

SCoREBOARD

Billing Processes – H2 2023

Belgian 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 4 Standards related to billing processes (published as the [SCoRE Standards for Billing Processes](#)). Implementation progress is monitored twice per year.

Introduction

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

10 entities are monitored in the Belgian market

- 3 CSD – Euroclear Bank, Euroclear Belgium, NBB-SSS
- 2 TPA – BNY Mellon, Euroclear Bank
- 5 Custodians

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 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

Implementation of the Billing Processes Standards in the Belgian market is partly on track

The implementation of the Billing Processes Standards in the Belgian market is ongoing. The majority (70%) of the reporting entities responded to the survey; all CSDs and TPAs confirmed that they will implement the applicable Billing Processes Standards by April 2024, except for BNY Mellon which will implement the final milestone later. Two custodians responded that they will implement the final milestone on time in the previous monitoring. Delays are expected regarding the interim milestones for several reasons, but they are not jeopardising the overall deadline. This section presents the key findings of the survey for each entity type.

Figure 1
Summary of the monitoring exercise

	 Response Rate	 Implementation Status	Are all milestones 1 to 11 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	20%	Implemented 6.66% Implementation started 0% Analysis started 6.66% Analysis not started 0% Non applicable standards 6.66% Replies not submitted 80%	Average % of milestones achieved 4%	% of custodians on time 0%
CSD - Euroclear Bank	Survey submitted	Implemented 60% Implementation started 20% Analysis started 0% Analysis not started 0% Non applicable standards 20% Replies not submitted 0%	No	Yes
CSD - Euroclear Belgium	Survey submitted	Implemented 40% Implementation started 40% Analysis started 0% Analysis not started 0% Non applicable standards 20% Replies not submitted 0%	No	Yes
CSD - NBB-SSS	Survey submitted	Implemented 80% Implementation started 20% Analysis started 0% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	Yes
TPA - BNY Mellon	Survey submitted	Implemented 40% Implementation started 0% Analysis started 20% Analysis not started 0% Non applicable standards 40% Replies not submitted 0%	No	11/24
TPA - Euroclear Bank	Survey submitted	Implemented 60% Implementation started 20% Analysis started 0% Analysis not started 0% Non applicable standards 20% Replies not submitted 0%	No	Yes

CSD – Euroclear Bank

Euroclear Bank reports a high-level of compliance with the Standards

Euroclear Bank as a CSD has already implemented Billing Standards 2, 3 and 4. Implementation has started on the ISO 20022 messaging Standard.

Euroclear Bank confirmed implementation of the relevant Billing Processes Standards on time. However, milestones 9 and 10 have not been met. Euroclear started the adaptation phase of the new ISO 20022 message in May 2022, after the launch of its new billing tool. The development effort was initially planned to be completed by the end of 2022. This had an impact on some of the future milestones.

CSD – Euroclear Belgium

Euroclear Belgium confirmed compliance with all Billing Standards by April 2024

Euroclear Belgium has already implemented Billing Standards 2 (billing cycles) and 3 (cut-off date). It has started the implementation on the other 2 Billing Standards.

It is confirmed that Euroclear Belgium will implement the relevant Billing Processes Standards on time. However, milestones 9 and 10 have not been met. Euroclear did not plan a high-level communication to its users before the end of 2022 and an in-depth analysis started in May 2022. Milestone 9 has also been delayed due to the launch of a new Euroclear billing tool. However, the project plan of the migration to this new tool has been adapted to ensure compliance with the new standards.

CSD – NBB-SSS

NBB-SSS implementation is currently on track

NBB-SSS is on track to implement Billing Standards 1 by April 2024. The three other Billing Processes Standards have already been implemented.

NBB-SSS communicated the future deployments in relation to the Billing Processes Standards to its users in May 2021. Regarding the implementation of the ISO 20022 messaging Standard, NBB-SSS decided to give priority to other projects while waiting for a stable version of the camt.077 message. Nevertheless, NBB-SSS is expected to complete external testing and implement the ISO 20022 messaging Standard in time.

TPA – BNY Mellon

BNY Mellon TPA implementation is slightly delayed

BNY Mellon as a TPA has already implemented 2 out of 4 Billing Processes Standards. Analysis is ongoing with regard to the implementation of the ISO 20022 messaging Standard. Billing Standard 3 (cut-off times) does not apply to BNY Mellon.

BNY Mellon reported that that it will not implement the Billing Processes Standards by April 2024 but will implement it by November 2024. BNY Mellon had a dependency on the publication of the ISO 20022 Billing messaging formats to start its analysis phase. Since the messaging formats were not published in time, milestone 3 (completion of the analysis) was not met in time. This delay has a knock-on effect on some of the future milestones.

