

SCoREBOARD

Billing Processes – H2 2023

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 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 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 H2 2023 monitoring exercise conducted by the Austrian NSG with the involvement among the following stakeholders:

- 1 CSD – OeKB CSD
- 5 Custodians

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-

6 entities are monitored in the Austrian 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 “Internal testing Complete for SCoRE” (with a deadline of 22 May 2023) 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.

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Key takeaways

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

From the Austrian market participants only OeKB CSD responded to the survey.

This section presents the current 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 fulfilment of legal obligations takes most of the available resources. In particular, the implementation of regulatory requirements (SRD, SFTR etc.) bound to close mandatory deadlines are currently the main focus of the Austrian market.

Figure 1
Summary of the monitoring exercise

	 Response Rate	 Implementation Status	Are all milestones 1 to 11 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
Custodians	0%	Implemented 0% Implementation started 0% Analysis started 0% Analysis not started 0% Non applicable standards 0% Replies not submitted 100%	Average % of milestones achieved 0%	% of custodians on time 0%
CSD - OeKB CSD	Survey submitted	Implemented 80% Implementation started 20% Analysis started 0% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	Yes

CSD – OeKB CSD

CSD is set to implement Standards on time.

OeKB CSD plans to meet milestones 4 to 11 by the end of 2024.

Milestones 1 to 3 have been met and OeKB CSD reports that milestone 13, i.e. the successful implementation of SCoRE Standards, will be met in time.

Custodians

No update provided by custodians

This reporting round, no custodians informed about their current status. The results of prior reporting rounds suggest that progress on the milestones differ among Austrian custodians.

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. However, 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 - OeKB CSD
1: ISO 20022 messaging	0%	G
2: Billing cycles	0%	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 % 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 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
Expectation of achieving the milestones at the set dates

	Custodians	CSD - OeKB CSD
Milestone 1 June 2020	0%	Yes
Milestone 2 March 2021	0%	Yes
Milestone 3 July 2021	0%	Yes
Milestone 4 December 2021	0%	10/23
Milestone 5 December 2021	0%	11/23
Milestone 6 January 2022	0%	11/23
Milestone 7 June 2022	0%	01/24
Milestone 8 July 2022	0%	01/24
Milestone 9 March 2023	0%	02/24
Milestone 10 May 2023	0%	02/24
Milestone 11 May 2023	0%	03/24
Milestone 12 February 2024	0%	03/24
Milestone 13 April 2024	0%	Yes

4 Concluding remarks

Austrian banks have a common understanding that a timely implementation of the standards is crucial. However, the reservations about the timeliness of the implementation date of ISO 20022 continue to exist and will have a bearing on the overall compliance with the standards. Particularly, the ISO messaging (standard 1), is regarded as the main challenge for the Austrian market.

The implementation of regulatory requirements (SRD, SFTR etc.) supported by legal acts and with close mandatory deadlines are crucial and in the focus of the Austrian market participants. Therefore, resources for the SCoRE implementation are only available on a limited basis.

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

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