

SCoREBOARD

Billing Processes – H1 2023

Slovak 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 April 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 four 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 H1 2023 monitoring exercise conducted by the Slovak NSG with the involvement among the following stakeholders:

7 entities are monitored in the Slovak market

- 1 CSDs – CDCP
- 6 Custodians

This report focuses on the milestones to be met by the time the survey was closed. In this monitoring exercise, participants were expected to have achieved all the milestones up to Milestone 9 inclusive “Internal testing Complete for SCoRE” (with a deadline of 10 March 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.




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Key takeaways

Implementation of standards is ongoing.

We can report that implementation of the SCoRE Billing Standards in the Slovak market is ongoing. We confirm that the final implementation date for all standards should be largely achieved by entities in the market.

Figure 1
Summary of the monitoring exercise

 <small>SINGLE CUSTODIAL MANAGEMENT RELEVANCE COLLECTION</small>	 Response Rate	 Implementation Status	Are all milestones 1 to 9 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	83%	Implemented 11.1% Implementation started 11.1% Analysis started 16.6% Analysis not started 16.6% Non applicable standards 27.7% Replies not submitted 16.6%	Average % of milestones achieved 33%	% of custodians on time 67%
CSD - CDCP	Survey submitted	Implemented 60% Implementation started 40% Analysis started 0% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	Yes

CSD – CDCP

CDCP is on track

CDCP is already compliant with the following Billing standards (Standard 1(Receive): ISO 2022 Messages, Standard 2: Billing cycles and Standard 3: Cut-off date). The status of implementation of remaining standards remains the same compared to the last reported period. The implementation of the remaining standards in CDCP has started. There are no issues of concern which need to be highlighted, except that some current reporting milestones and one upcoming are shortly delayed. It is expected that the future milestones and the implementation date of April 2024 will be met on time.

Custodians

Custodians are expected to meet future milestones

The work on meeting the reporting milestones is ongoing and implementation of the Standards is progressing. The status of implementation by custodian remains quite the same compared to the last reported period. From reporting is clear that standards were already implemented by 11,1% of custodians and the same percentage of custodians achieved that the implementation has started. Analysis has started by 16,6 % of custodians, 16.6 % of custodians reported that analysis did not start yet. Response rate of custodians in this reported period increased from 67 % to 83 %. It is expected that future milestones and the implementation date of April 2024 will be met, too. There are no specific issues of concern that need to be highlighted.

NCB

Národná banka Slovenska is on track to adopt the SCoRE Standards in April 2024.

Národná banka Slovenska is on track to implement the SCoRE Standards for Billing Processes for its collateral management activities by April 2024.

2 Compliance 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 1 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 1
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 - CDCP
1: ISO 20022 messaging	25%	G
2: Billing cycles	40%	B
3: Cut-off date		B
4: Dates for payments fees		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 the percentage of custodians which have implemented the standard or have the standard under development and implementation.
 - 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 8 April 2024 to achieve compliance and implementation of the standards.

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 H1 2023 monitoring exercise focuses on milestones 1 to 9 given that Milestone 9 “Internal testing Complete for SCoRE” (with a deadline of 10 March 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 - CDCP
Milestone 1 June 2020	33%	Yes
Milestone 2 March 2021	33%	Yes
Milestone 3 July 2021	33%	Yes
Milestone 4 December 2021	33%	Yes
Milestone 5 December 2021	33%	Yes
Milestone 6 January 2022	33%	Yes
Milestone 7 June 2022	33%	07/23
Milestone 8 July 2022	33%	08/23
Milestone 9 March 2023	33%	08/23
Milestone 10 May 2023	33%	09/23
Milestone 11 May 2023	50%	Yes
Milestone 12 February 2024	50%	Yes
Milestone 13 April 2024	67%	Yes

4 Concluding remarks

CSD – CDCP has met the past milestones except for M7, M8 and M9 for which the achievement is slightly delayed (in July / August 2023). Nevertheless, the milestones that were in delay in the last reporting period have already been achieved. Delays are also expected for Milestone 10 which is anticipated to be met by September 2023. The final milestones are expected to be met on time. Regarding custodians, there is a mixed picture. Milestones 1-10 will be met on time by over a third of custodians, Milestones 11 and 12 will be met on time by a half of custodians. Expectation to achieve M13 on time decreased to 67 % (from 83%) of custodians compared to last reporting period.

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