

# SCoREBOARD

## Billing Processes – H1 2022

Portuguese 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 implement 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 SCoRE.

The Single Collateral Management Rulebook for Europe (SCoRE) 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 2022 monitoring exercise conducted by the Portuguese NSG with the involvement of the following stakeholders:

- 1 CSD – Interbolsa
- 9 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 6 inclusive as described in section 3 below.

Section 1 presents the key takeaways per Entity Type i.e., CSD, or Custodian. 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 Portuguese market is on track

Implementation of the Billing Processes Standards in the Portuguese market is on track.

The majority of the reporting entities responded to the survey and revealed a high level of compliance.

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</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>	<b>89%</b>	Implemented 30% Analysis started 25% Implementation started 0% Analysis not started 30%	<b>22%</b>	<b>78%</b>
<b>CSD - Interbolsa</b>	<b>100%</b>	Implemented 60% Analysis started 0% Implementation started 0% Analysis not started 40%	<b>No</b>	<b>Yes</b>

### CSD – Interbolsa

Interbolsa is on track

Interbolsa is on track, with 60% of the standards already implemented. Interbolsa has decided together with other CSDs within the Euronext Group to implement a new billing system across the CSDs. The new billing system will be provided by a vendor and will be implemented in Porto and Copenhagen in

September 2023. This explains the reason by which 40% of the analysis has not started.

Interbolsa reported a delay to some milestones but expects to meet the implementation date of November 2023.

### **Custodians**

Portuguese custodians have fully implemented 30% of the standards

There was a high rate of participation by custodian in the Portuguese market during this monitoring round.

Portuguese custodians have already implemented 30% of the Billing Process Standards.

There has been a low level of compliance with the prescribed milestones to-date but the vast majority (78%) have reported that they expect to reach the final implementation deadline of November 2023.

Standards 3 and 4 are irrelevant for custodians.

### **NCB**

Banco de Portugal is on track to adopt the SCoRE Standards in November 2023

Banco de Portugal is on track to implement the SCoRE Standards for Billing Processes for its collateral management activities by November 2023.

## 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 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 - Interbolsa
1: ISO 20022 messaging	0%	Y
2: Billing cycles	67%	B
3: Cut-off date		B
4: Dates for payments fees		B

**Notes:**

- Standards 3 and 4 are irrelevant for custodians
- 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 % indicates the percentage of custodians which have implemented standards / standards being 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 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**

Expectation of achieving the milestones at the set dates

	Custodians	CSD - Interbolsa
Milestone 1 June 2020	11%	05/22
Milestone 2 March 2021	33%	05/22
Milestone 3 July 2021	22%	05/22
Milestone 4 December 2021	22%	06/22
Milestone 5 December 2021	22%	06/22
Milestone 6 January 2022	22%	05/22
Milestone 7 June 2022	22%	05/23
Milestone 8 July 2022	33%	05/23
Milestone 9 December 2022	44%	07/23
Milestone 10 March 2023	67%	09/23
Milestone 11 April 2023	67%	09/23
Milestone 12 October 2023	78%	Yes
Milestone 13 November 2023	78%	Yes

## 4 Concluding remarks

The majority of PT-NSG participants do not anticipate problems in achieving the final SCoRE deadline of November 2023.

In the Portuguese market the relevant changes related to Billing Standards will be of the responsibility of the local CSD (Interbolsa). This explains the general lack of responses from custodians in Portugal.

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