a **Single Collateral Management Rulebook for Europe (SCoRE)**.

What is SCoRE?

SCoRE defines common rules for managing collateral in Europe. These rules will replace the fragmented legacy standards, structural constraints and complex and diverse market practices that exist across Europe today. Implementation of SCoRE should remove operational impediments to the availability, usage and mobility of collateral. Market participants in AMI-SeCo have committed to implementing the SCoRE Rulebook, with the first set of rules due to be implemented by November 2024. Their implementation efforts are regularly monitored by AMI-SeCo which facilitates an active dialogue with market participants on issues related to the clearing and settlement of securities and to collateral management.

National stakeholder groups (NSGs) are coordination forums that have been established in the markets covered by the AMI-SeCo to support the implementation of the Single Collateral Management Rulebook for Europe (SCoRE).

The Single Collateral Management Rulebook for Europe 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.

Introduction

This summary report presents the results of the H2 2023 monitoring exercise conducted by the Austrian NSG with the involvement among the following stakeholders:

14 entities are monitored in the Austrian market

- 1 CSD – OeKB CSD GmbH
- 5 Custodians
- 8 Issuers

The findings of the monitoring exercise reflect the Milestones roadmap in place by the time the survey closed (i.e., 13 October 2023) and do not yet consider the AMI-SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 8 April 2024 to 18 November 2024. In this monitoring exercise, participants were expected to have achieved all the milestones up to Milestone 11 inclusive “Final external communication on SCoRE” (with a deadline of 22 May 2023) as described in section 3 below.

Section 1 presents the key takeaways per entity type i.e. CSD, TPA, Custodian etc. Section 2 depicts for each entity type their compliance status with the standards. Section 3 focuses on the progress against the individual milestones and Section 4 provides concluding remarks.

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Key takeaways




Timely implementation of ISO20022 considered as the main challenge in the Austrian market

This section presents the actual situation of the Austrian market regarding the implementation of the SCORE standards in the corporate actions area. Austrian banks see and agree on the need for the implementation of the standards but there are issues of concern regarding the time schedule and details for the ISO 20022 implementation. The implementation of standard 15 is regarded as the main challenge in complying with these standards. The implementation of regulatory requirements (SRD, SFTR etc.) supported by legal acts and with close mandatory deadlines are crucial and in the focus of the Austrian market which means that relevant resources are still tied up.

OeKB CSD is well prepared to meet all the important milestones in time since they have already implemented nearly half of the Standards while the realisation of the remaining Standards is on track.

Custodians are working on the implementation on the Standards. Currently, up to a quarter of Austrian custodians have implemented the majority of SCoRE Standards.

Figure 1
Summary of the monitoring exercise

	 Response Rate	 Implementation Status of the standards	Are all milestones 1 to 11 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	40%	Implemented 3.91% Implementation started 8.08% Analysis started 7.28% Analysis not started 20.7% Non applicable standards 0% Replies not submitted 60%	Average % of milestones achieved 20%	% of custodians on time 40%
Issuers	13%	Aware of obligations 9.84% Not aware of obligations 2.65% Replies not submitted 87.5%	NA (milestones irrelevant for issuers)	NA
CSD - OeKB CSD	Survey submitted	Implemented 25.9% Implementation started 72.3% Analysis started 0% Analysis not started 0% Non applicable standards 1.70% Replies not submitted 0%	No	Yes

CSD – OeKB CSD GmbH

Implementation by CSD is on track

According to the results of the survey OeKB CSD has met 16 out of 34 sub-standards (blue) and is on track for another 17 milestones (green). Significant progress was made specifically on Standard 5 (Negative Cash Flows) and Standard 10 (Rule 3).

The preparations for the other standards are progressing still according to their plan.

Custodians

Implementation status of Austrian custodians still diverse

In this reporting period the response rate increased to 40 % of the Austrian custodians. The reported figures show that Standard 1 in general will be met by less than 20 %. For the Standards 3,4, 10, 11, and 12, 20% of Custodians reported

progress on their compliance. On standards 6,7, 8, and 14 are not relevant for custodians. Austrian custodians have concerns regarding the time schedule and details for the ISO 20022 implementation.

Issuers

Austrian Issuers are concerned about ISO20022 adaptation plan

One issuer responded to the survey, thus compliance with the Standards remain at a low level. The main Austrian issuers are aware of the obligations under the SCoRE standards. Some Issuers in the Austrian market have already implemented the standards but concerns about the ISO 20022 adaptation timetable remain.

NCB

Oesterreichische Nationalbank will adopt SCoRE standards for CA in accordance with the Austrian market

For the comprehensive adoption of the SCoRE standards for Corporate Actions, Oesterreichische Nationalbank (OeNB) is strongly dependent on the progress of the overall market. Naturally, OeNB is committed to take a catalyst function to promote the implementation of these SCoRE standards beyond the first wave.

