

# SCoREBOARD

## Corporate Actions – H1 2022

French 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 2023. 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 to support the implementation of the Single Collateral Management Rulebook for Europe.

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, at the exception of 2020 where the monitoring occurred only once.

### Introduction

This summary report presents the results of the H1 2022 monitoring exercise conducted by the French NSG with the involvement among the following stakeholders:

- 1 CSD – Euroclear France

13 entities are monitored in the French market

- 2 TPAs – Euroclear France, BNP Paribas
- 9 Custodians
- 1 Issuer – the French Debt Management Office (Agence France Trésor)

The report focuses on the milestones to be met by the time the survey closed. In this monitoring exercise, participants were expected to have achieved all the milestones up to Milestone 6 inclusive as described in section 3 below.

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

## 1 Key takeaways

The French CSD and TPA Euroclear France responded to the Corporate Actions survey on time. Their implementation status is satisfactory and timely. BNP Paribas triparty service is limited (no interaction with NCBs / ECMS for monetary policy operations). Hence for now, it has not planned to adopt the corporate actions standards applicable to triparty agents (the latter are deemed as non-applicable). Regarding custodians, their participation rate has increased since the H2 2021 survey (89% versus 67%), which is satisfying. Banque de France has identified the relevant entry points within most of the custodians and has engaged in conversations with the French issuer (Agence France Trésor) to support knowledge and implementation of the SCoRE project. The Agence France Trésor has contributed to this monitoring round.




It is still relevant to recall that some of the French NSG members experienced organisational challenges in relation to the Covid-19 pandemic, which induced them to prioritise other activities, explaining in part the remaining observed delays. However, custodians did not report difficulties for answering the monitoring questionnaire, which reflects a better knowledge of the SCoRE harmonisation project at the operational level.

Yet, it remains important for the French NSG to maintain dialogue with the participants' operational teams, who are in fact the ones filling in the questionnaires, and who are thus able to report implementation difficulties related to specific standards (which could typically result from national specificities and barriers). In addition, the NSG needs to remain vigilant on the timely implementation among custodians in view of the November 2023 deadline, as 37% of them expect a delay for the implementation of the last milestone.

Implementation of Corporate Action Standards is on track for the CSD and one TPA (while the business of the other TPA does not involve interactions with the Eurosystem / ECMS). However, 37% of the custodians expect to experience some delays for the full implementation of the standards.

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

**Figure 1**  
**Summary of the monitoring exercise**

	 <b>Response Rate</b>	 <b>Implementation Status of the standards</b>	<b>Are all milestones 1 to 6 inclusive achieved?</b>	<b>Will the last milestone 13 be implemented on time (i.e. by 20 November 2023) ?</b>
<b>Custodians</b>	78%	Implemented 45.0% Analysis started 11.2% Implementation started 10.2% Analysis not started 17.2%	Average % of the relevant milestones 22%	% of affirmative answers 67%
<b>Issuers</b>	100%	Aware of obligations 66.6% Not aware of obligations 33.3%	n/a	n/a
<b>CSD - Euroclear France</b>	100%	Implemented 52.8% Analysis started 13.3% Implementation started 33.7% Analysis not started 0%	<b>Yes</b>	<b>Yes</b>
<b>TPA - BNP Paribas</b>	100%	n/a	n/a	n/a
<b>TPA - Euroclear France</b>	100%	Implemented 0% Analysis started 0% Implementation started 100% Analysis not started 0%	<b>Yes</b>	<b>Yes</b>

### CSD - Euroclear France

Euroclear France has fully completed the monitoring survey in a timely manner. It has already implemented 52.8% of the Corporate Actions standards, and has started implementation for 33.7% of them. The analysis has started for the remaining standards. Hence, implementation is largely on track and it has improved as compared to H2 21.

Euroclear France's implementation is on schedule: the CSD plans to meet future milestones on time, and has already implemented one third of all CA standards.

More in detail, out of the 36 sets of standards gathered in the SCoREBOARD below, 12 have already been fully implemented (blue) and 7 are on schedule for implementation (green). Other standards are behind scheduled, and should be adopted during next steps.

In its April 2021 Adaptation Plan, Euroclear France indicated that the ESES CSDs had jointly started several initiatives to gradually migrate corporate actions services to a new assets servicing platform. Part of those projects have already been delivered, and the remaining phases are scheduled for the coming years.

