

SCoREBOARD

Billing Processes – H1 2021

Latvian NSG






The Single Collateral Management Rulebook for Europe (SCoRE) contains 4 Standards related to billing processes (published as the [AMI-SeCo Standards for Billing Processes](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H1 2021 monitoring exercise conducted by the Latvian NSG with the involvement of the following stakeholders:

- 1 CSD – Nasdaq CSD
- 13 Custodians

14 entities are monitored in the Latvian 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	15%	Implemented 9.23% Analysis started 6.15% Implementation started 0%	8%	15%
CSD - NASDAQ	100%	Implemented 40% Analysis started 60% 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 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 Latvian market is currently focusing on the analysis of the standards to be implemented

Nasdaq CSD SE and a quarter of custodians responded to the survey. Responses reflected that implementation has started at limited number of standards more accent putting on analysis of the standards to be implemented. Given the relatively simple and small Baltic financial market, Nasdaq CSD SE together with participants will still consider in detail the usefulness of implementation of standards in national markets.

CSD – Nasdaq CSD

2 of the Billing Processes Standards have already been implemented

Standards of billing cycles and cut-off date have been introduced. The usefulness of implementing other standards will be analysed and considered together with the depositary participants.

Custodians

Low participation among custodians

Only 15 percent of the custodians submitted a reply to the H1-21 survey. For Latvian securities market participants some standards are irrelevant, or their implementation is not financially justified. Market participants will continue to work on the analysis of standards and will implement them as far as possible.

NCB

Latvijas Banka is on track to adopt the AMI-SeCo Standards in November 2023

For the Bank of Latvia implementation of the Standards is underway in the context of the ECMS project. The Bank of Latvia is on track to implement the AMI-SeCo Standards for Billing Processes for its collateral management activities by November 2023.

1 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 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, 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.

Table A
SCoREBOARD

STANDARD	Custodians	CSD - NASDAQ
1: ISO 20022 messaging	8%	G
2: Billing cycles	23%	B
3: Cut-off date	15%	B
4: Dates for payments fees	23%	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.
- 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.
- Percentages are calculated on the basis of expected respondents, i.e. number of entities monitored in the market.

¹ For further details please refer to the [AMI-SeCo Monitoring Framework](#)

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	8%	Yes
Milestone 2 March 2021	8%	05/22
Milestone 3 July 2021	8%	01/22
Milestone 4 December 2021	8%	07/22
Milestone 5 December 2021	15%	10/22
Milestone 6 January 2022	15%	07/22
Milestone 7 June 2022	15%	01/23
Milestone 8 July 2022	15%	01/23
Milestone 9 December 2022	15%	04/23
Milestone 10 December 2022	15%	04/23
Milestone 11 April 2023	15%	Yes
Milestone 12 October 2023	15%	Yes
Milestone 13 November 2023	15%	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

Overall, the survey showed that the analysis had started.

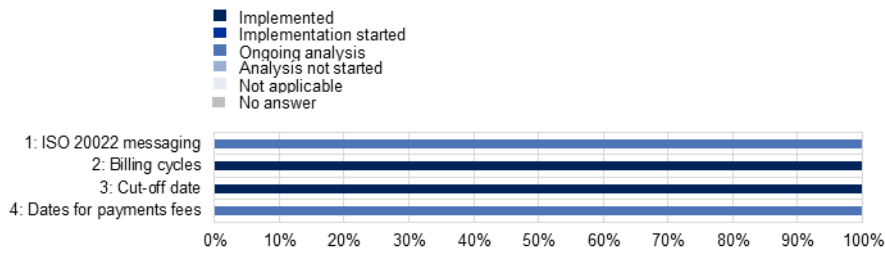
3

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

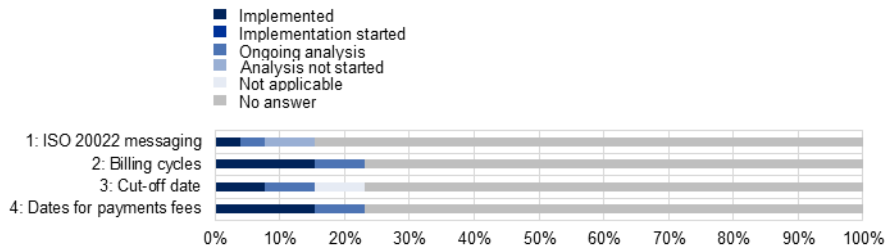


Notes

N/A

Custodians

Implementation status 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).