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Compliance level with the standards

This section provides an overview of the current status of compliance with the corporate actions standards. CSDs and TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in figure 2 below. Custodians and Issuers are too many to represent individually. Thus the replies of custodians and issuers from the AMI-SeCo community participating in the monitoring are presented on an aggregated basis per market and assigned a percentage representing their compliance status.

Figure 2

Standards implementation status as defined in the AMI-SeCo framework document



- 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

Table 1

Compliance level with the standards by each entity type

STANDARD	Custodians	Issuers	CSD - OeKB CSD
1A: Notification	10%	13%	G
1B: Instruction	13%		G
1C: Advise	16%		G
1D: Confirmation	9%		G
1E: Reversal	10%		G
1F: Meeting Notification	24%	13%	B
1G: Meeting Instruction	20%		B
1H: Meeting Results	28%		B
2: Calculation of Proceeds	0%	13%	G
3: Consistency of Information	20%	13%	G
4: Rounding Rule 1	20%	13%	B
4: Rounding Rule 2	20%	13%	B
4: Rounding Rule 3	20%	13%	B
4: Rounding Rule 4	20%	13%	G
4: Rounding Rule 5	20%	13%	G
5: Negative Cash Flows	20%	13%	G
6: Business Day Rule		13%	B
7: Securities Amount Data Rule 1		13%	B
7: Securities Amount Data Rule 2		13%	B
7: Securities Amount Data Rule 3		13%	B
7: Securities Amount Data Rule 4		13%	B
8: Payment Time Rule 1		0%	G
8: Payment Time Rule 2		0%	B
8: Payment Time Rule 3		0%	B
8: Payment Time General Principle 3		0%	N/A
9: Processing Status	0%	13%	G
10: Rule 1	20%		B
10: Rule 2	20%		G
10: Rule 3	0%		G
11: Default Option	20%	0%	B
12: Handling of Fees	20%		G
13: Reversal	0%	13%	G
14: Foreign Currency			B
15: ISO 20022 Messaging	8%		G

Notes:

- For CSDs and TPAs the colour-code reflects the current implementation status of each Standard in accordance with the methodology outlined in figure 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 the percentage of custodians which have implemented the standard or have the standard under development and implementation.
- 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.

3 Progress towards the milestones

This section tracks market stakeholders progress in implementing the Standards against the 13 set milestones identified by AMI-SeCo.

The milestones facilitate consistent implementation across markets (given the long-term efforts that are needed) and avoids issues remaining undetected until the deadline to achieve compliance and implementation of the standards. The Milestone dates refers to the timeline in place at the moment of survey closing (i.e., 13 October 2023) and do not yet consider the AMI-SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 8 April 2024 to 18 November 2024.

Table 2
Milestones identified by AMI-SeCo

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?	10/03/2023
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)?	22/05/2023
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?	22/05/2023
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)?	16/02/2024
M13	SCoRE Standards Implemented: have the SCoRE Standards been implemented?	08/04/2024

The current H2 2023 monitoring exercise focuses on milestones 1 to 11 given that Milestone 11 “Final external communication on SCoRE” (with a deadline of 22 May 2023) was meant to have been achieved by the time the

In each survey round, all the entities are asked to confirm (on a yes/no basis) whether the milestones will be met by the set milestones dates. If it is not the case, they are also asked the expected date for when the milestone will be reached.

For the milestones which had to be achieved by the time the survey closed: the blue colour code is assigned to those milestones that have been successfully achieved. Milestones that will only be achieved later than their set deadline are assigned a yellow status with indication of the likely date of achievement.

For the milestones that are only due to be achieved after the current reporting cycle: the green colour code indicates that the entity anticipates achieving that future milestone on time. A yellow status indicates that the milestone is foreseen to be met later than the set milestone date. In this case, the date of achievement anticipated is also indicated in the table.

Table 3
Entities' expectation of achieving the milestones at the set dates

	Custodians	CSD - OeKB CSD
Milestone 1 June 2020	20%	Yes
Milestone 2 March 2021	40%	Yes
Milestone 3 July 2021	20%	Yes
Milestone 4 December 2021	20%	Yes
Milestone 5 December 2021	0%	Yes
Milestone 6 January 2022	20%	Yes
Milestone 7 June 2022	0%	10/23
Milestone 8 July 2022	20%	Yes
Milestone 9 March 2023	20%	10/23
Milestone 10 May 2023	20%	10/23
Milestone 11 May 2023	40%	10/23
Milestone 12 February 2024	20%	Yes
Milestone 13 April 2024	40%	Yes

4 Concluding remarks

Austrian banks have a common understanding that a timely implementation of the standards is crucial. However, the reservations about the timeliness of the implementation date of ISO 20022 continue to exist and will have a bearing on the overall compliance with the CA standards. In particular, the ISO messaging (standard 15), is regarded as the main challenge for the Austrian market.

The implementation of regulatory requirements (SRD, SFTR etc.) supported by legal acts and with close mandatory deadlines are crucial and in the focus of the Austrian market participants. Therefore, resources for the SCoRE implementation are only available on a limited basis.

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