

SCoREBOARD

Corporate Actions – H1 2021

Croatian NSG






The Single Collateral Management Rulebook for Europe (SCoRE) contains 15 Standards related to the processing of corporate actions (published as the [AMI-SeCo Standards for Corporate Actions](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H1 2021 monitoring exercise conducted by the Croatian NSG with the involvement of the following stakeholders:

7 entities are monitored in the Croatian market

- 1 CSD – SKDD
- 5 Custodians
- 1 Issuer

The SCoRE Overview provides a high-level summary of the H1 monitoring exercise.

SCoRE Overview

 <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small>	 Response Rate	 Implementation Status	 Milestones achieved?	 Implemented on Time?
Custodians	20%	Implemented 0.90% Analysis started 19.0% Implementation started 0%	0%	20%
Issuers	0%	Yes 0% No 0%	n/a	n/a
CSD - SKDD	100%	Implemented 1.24% Analysis started 92.5% Implementation started 4.96%	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 then provides an overview of the progress against the individual milestones. Section 3 provides a more detailed overview of the implementation status per Standard for each entity type.

Executive Summary

Analysis of the AMI-SeCo standards has started.

CSD - SKDD responded to the survey. One Custodian participated, while Issuers in the Croatian market did not participate in the current round of the monitoring survey but their participation is expected in the next round.

CSD – SKDD: Based on the agreed milestones, implementation process of the Standards is on schedule.

CSD – SKDD

CSD - SKDD is in the process of implementation of standards for Corporate Actions processing set by CAJWG and JWGGM, which is the main reason why “No, ongoing analysis” was chosen for implementation status for majority if not all AMI-SeCo standards. Almost all Standards are on track (green), while Standard 7 – Securities Amount Data has already been implemented (blue).

Analysis of the AMI-SeCo Standards is taking place in parallel with the implementation of existing market standards for corporate actions.

CSD – SKDD has met Milestone 1 – Analysis of technical changes necessary for implemented (new messaging formats and internal adaptations required to IT systems) has started. Initial communication to users is planned to begin in June 2020.

Considering the facts that draft of functional specification for implementation of standards set by CAJWG and JWGG has been complete and work on drafting the technical specification for implementation of standards set by CAJWG and JWGG has begun, meeting future milestones will be closely connected with implementation of CAJWG and JWGG standards and ongoing analyses for implementation of AMI-SeCo standards. CSD – SKDD provided additional explanation.

Custodians

Custodian participation is expected in the next monitoring exercise.

One Custodian - Interkapital vrijednosni papiri d.o.o participated in the current round of the monitoring survey, with more expected to participate in the next round.

Interkapital vrijednosni papiri d.o.o noted that most of the Standards are under ongoing analysis, with couple of Standards already implemented.

Issuers

Issuer participation is expected in the next monitoring exercise.

Issuers in the Croatian market did not participate in the current round of the monitoring survey but their participation is expected in the next round.

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 and Issuers 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 and issuers, 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.

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

Table A
SCoREBOARD

STANDARD	Custodians	Issuers	CSD - SKDD
1A: Notification	20%	0%	G
1B: Instruction	20%		G
1C: Advise	20%		G
1D: Confirmation	20%		G
1E: Reversal	20%		G
1F: Meeting Notification	20%	0%	G
1G: Meeting Instruction	20%		G
1H: Meeting Results	20%		G
2: Calculation of Proceeds	20%	0%	G
3: Consistency of Information	20%	0%	G
4: Rounding Rule 1	20%	0%	G
4: Rounding Rule 2	20%	0%	G
4: Rounding Rule 3	20%	0%	G
4: Rounding Rule 4	20%	0%	G
5: Negative Cash Flows	20%	0%	N/A
6: Business Day Rule		0%	B
7: Securities Amount Data		0%	B
8: Payment Time Rule 1		0%	G
8: Payment Time Rule 2		0%	G
8: Payment Time Rule 3		0%	G
9: Processing Status	20%	0%	G
10: Blocking	20%		G
11: Default Option	20%	0%	G
12: Handling of Fees	20%		G
13: Reversal	20%	0%	G
14: Foreign Currency			N/A
15: ISO 20022 Messaging	20%		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.
- 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 % 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.
- 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.
- A plausibility check was performed by the CMH-TF Secretariat.