TPA – Euroclear Bank

Euroclear Bank TPA reports a high level of compliance with the Standards

Euroclear Bank as a TPA has already implemented Billing Standards 2, 3 and 4. Implementation has started on the ISO 20022 messaging Standard.

Euroclear Bank confirmed implementation of the relevant Billing Processes Standards by April 2024. However, milestones 9 and 10 have not been met. Euroclear started the adaptation phase of the new ISO 20022 message in May 2022, after the launch of its new billing tool. The development effort was planned to be completed by the end of 2022. This had an impact on Milestone 9-10.

Custodians

60% of the custodians confirmed compliance by April 2024 with Billing Standard 2

Updated response was received from one (out of 5) reporting Custodians in the Belgian market. Two Custodians have started internal analysis regarding the Billing Processes Standards that they find relevant and that have not yet been implemented. One Custodian has postponed the start of the analysis phase. 60% of the Custodians are on track to become compliant with Billing Standard 2 (billing cycles) which is the only Billing Processes Standard in scope of implementation by November 2024. One of the Custodians argues that Billing Standard 2 is not applicable as it will not use ISO20022 messages.

Only two Custodians have met milestones 1 and 2. None of them has met milestone 3 to 11. Delays can be expected for most of the future milestones for all Custodians for various reasons. Nevertheless, two Custodians are confident to meet the implementation deadline of April 2024.

NCB

National Bank of Belgium implementation is currently on track

The National Bank of Belgium is on track to implement the AMI-SeCo Standards for Billing Processes for its collateral management activities by November 2024, provided that the ECMS project remains on track.

2 Compliance level with the standards

This section provides an overview of the current status of compliance with the billing processes 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 are too many to represent individually. Thus, the replies of custodians 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	CSD - Euroclear Bank	CSD - Euroclear Belgium	CSD - NBB-SSS	TPA - BNY Mellon	TPA - Euroclear Bank
1: ISO 20022 messaging	0%	G	G	G	Y	G
2: Billing cycles	20%	B	B	B	B	B
3: Cut-off date		B	B	B	N/A	B
4: Dates for payments fees		B	G	B	B	B

Notes:

- For CSDs and TPAs the colour-code reflects the current implementation status of each Standard in accordance with the methodology outlined in figure 2 above.
- For custodians, the percentage of custodians which have implemented the standard or have the standard under development and implementation is reported.
- 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 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
Expectation of achieving the milestones at the set dates

	Custodians	CSD - Euroclear Bank	CSD - Euroclear Belgium	CSD - NBB-SSS	TPA - BNY Mellon	TPA - Euroclear Bank
Milestone 1 June 2020	20%	Yes	Yes	Yes	Yes	Yes
Milestone 2 March 2021	20%	Yes	Yes	Yes	Yes	Yes
Milestone 3 July 2021	0%	Yes	Yes	Yes	01/24	Yes
Milestone 4 December 2021	0%	Yes	Yes	Yes	01/24	Yes
Milestone 5 December 2021	0%	Yes	Yes	Yes	03/24	Yes
Milestone 6 January 2022	0%	Yes	Yes	Yes	01/24	Yes
Milestone 7 June 2022	0%	Yes	Yes	11/23	11/24	Yes
Milestone 8 July 2022	0%	Yes	Yes	Yes	06/24	Yes
Milestone 9 March 2023	0%	12/23	12/23	Yes	11/24	12/23
Milestone 10 May 2023	0%	01/24	01/24	Yes	11/24	01/24
Milestone 11 May 2023	0%	Yes	Yes	Yes	12/24	Yes
Milestone 12 February 2024	0%	Yes	Yes	Yes	11/24	Yes
Milestone 13 April 2024	0%	Yes	Yes	Yes	11/24	Yes

4 Concluding remarks

Only a few Belgian entities have reached the first 11 milestones in time. Some entities planned an initial user communication (milestone 2) at a later stage, while others were facing a delay in the start of its analysis (milestone 1) due to the lack of a stable ISO20022 messaging format. The delay for milestone 1 has an impact on the future milestones. Additional delays on future milestones can be expected due to dependencies on other projects, lack of resources, prioritisation of other projects as well as the extensive impact of the new standards on existing IT systems and procedures. All CSDs and TPAs are on track to reach all 13 milestones in time. All responding Belgian custodians (except one) previously confirmed that they will be able to implement the relevant Billing Processes Standards in time.

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