SCoREBOARD

Billing Processes – H2 2024

Spanish 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 **Si**ngle **Co**llateral Management **R**ulebook for **E**urope (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 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 H2 2024 monitoring exercise conducted by the Spanish NSG with the involvement among the following stakeholders:

- 1 CSD – Iberclear

- 15 Custodians

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. The findings of the monitoring exercise reflect the Milestones roadmap in place by the time the survey closed (i.e., 13 September 2024) and do not yet consider the AMI-SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 18 November 2024 to 16 June 2025.

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

CSD Iberclear expects to implement the last milestone 13 on time, and almost half of the custodians expect to do so as well

The majority of the entities participating in the Spanish AMI-SeCo NSG reported their progress under the monitoring framework. The results of the survey in H2 2024 show that implementation of the Billing Processes Standards is confirmed in most of the adaptation plans of the NSG entities. The CSD has already implemented 60 percent of standards, while custodians declared half of applicable standards as implemented.

Figure 1

Summary of the monitoring exercise

SC:RE SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE	Response Rate	Implementation Status	Are all milestones 1 to 11 inclusive achieved?	Will the last milestone 13 be Implemented on time (i.e. by 18 November 2024) ?
Custodians	87%	Implemented 50% Implementation started 3.85% Analysis started 15.38% Analysis not started 7.69% Replies not submitted 23.08% -------- Non applicable standards 42.22%	Average % of milestones achieved 48%	% of custodians on time 47%
CSD - Iberclear	Survey submitted	Implemented 60% Implementation started 40% Analysis started 0% Analysis not started 0% -------- Non applicable standards 0%	**Yes**	**Yes**

CSD - Iberclear

CSD – Iberclear commits to comply with all SCoRE Standards for Billing Processes on time

Iberclear confirms the plan to implement Billing Processes Standards according to the AMI-SeCo agenda. The commitment from the CSD with the plan is reflected with 60 percent of the answers to the questionnaires as already implemented. Accordingly, two of the Billing Processes Standards are already implemented with blue status. For the remaining two, implementation is on schedule, and they are given green status. Overall, the CSD confirms good progress to implement on time the last Milestone 13.

Custodians

Almost half of Spanish AMI-SeCo NSG custodians are expected to implement on time the last milestone 13

All the Spanish AMI-SeCo NSG custodians are included under the monitoring framework. The very high response rate (87%) to the Billing Processes Standards questionnaires confirms the commitment of the Spanish community with the AMI-SeCo agenda. A relatively high percentage of the custodians in the Spanish community, close to 50 percent, confirm their expectations to meet the final milestone taking into consideration the plan agreed in the AMI-SeCo group.

NCB

Banco de España is on track to adopt the SCoRE Standards for Billing Processes

Banco de España is on track to implement the SCoRE Standards for Billing Processes for its collateral management activities in line with the agreed roadmap.

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 - Iberclear
1: ISO 20022 messaging	29%	G
2: Billing cycles	83%	B
3: Cut-off date		B
4: Dates for payments fees		G

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.
   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.

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 H2 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. The findings of the monitoring exercise reflect the Milestones roadmap in place by the time the survey closed (i.e., 13 September 2024) and do not yet consider the AMI-SeCo reflections on the rescheduling of the existing SCoRE Standards implementation deadline from 18 November 2024 to 16 June 2025.

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 - Iberclear
Milestone 1 June 2020	80%	Yes
Milestone 2 March 2021	80%	Yes
Milestone 3 July 2021	53%	Yes
Milestone 4 December 2021	53%	Yes
Milestone 5 December 2021	53%	Yes
Milestone 6 January 2022	40%	Yes
Milestone 7 June 2022	33%	Yes
Milestone 8 July 2022	33%	Yes
Milestone 9 March 2023	33%	Yes
Milestone 10 May 2023	33%	Yes
Milestone 11 May 2023	33%	tbc
Milestone 12 September 2024	40%	Yes
Milestone 13 November 2024	47%	Yes

4　　Concluding remarks

The Spanish community keeps progressing on their adaptations to SCoRE Billing Processes Standards. The CSD Iberclear confirms good progress and their expectation to meet on time the final milestone according to AMI-SeCo agenda. In relation to Spanish custodians' implementation of milestones, close to 50 percent of them expect to accomplish on time the last milestone according to the SCoRE Standards implementation plan.