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 - SKDD
Milestone 1 June 2020	0%	12/21
Milestone 2 March 2021	0%	Yes
Milestone 3 July 2021	0%	12/21
Milestone 4 December 2021	0%	Yes
Milestone 5 December 2021	0%	03/22
Milestone 6 January 2022	0%	06/22
Milestone 7 June 2022	0%	12/22
Milestone 8 July 2022	0%	01/23
Milestone 9 December 2022	20%	02/23
Milestone 10 December 2022	20%	02/23
Milestone 11 April 2023	20%	05/23
Milestone 12 October 2023	20%	Yes
Milestone 13 November 2023	20%	Yes

Notes: Actors were asked to report for all milestones, i.e. whether they meet the current milestone (1) and whether they expect to meet the dates for future milestones.

Summary

Compliance with standards for corporate actions processing has been focused on three major group of standards, standards determined by CAJWG (including standards of JWGGM), standards determined by Eurosystem (AMI-SeCo Corporate actions harmonisation standards) and Standards for Collateral Management.

In June 2019 SKDD d.d., Zagreb (CSD) started the project Alignment of Croatian Central Depository and Clearing Company with the Standards for Corporate Action Processing. Corporate Action Harmonization Project has been primary focused on implementation of standards for Corporate Action processing determined by CAJWG. The scope of the Project included Eurosystem Harmonisation Standards only at a general level while Collateral management has not been in the scope of the Project. In the first phase of Project CSD complete Legal, Regulatory and Technical Specification, made almost complete alignment and implementation of standards for shareholders identification and general meetings and continuously working on alignment of Croatia's securities settlement IT infrastructure with the Corporate Actions Standards that includes system analysis and design software solution and technology specification.

SKDD provided the following additional information on milestone planning:

Milestone 1: Analysis of all technical changes necessary for implemented (new messaging formats and internal adaptations required to IT systems) has started.

Milestone 2: SKDD and the Croatian National Bank (HNB) initiated creation of a Working Group - AMI-SeCo National Stakeholder Group, which was supported by the Association for Business and Mediation in the Financial Markets of the Croatian Chamber of Commerce (HGK). The Working Group members are Association members (banks, investment companies, SKDD and Zagreb stock exchange), along with HNB, Hanfa, Ministry of Finance and Issuers. The composition of Working group gathers all relevant stakeholders of the Croatian capital market and acts as a forum for discussion and cooperation.

The Working group had its first session in February 2021, meaning initial and structured communications with users started according to timeline defined in SCoRE monitoring.

Milestone 3: Following the start of aforementioned initial communication, analysis of all technical changes to be implemented is planned to start and expected to be completed until the end of 2021.

Milestone 4: Documentation, following the analysis of all technical changes to be implemented is planned to be completed, along with the documentation of such analysis until the end of 2021.

Milestone 5: Detailed external communication to users and other stakeholder is planned in the first quarter of 2022

Milestone 6: Detailed external communication to users and other stakeholder is followed by the adaptation of internal IT systems and procedures, which should start by July of the same year.

Milestone 7: The adaptation of internal IT systems and procedures, is planned to be completed by the end of same year.

Milestone 8: Internal testing of necessary changes implemented in IT systems is planned to commence beginning of 2023.

Milestone 9: Internal testing will be followed by external testing of necessary changes implemented in IT systems, which is planned to start by March 2023.

Milestone 10: Completion of internal testing of necessary changes implemented is also planned to be completed by March 2023.

Milestone 11: Final external communication to users and other stakeholders is planned to take place by June 2023.

Milestone 12: Completion of external testing with users and relevant stakeholders of necessary changes implemented is planned according to the timeline set in the Monitoring, by October of 2023.

