

# SCoREBOARD

## Billing Processes – H1 2022

Austrian 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. They have been established in the markets covered by the AMI-SeCo in order to support the implementation of the Single Collateral Management Rulebook for Europe (SCoRE).

The Single Collateral Management Rulebook for Europe (SCoRE) 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 H1 2022 monitoring exercise conducted by the Austrian NSG with the involvement among the following stakeholders:

- 1 CSD – OeKB CSD
- 5 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, 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

Timely implementation of ISO20022 considered as the main challenge in the Austrian market

From the Austrian market participants two out of five custodians as well as OeKB CSD responded to the survey during this round.

This section presents the actual situation of the Austrian market regarding the implementation of the SCoRE standards. Austrian banks see and agree on the need for the implementation of the standards but there is a concern as far as the implementation of ISO 20022 is concerned. This implementation is regarded as the main challenge in complying with these standards. The pandemic crisis and the fulfilment of legal obligations take most of the available resources. In particular, the implementation of regulatory requirements (SRD, SFTR, CSDR) bound to close mandatory deadlines are currently the main focus of the Austrian market.

**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>	40%	Implemented 20% Analysis started 20% Implementation started 0% Analysis not started 20% Non applicable standards 13.3% Survey not submitted 26.6%	Average % of the relevant milestones 30%	% of affirmative answers 40%
<b>CSD - Oesterreichische Kontrollbank</b>	100%	Implemented 80% Analysis started 20% Implementation started 0% Analysis not started 0% Non applicable standards 0% Survey not submitted 0%	No	Yes

**CSD – OeKB CSD**

CSD will meet future milestone

OeKB CSD’s implementation plan is on track with milestone 3 (analysis completed) being met.

**Custodians**

Custodian implementation currently not sufficiently clear

While some Standards have already been implemented by Austrian custodians, others are still being internally analysed.

**NCB**

Oesterreichische Nationalbank is committed to promote the adoption of the SCoRE Standards

For the comprehensive adoption of the SCoRE standards for Corporate Actions, Oesterreichische Nationalbank is strongly dependent on the progress of the overall market. Naturally OeNB is committed to take a catalyst function to promote the implementation of these SCoRE standards beyond the first wave.

## 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 - Oesterreichische Kontrollbank
1: ISO 20022 messaging	0%	Y
2: Billing cycles	60%	B
3: Cut-off date		B
4: Dates for payments fees		B

- 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 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 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 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 - Oesterreichische Kontrollbank
Milestone 1 June 2020	60%	Yes
Milestone 2 March 2021	60%	Yes
Milestone 3 July 2021	20%	Yes
Milestone 4 December 2021	20%	Yes
Milestone 5 December 2021	20%	03/22
Milestone 6 January 2022	20%	09/22
Milestone 7 June 2022	20%	11/22
Milestone 8 July 2022	20%	12/22
Milestone 9 December 2022	20%	12/22
Milestone 10 March 2023	20%	Yes
Milestone 11 April 2023	20%	Yes
Milestone 12 October 2023	40%	Yes
Milestone 13 November 2023	40%	Yes

## 4 Concluding remarks

Austrian banks see and agree on the need for the implementation of the standards. There is concern about the timeliness of the implementation date of ISO 20022 which will have a bearing on the overall compliance with the standards.

The pandemic and the implementation of regulatory requirements (SRD, SFTR, CSDR) supported by legal acts and with close mandatory deadlines are crucial and in currently the main focus of the Austrian market participants.

Nevertheless, progress has been made by some Austrian custodians towards the implementation of the harmonisation standards. OeKB CSD's implementation plan is on track further on.

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