

SCoREBOARD

Triparty Collateral Management – H1 2022

German 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 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 Single Collateral Management Rulebook for Europe.

The Single Collateral Management Rulebook for Europe (SCoRE) contains 17 Standards related to triparty collateral management (published as the [SCoRE Standards for Triparty Collateral Management](#)). Implementation progress is monitored twice per year.

Introduction

This summary report presents the results of the H1 2022 monitoring exercise conducted by the German NSG with the involvement among the following stakeholder:

- 1 TPA – Clearstream Banking Frankfurt

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 takeaway. Section 2 depicts the entity compliance status with the standards. Section 3 provides an overview of the progress against the individual milestones and section 4 focuses on concluding remarks.

1 Key takeaways

Implementation of the Triparty Collateral Management Standards in the German market is on track

The implementation of the Triparty Collateral Management Standards in the German market is on track. Clearstream Banking Frankfurt, as the only reporting entity, responded in complete to the survey. 3 out of 17 standards are already implemented whereas the remaining standards are still being closely analysed by Clearstream TPA.

Figure 1
Summary of the monitoring exercise

SCORE TRIPARTY COLLATERAL MANAGEMENT REPOSITORY FOR EUROPE	Response Rate	Implementation Status	Are all milestones 1 to 6 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 20 November 2023)?
TPA - Clearstream Banking Frankfurt	100%	Implemented 8.33% Analysis started 0% Implementation started 91.6% Analysis not started 0%	No	Yes

TPA – Clearstream Banking Frankfurt

TPA compliant with 3 out of 17 Standards, Remaining TPA Standards are under ongoing development and implementation

The TPA Clearstream Banking Frankfurt is already compliant with 3 out of 17 standards. The remaining Triparty Collateral Managements Standards are currently under ongoing development and implementation.

Clearstream Banking Frankfurt as TPA currently remains on track to meet most implementation milestones. However, Milestones 5, 7 and 9 will not be achieved according to the timeline specified by the AMI-SeCo. Clearstream expects to meet Milestone 5 (Detailed External Communication) by May 2022 and Milestone 7 (SCoRE Adaptation Complete) by May 2023 and Milestone 9 (Internal Testing Complete) by June 2023 instead of December 2022.

CCPs

Eurex Clearing AG CCPs in its role as user of Triparty Collateral Management Services is fully compliant

CCPs are monitored in their role as users of Triparty Collateral Management Services so they are assessed on their ability to communicate with their TPA using ISO 20022 messaging:

Eurex Clearing AG itself will introduce the ISO20022 standard for the triparty collateral management system in November 2023, as previously announced. For this migration, the planning and corresponding preparatory work together with Clearstream Banking is already underway.

NCB

Deutsche Bundesbank will adopt the Single Triparty Model in the context of the ECMS project by November 2023

For NCBs, implementation of the standards is underway in the context of the ECMS project.

Deutsche Bundesbank is on track to implement the SCoRE Standards for Triparty Collateral Management by November 2023.

2 Compliance level with the standards

This section provides an overview of the current status of compliance with the triparty collateral management 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

STANDARD	TPA - Clearstream Banking Frankfurt
1: ISO 20022 messaging	G
2: Initiation	G
3: Increase	G
4: Decrease	G
5: Revaluation	G
6: Cancellation	G
7: Unilateral removal	G
8: Reporting on flows	G
9: Reporting on stocks	G
10: Closure	G
11: Handling of CA	G
12: Partial settlement	B
13: Reference data	G
14: Usage of baskets	B
15: Future dated	B
16: Operating hours	G
17: Cut-off Times Rule 1	G
17: Cut-off Times Rule 2	G
17: Cut-off Times Rule 3	G
17: Cut-off Times Rule 4	G

3 Progress towards the milestones

This section tracks the entity progress in implementing the Standards against set milestones. A series of 13 key milestones were identified by AMI-SeCo to serve as the basis for assessing the progress made by market stakeholders with implementing the standards and for assigning the colour-coded assessment throughout the implementation

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	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)?	20/03/2023
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?	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

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

	TPA - Clearstream Banking Frankfurt
Milestone 1 June 2020	Yes
Milestone 2 March 2021	Yes
Milestone 3 July 2021	Yes
Milestone 4 December 2021	Yes
Milestone 5 December 2021	05/22
Milestone 6 January 2022	Yes
Milestone 7 June 2022	05/23
Milestone 8 July 2022	Yes
Milestone 9 December 2022	06/23
Milestone 10 March 2023	Yes
Milestone 11 April 2023	Yes
Milestone 12 October 2023	Yes
Milestone 13 November 2023	Yes

4 Concluding remarks

Implementation of the Triparty Collateral Management Standards in the German market is on track.

Clearstream Banking Frankfurt currently remains on track to meet most of the implementation milestones. However, Milestones 5, 7 and 9 will not be achieved in accordance to the timeline specified by the AMI-SeCo. Clearstream expects to meet Milestone 5 (Detailed External Communication) by May 2022, Milestone 7 (SCoRE Adaptation Complete) by May 2023 and Milestone 9 (Internal Testing Complete) by June 2023 instead of December 2022.

Clearstream Banking Frankfurt is already compliant with 3 out of 17 standards. The remaining Triparty Collateral Managements Standards are currently under ongoing development and implementation.

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