Milestone 13: Implementation of standards is planned according to the timeline set in the Monitoring, by November of 2023.

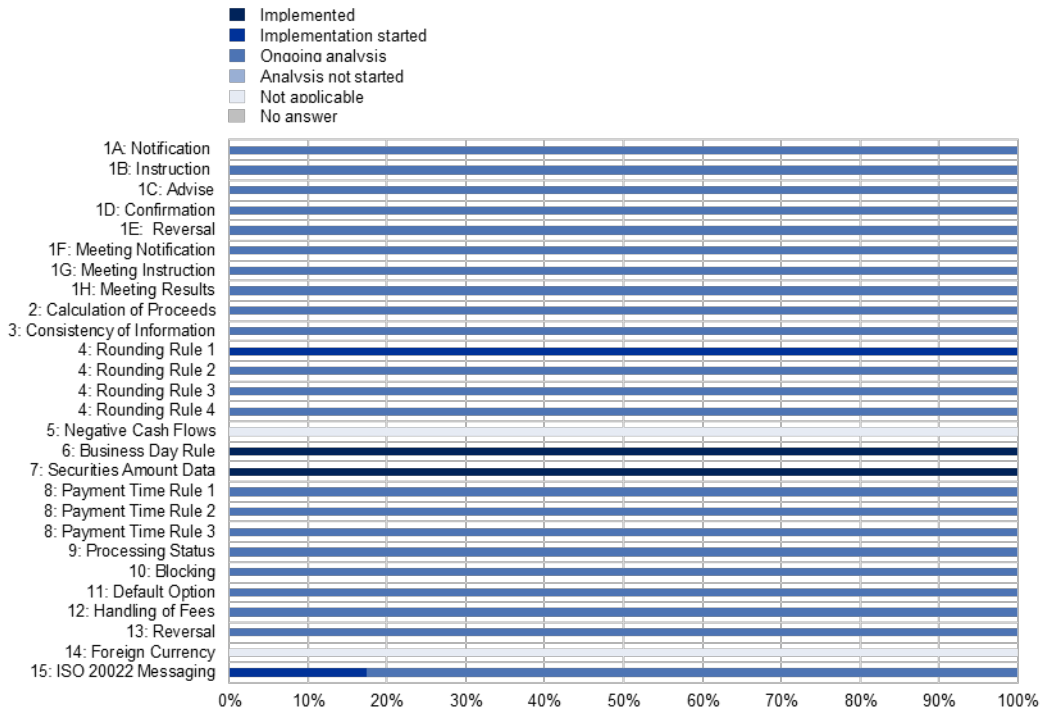
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Implementation status per AMI-SeCo Standard

This section presents the implementation status of each Standard per entity type.