As a result, there is no specific issue of concern for Euroclear France as a CSD, whose implementation of the Corporate Actions standards appears on track: the CSD has reached the 6 past milestones under the expected delays, and plans to meet all the future ones in due time (see Table 3).

### TPA - Euroclear France

As a TPA, Euroclear France has fully completed the monitoring survey in a timely manner and is on track for implementing all Corporate Actions standards. More precisely, Euroclear has already started the analysis of all the standards applicable to TPAs, and plans to implement them in due time based on the agreed milestones.

As a TPA, Euroclear France is on track for the implementation of applicable Corporate Actions standards.

### TPA - BNP Paribas

BNP Paribas triparty activity is for now reduced to a tight perimeter: no triparty service offered for monetary policy operations. As a result, it does not plan to implement Corporate Actions standards to its triparty service; it would envisage it if its activity would extend to Eurosystem credit operations, which is for now not planned. Standards are thus deemed as “non-applicable” for BNP Paribas TPA business.

BNP Paribas triparty service is for now not related to monetary policy operations / ECMS.

### Custodians

The response rate among custodians (89%) has largely improved compared to 2020 and with respect to the H2 2021 exercise. Overall, the respondents have already implemented 45% of the Corporate Actions standards (considering every standard at granular level) and started the implementation for 10.2% of them. This is a significant improvement compared to H2 2021 (when custodians reported implementation of only 26.9% of the standards). Furthermore, 67% of respondents expect to implement the Corporate Actions standards on time (i.e. before November 2023).

Out of the 26 sets of Corporate Actions standards applicable to custodians, the adoption rate is above 50% for 22 of them (only 5 in H2 2021) and above 40% for 3 of them (this adoption rate meaning that the standard has either already been implemented or that implementation is on track). However, the implementation rate of the ISO 20022 messaging standards remains low overall (33%), notwithstanding a slight improvement compared to the previous exercise (24%). Besides this standard,

Corporate Actions standards implementation has improved compared to the previous monitoring (H2 2021). However, some sets of standards such as those related to ISO 20022 messaging show a low level of compliance, and the level of conformity is still heterogeneous among participants (one-third of them expecting a delay as regard the final deadline).

which remains the main difficulty for a significant part of French custodians, the survey reveals a real improvement regarding the adoption of CA standards overall.

Yet, there remains heterogeneity among participants. Only 22% of the custodians have reached the six milestones to-date and are thus fully on track as of H1 2022. Nevertheless, the projected level of compliance with the remaining milestones progressively improves and should reach 67% by November 2023 (a slight improvement compared to the previous exercise). In other words, one-third of custodians expect a delay for the adoption of Corporate Actions by the deadline of the ECMS go-live. These results underline the need for NSG members to continue to focus on the implementation phase in order to meet SCoRE deadlines.

### **Issuers**

The French NSG Secretariat engaged with the only issuer of the NSG, the public debt management office - Agence France Trésor (AFT), which participated in this most recent survey round. The AFT resorts to the ESES CSDs for its issuances and corporate actions, and uses the “user-end” platform of Euroclear, via the ESES interface. Corporate actions of assets issued by the AFT are predetermined and limited (only coupons payments and redemptions), and are conducted through dedicated templates (for the communication between the AFT and ESES). These templates have been updated recently by Euroclear, in order to ensure that the ESES CSDs receive all the necessary information related to corporate actions, in compliance with the SCoRE standards. The AFT is well aware of the standards, and of the importance to communicate timely the necessary information to the ESES CSDs, so that the latter can comply with the SCoRE requirements. Of note, some of the obligations are not related to the AFT perimeter / business (debt issuance only) and are thus reported as “n/a” by this agent. All in all, there is no specific issue of concern for the AFT.

Agence France Trésor (AFT), the public debt management office, is the sole issuer in the French market included in the survey. The AFT is perfectly aware of its obligations regarding the SCoRE standards.

### **NCB**

Banque de France is on track to implement the SCoRE standards for Corporate Actions for its collateral management activities by November 2023.

