

SCoREBOARD

Billing Processes – H1 2023

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 April 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 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 2023 monitoring exercise conducted by the German NSG with the involvement among the following stakeholders:

17 entities are monitored in the German market

- 1 CSD – Clearstream Banking Frankfurt
- 16 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 9 inclusive “Internal testing Complete for SCoRE” (with a deadline of 10 March 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 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.

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Key takeaways

The majority of the reporting entities responded to the survey. This section presents the key findings of the survey for each entity type.

Figure 1
Summary of the monitoring exercise

	 Response Rate	 Implementation Status	Are all milestones 1 to 9 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	81%	Implemented 18.7% Implementation started 8.33% Analysis started 35.4% Analysis not started 0% Non applicable standards 18.7% Replies not submitted 18.7%	Average % of milestones achieved 40%	% of custodians on time 56%
CSD - Clearstream Banking Frankfurt	Survey submitted	Implemented 60% Implementation started 0% Analysis started 40% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	Yes

Implementation of the Billing Processes Standards in the German market is on track

The implementation of the Billing Processes Standards in the German market is on track. Clearstream Banking Frankfurt as CSD has already implemented 3 out of 4 standards. The implementation of the remaining Standard 1 (ISO 20022 Standard messages) is still under analysis. In relation to custodians, most of the respondents have already implemented the relevant standards or implementation is on track.

The majority of implementing actors in the German market are on track to meet the milestones prescribed by the AMI-SeCo.

CSD – Clearstream Banking Frankfurt

CBF as CSD already compliant with 3 out of 4 standards. Remaining standard 1 still under analysis.

The CSD, Clearstream Banking Frankfurt, is already compliant with 3 out of 4 standards. These three standards were already met before the SCoRE standards were formulated.

The remaining Standard 1 (ISO 20022 Standard messages) is currently still under analysis.

TPA – Clearstream Banking Frankfurt

CBF as TPA will be no longer monitored

Clearstream Banking Frankfurt informed that it will cease to be a Triparty Agent as of ECMS Go Live. From this date on Clearstream Banking Luxembourg will apply the harmonised triparty model and act as sole provider of TPA services within Clearstream group. For this reason, Clearstream Banking Frankfurt as TPA will no longer be monitored within this exercise.

Custodians

Most of the custodians are on track with implementing the Billing Processes

The vast majority of the German custodians responded to the survey.

Low compliance is reported for standard 1 (ISO 20022 messaging). Most of the custodians reported that the implementation of the Standard 1 is still under ongoing analysis or the analysis has not started. Some custodians responded that Standard 1 is not applicable for them or not applicable for custodians until Wave 2 (therefore the later status of implementation).

A majority of custodians have reported that they already comply with Standard 2 (Billing Cycles)

Billing Processes standard 3 and 4 are not relevant for custodians.

NCB

Deutsche Bundesbank will adopt the Billing Standards in the context of the ECMS project.

As for NCBs, the implementation of the standards is underway in the context of the ECMS project. The Deutsche Bundesbank is on track to implement the SCoRE Standards for Billing Processes for its collateral management activities by April 2024.

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 - Clearstream Banking Frankfurt
1: ISO 20022 messaging	20%	Y
2: Billing cycles	62%	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 the standard or have the standard 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 8 April 2024 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?	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 H1 2023 monitoring exercise focuses on milestones 1 to 9 given that Milestone 9 “Internal testing Complete for SCoRE” (with a deadline of 10 March 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
Expectation of achieving the milestones at the set dates

	Custodians	CSD - Clearstream Banking Frankfurt
Milestone 1 June 2020	69%	Yes
Milestone 2 March 2021	63%	Yes
Milestone 3 July 2021	31%	Yes
Milestone 4 December 2021	31%	Yes
Milestone 5 December 2021	31%	01/24
Milestone 6 January 2022	31%	01/24
Milestone 7 June 2022	31%	01/24
Milestone 8 July 2022	38%	01/24
Milestone 9 March 2023	38%	01/24
Milestone 10 May 2023	38%	01/24
Milestone 11 May 2023	38%	01/24
Milestone 12 February 2024	50%	01/24
Milestone 13 April 2024	56%	Yes

4 Concluding remarks

Clearstream Banking as a CSD assigned a yellow status to milestone 5 and the following ones. The milestones have been postponed by Clearstream as a draft version 7 of the camt. 077 message has been received in June 2022.

In addition, Clearstream Banking Frankfurt provided the following information:

AMI-SeCo version of DRAFT 7 of the camt.077 message was only received in June 2022. This date was a very long time outside of our planned window for analysis and it has been very hard to find time and resource to complete the analysis. Now that this analysis has progressed, we find we have significant issues with ambiguity of Standard 1, which after clarification is being interpreted differently from our current process, causing very considerable difficulty. As mentioned in previous surveys, owing to the delay in receiving camt.077 definition, there is now a significant risk of non-readiness for this standard (and therefore also for ECMS). The date of 01/24 is only given as the field is compulsory. It remains to be seen whether implementation of the camt.077 is feasible in the time remaining.

Milestone 13 is expected to be met on time.

There is also a mixed picture regarding custodians. Milestones 1 to 2 have been met by 69 and 63%. Milestones 3-7 have been achieved on time by 31% of the custodians. Milestone 12 will be met on time by 50%, while 56% are expected to comply with the last Milestone 13 on April 2024.

Low level of compliance is reported by custodians with Standard 1: ISO 20022 messaging (20%). The vast majority of the reporting custodians have already complied with Standard 2: Billing Cycles (62%).

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