

SCoREBOARD

Corporate Actions – H2 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 November 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 15 Standards related to the processing of corporate actions (published as the [SCoRE Standards for Corporate Actions](#)). Implementation progress is monitored twice per year.

Introduction

This summary report presents the results of the H2 2023 monitoring exercise conducted by the Slovak NSG with the involvement of the following stakeholders:

- 1 CSD – CDCP
- 6 Custodians
- 5 Issuers

The findings of the monitoring exercise reflect the Milestones roadmap in place by the time the survey closed (i.e., 13 October 2023) and do not yet consider the AMI-

12 entities are monitored in the Slovak market




SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 8 April 2024 to 18 November 2024. In this monitoring exercise, participants were expected to have achieved all the milestones up to Milestone 11 inclusive “Final external communication on SCoRE” (with a deadline of 22 May 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 for each entity type their compliance status with the standards. Section 3 focuses on the progress against the individual milestones and Section 4 provides concluding remarks.

1 Key takeaways

All entities participated in the H2 2023 monitoring exercise, and thus the response rate of participation increased. We can report that implementations of Corporate Actions standards in the Slovak market is ongoing. We confirm that final implementation date of all standards is planned to be met by majority of participants. CDCP needs to redefine its milestones.

Figure 1
Summary of the monitoring exercise

	 Response Rate	 Implementation Status of the standards	Are all milestones 1 to 11 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	100%	Implemented 29.3% Implementation started 33.2% Analysis started 18.0% Analysis not started 8.88% Non applicable standards 10.3% Replies not submitted 0.07%	Average % of milestones achieved 48%	% of custodians on time 67%
Issuers	80%	Aware of obligations 16.3% Not aware of obligations 63.6% Replies not submitted 20%	NA (milestones irrelevant for issuers)	NA
CSD - CDCP	Survey submitted	Implemented 1.70% Implementation started 25.9% Analysis started 71.4% Analysis not started 0% Non applicable standards 0.85% Replies not submitted 0%	No	12/24

CSD – CDCP

CDCP implementation has started but milestones have to be redefined

CDCP is already compliant with all rules of Standard 7. Implementations of other standards is progressing. The trend of analysis status of remaining standards compared to last reporting period is improved.

The SCoRE CA Standards state that the CA proceeds from the issuer should be transferred via the Account Servicer (CSD) to the Account Owner (collateral taker). Milestones dates of CDCP are redefined as the CSD needs to make this requirement part of its rules and operational procedures.

Custodians

Custodians are expected to meet future milestones

Work on meeting the reporting milestone is ongoing. Implementation of the Standards is progressing. Trend of the implementation status of the standards is getting better that can be confirmed with the following figures. Custodian's compliance status in the Slovak market for reported standards is as follows: About 29,3% of custodians have reported that the standards are already implemented. About 33,2% of custodians have reported that implementation has started. Furthermore, 18,0% reported that analysis is started.

Custodians are aware of their task to process information as communicated by the CDCP and to disseminate this information to clients. It is expected that future milestones and the implementation date November 2024 will be met by at least half of custodians. There are no issues of concern which need to be highlighted. Standards 6, 7, 8, 14 are not deemed relevant for custodians and, therefore, there is no listed percentage for these Standards in Table 1.

Issuers

Issuers' involvement in monitoring remained the same

The percentage of issuers that responded to the survey remained the same, that means that still not all custodians in their position as issuers responded to the survey. Nevertheless, they confirm their awareness of the Standards relevant to issuers. They confirm that they are aware of their task to provide all relevant data to the Issuer CSD.

Standards 10, 12,14 and 15 are not deemed relevant for Issuers and, therefore, there is no listed percentage in Table 1. Standard 1 is only partially applicable to issuers (1A, 1F).

NCB

Národná banka Slovenska is on track to adopt the SCoRE Standards on time

Národná banka Slovenska is on track to implement the SCoRE Standards for Corporate Actions for its collateral management activities by November 2024.

2 Compliance with the standards

This section provides an overview of the current status of compliance with the corporate actions 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 below¹. Custodians and Issuers are too many to represent individually. Thus, the replies of custodians and issuers 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
-

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

Table 1

Compliance level with the standards by each entity type

STANDARD	Custodians	Issuers	CSD - CDCP
1A: Notification	60%	0%	Y
1B: Instruction	72%		Y
1C: Advise	63%		Y
1D: Confirmation	74%		G
1E: Reversal	56%		Y
1F: Meeting Notification	76%	0%	Y
1G: Meeting Instruction	59%		Y
1H: Meeting Results	60%		Y
2: Calculation of Proceeds	76%	0%	Y
3: Consistency of Information	72%	20%	Y
4: Rounding Rule 1	67%	20%	G
4: Rounding Rule 2	67%	20%	G
4: Rounding Rule 3	50%	20%	G
4: Rounding Rule 4	67%	0%	G
4: Rounding Rule 5	67%	20%	G
5: Negative Cash Flows	75%	20%	G
6: Business Day Rule		60%	G
7: Securities Amount Data Rule 1		20%	B
7: Securities Amount Data Rule 2		20%	B
7: Securities Amount Data Rule 3		40%	B
7: Securities Amount Data Rule 4		40%	B
8: Payment Time Rule 1		40%	G
8: Payment Time Rule 2		40%	N/A
8: Payment Time Rule 3		20%	G
8: Payment Time General Principle 3		20%	G
9: Processing Status	67%	0%	G
10: Rule 1	67%		Y
10: Rule 2	50%		Y
10: Rule 3	50%		Y
11: Default Option	67%	20%	Y
12: Handling of Fees	67%		Y
13: Reversal	67%	20%	Y
14: Foreign Currency			N/A
15: ISO 20022 Messaging	67%		Y

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 the percentage of custodians which have implemented the standard or have the standard under development and implementation.
- 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.

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 to achieve compliance and implementation of the standards. The Milestone dates refers to the timeline in place at the moment of survey closing (i.e., 13 October 2023) and do not yet consider the AMI-SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 8 April 2024 to 18 November 2024.

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 H2 2023 monitoring exercise focuses on milestones 1 to 11 given that Milestone 11 “Final external communication on SCoRE” (with a deadline of 22 May 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
Entities' expectation of achieving the milestones at the set dates*

	Custodians	CSD - CDCP
Milestone 1 June 2020	33%	Yes
Milestone 2 March 2021	50%	Yes
Milestone 3 July 2021	50%	11/24
Milestone 4 December 2021	50%	11/24
Milestone 5 December 2021	50%	11/24
Milestone 6 January 2022	50%	11/24
Milestone 7 June 2022	50%	Yes
Milestone 8 July 2022	50%	Yes
Milestone 9 March 2023	50%	07/24
Milestone 10 May 2023	50%	07/24
Milestone 11 May 2023	50%	07/24
Milestone 12 February 2024	50%	12/24
Milestone 13 April 2024	67%	12/24

*CDCP needs to redefine its milestones

4 Concluding remarks

CDCP milestones are on hold, as the CSD needs to make the CA proceeds requirement part of its rules and operational procedures. New milestones dates were set in this reporting period. Implementation of CA related to government bonds is expected till 1.1.2025, rest of CAs will be implemented subsequently gradually without firm deadline.

Regarding custodians, achievement of reported Milestones were increased to 50 % (except Milestone 1) . Reporting from issuers should be increased. Overall, the status of implementation of the standards increased in this monitoring round.

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