CSD – SKDD

Implementation status per AMI-SeCo Standard

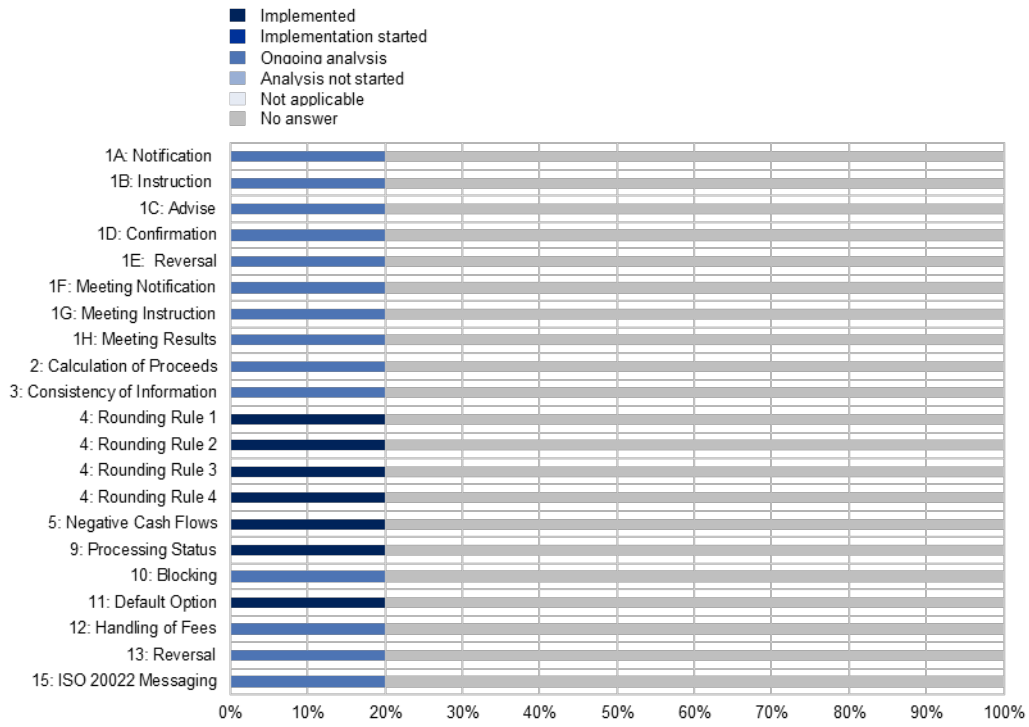


Notes

A plausibility check was performed by the CMH-TF Secretariat.

Custodians

Implementation status per AMI-SeCo Standard

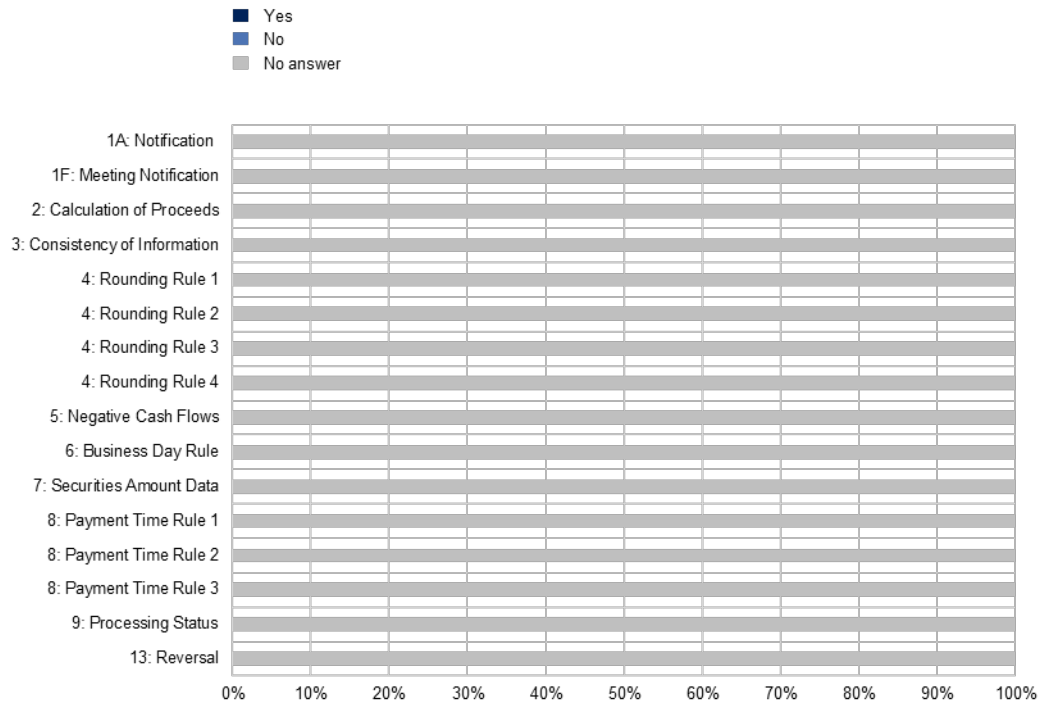


Notes

N/A

Issuers

Fulfilment of obligations per AMI-SeCo Standard



Notes

No replies provided in H1-21.

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Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
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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).