Banque de France is on track to adopt the SCoRE Standards by November 2023

## 2 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

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- 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 - Euroclear France	TPA - BNP Paribas	TPA - Euroclear France
1A: Notification	53%	100%	G	N/A	G
1B: Instruction	46%		G	N/A	G
1C: Advise	50%		G	N/A	G
1D: Confirmation	48%		G	N/A	G
1E: Reversal	50%		Y	N/A	G
1F: Meeting Notification	59%	100%	Y	N/A	G
1G: Meeting Instruction	63%		B	N/A	G
1H: Meeting Results	40%		B	N/A	G
2: Calculation of Proceeds	65%	100%	G		
3: Consistency of Information	63%	100%	G		
4: Rounding Rule 1	7%	100%	B		
4: Rounding Rule 2	7%	100%	B		
4: Rounding Rule 3	7%	100%	B		
4: Rounding Rule 4	7%	100%	B		
4: Rounding Rule 5	7%	100%	B		
5: Negative Cash Flows	7%	0%	B		
6: Business Day Rule		0%	B		
7: Securities Amount Data Rule 1		100%	Y		
7: Securities Amount Data Rule 2		0%	Y		
7: Securities Amount Data Rule 3		0%	Y		
7: Securities Amount Data Rule 4		0%	Y		
8: Payment Time Rule 1		0%	Y		
8: Payment Time Rule 2		0%	Y		
8: Payment Time Rule 3		0%	Y		
8: Payment Time General Principle 3		0%	Y		
9: Processing Status	57%	100%	Y		
10: Blocking Rule 1	50%		Y		
10: Blocking Rule 2	50%		Y		
10: Blocking Rule 3	50%		Y		
10: Blocking Rule 4	50%		Y		
10: Blocking Rule 5	50%		Y		
11: Default Option	67%	100%	B		
12: Handling of Fees	50%		Y		
13: Reversal	50%	100%	B		
14: Foreign Currency			B		
15: ISO 20022 Messaging	33%		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 percentage of custodians which have implemented standards / standards being 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 of 20 November 2023 to achieve compliance and implementation of the standards.

**Table 2**  
Milestones identified by AMI-SeCo

Milestone	Description	Date
M1	<b>Analysis 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 SCoRE Standards?	30/06/2020
M2	<b>Initial Communication:</b> Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?	01/03/2021
M3	<b>Analysis Completed:</b> Have you completed an in-depth analysis of all applicable SCoRE Standards?	31/07/2021
M4	<b>Documentation Completed:</b> 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	<b>Detailed External Communication:</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?	31/12/2021
M6	<b>SCoRE Adaptation Started:</b> Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE Standards?	01/01/2022
M7	<b>SCoRE Adaptation Complete:</b> Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE Standards?	30/06/2022
M8	<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 Standards?	01/07/2022
M9	<b>Internal Testing Complete for SCoRE:</b> Have you completed the necessary internal testing?	02/12/2022
M10	<b>External Testing Started for SCoRE:</b> 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)?	20/03/2023
M11	<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 SCoRE Standards?	01/04/2023
M12	<b>External Testing Completed for SCoRE:</b> 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	<b>SCoRE Standards Implemented:</b> have the SCoRE Standards been implemented?	20/11/2023

The current H1 2022 monitoring exercise focuses on milestones 1 to 6 given that Milestone 6 (with a deadline of 1 January 2022) was meant to have been achieved by the time the survey closed.

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 - Euroclear France	TPA - BNP Paribas	TPA - Euroclear France
Milestone 1 June 2020	44%	Yes	n/a	Yes
Milestone 2 March 2021	22%	Yes	n/a	Yes
Milestone 3 July 2021	11%	Yes	n/a	Yes
Milestone 4 December 2021	11%	Yes	n/a	Yes
Milestone 5 December 2021	22%	Yes	n/a	Yes
Milestone 6 January 2022	22%	Yes	n/a	Yes
Milestone 7 June 2022	11%	Yes	n/a	Yes
Milestone 8 July 2022	11%	Yes	n/a	Yes
Milestone 9 December 2022	22%	Yes	n/a	Yes
Milestone 10 March 2023	33%	Yes	n/a	Yes
Milestone 11 April 2023	56%	Yes	n/a	Yes
Milestone 12 October 2023	67%	Yes	n/a	Yes
Milestone 13 November 2023	67%	Yes	n/a	Yes

## 4 Concluding remarks

The French CSD meets the current implementation milestones and expects to meet future ones. Implementation of Corporate Action standards is overall on track for Euroclear France as a TPA, and BNPP will not adopt them now, because of its

business scope limited (no collateral for monetary policy operations). As regards custodians, notwithstanding significant improvements, the data still show a low level of compliance with the standard related to ISO 20022 messaging, and also reveal heterogeneity across participants. (Delays as regard the timely achievement of the final milestone are expected for one-third of French custodians.).

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