

SCoREBOARD

Corporate Actions – H1 2024

Finnish 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 H1 2024 monitoring exercise conducted by the Finnish NSG with the involvement among the following stakeholders:

9 entities are monitored in the Finnish market

- 1 CSD – Euroclear Finland
- 4 Custodians
- 4 Issuers

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

The Finnish market is behind schedule in some issues, but there are no evident showstoppers for a successful ECMS launch in November 2024

Euroclear Finland would have been technically ready for ECMS launch in April 2024, but after customer consultation, EFi decided to delay the launch of ECMS features to November. All the ECMS features will be included in Infinity’s April 2024 release, but the features will be activated only in November. Euroclear Finland has delivered a schedule for filling the remaining gaps, and the Finnish NSG will follow the situation closely.

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 18 November 2024)?
Custodians	100%	Implemented 56.22% Implementation started 18.65% Analysis started 25% Analysis not started 0.14% Replies not submitted 0% ----- Non applicable standards 17.04%	Average % of milestones achieved 68%	% of custodians on time 50%
Issuers	75%	Aware of obligations 43.94% Not aware of obligations 31.06% Replies not submitted 25%	NA (milestones irrelevant for issuers)	NA
CSD - Euroclear Finland	Survey submitted	Implemented 76.16% Implementation started 2.91% Analysis started 16.86% Analysis not started 4.07% ----- Non applicable standards 26.18%	No	12/27

CSD – Euroclear Finland

Euroclear Finland implementation of the corporate action standard is not fully on schedule

After the successful migration to T2S in September 2023, the remainder of 2023 was used to finalizing and stabilizing of the system. Euroclear Finland’s Infinity roadmap for 2024 focuses on product stabilization, ECMS, Swift and fulfilling SCoRE standards. The outcome of the Future Dividend Model -project (October 2023 – October 2024) may have an effect on the roadmap, as the different potential dividend model outcomes from the project would require different amounts of resources from Euroclear Finland.

Custodians

Custodians are preparing for ECMS launch in November

Finnish custodians reported compliance with several of the Standards. Although there are some gaps, the preparations for ECMS launch in November 2024 are proceeding according to plan. EFi has already started customer testing, and community testing will begin in June. This matter will be closely monitored in 2024.

Issuers

The Finnish NSG's increased cooperation with issuers did not lead to issuers participating in H1 2024 SCoRE monitoring exercise

The Finnish NSG has actively promoted the importance of SCoRE monitoring process to issuers. Although The Advisory Board of Finnish Listed Companies or the issuer companies it represents did not participate the H1 2024 SCoRE monitoring exercise, the listed companies have been actively involved in the Future Dividend Model -project managed by the Finnish NSG in cooperation with Euroclear Finland. The Task Force was not able to finish the project within the targeted schedule in April 2024, and the work will continue in September. The Task Force's aim is to reach a consensus on a CeBM-based dividend model and to deliver a report to the Finnish NSG by the end of October 2024.

NCB

The Bank of Finland adoption of the SCoRE Standards is proceeding

The Bank of Finland implementation of the SCoRE Standards for Corporate Actions for its collateral management activities depends on Euroclear Finland's implementation of the standards.

2

Compliance level 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 2 below. 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

Table 1

Compliance level with the standards by each entity type

STANDARD	Custodians	Issuers	CSD - Euroclear Finland
1A: Notification	75%	25%	Y
1B: Instruction	73%		G
1C: Advise	71%		Y
1D: Confirmation	65%		Y
1E: Reversal	50%		R
1F: Meeting Notification	100%	25%	G
1G: Meeting Instruction	100%		G
1H: Meeting Results	100%		G
2: Calculation of Proceeds	81%	50%	Y
3: Consistency of Information	68%	50%	Y
4: Rounding Rule 1	100%	50%	B
4: Rounding Rule 2	100%	50%	B
4: Rounding Rule 3	100%	50%	B
4: Rounding Rule 4	100%	50%	B
4: Rounding Rule 5	100%	50%	B
5: Negative Cash Flows	100%	25%	B
6: Business Day Rule		75%	B
7: Securities Amount Data Rule 1		75%	B
7: Securities Amount Data Rule 2		75%	B
7: Securities Amount Data Rule 3		75%	B
7: Securities Amount Data Rule 4		75%	B
8: Payment Time Rule 1		50%	B
8: Payment Time Rule 2		75%	B
8: Payment Time Rule 3		50%	B
8: Payment Time General Principle 3		25%	B
9: Processing Status	75%	50%	Y
10: Rule 1	75%		B
10: Rule 2	75%		B
10: Rule 3	50%		B
11: Default Option	100%	75%	B
12: Handling of Fees	50%		N/A
13: Reversal	50%	50%	R
14: Foreign Currency			G
15: ISO 20022 Messaging	65%		Y

Notes:

- 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.
- 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.

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)?	20/09/2024
M13	SCoRE Standards Implemented: have the SCoRE Standards been implemented?	18/11/2024

The current H1 2024 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 - Euroclear Finland
Milestone 1 June 2020	100%	Yes
Milestone 2 March 2021	100%	Yes
Milestone 3 July 2021	100%	Yes
Milestone 4 December 2021	75%	Yes
Milestone 5 December 2021	75%	Yes
Milestone 6 January 2022	50%	12/25
Milestone 7 June 2022	50%	03/26
Milestone 8 July 2022	50%	06/26
Milestone 9 March 2023	50%	09/26
Milestone 10 May 2023	50%	03/27
Milestone 11 May 2023	50%	06/27
Milestone 12 September 2024	50%	09/27
Milestone 13 November 2024	50%	12/27

4 Concluding remarks

There is a delay in implementing the milestones which seems to jeopardise compliance with all the standards by April 2024. Despite the numerous uncertainties related to the milestones, the Finnish market is moving in the right direction.

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