

# SCoREBOARD

## Billing Processes – H2 2022

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 2023. 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 to support the implementation of the Single Collateral Management Rulebook for Europe.

The Single Collateral Management Rulebook for Europe (SCoRE) 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 2022 monitoring exercise conducted by the Finnish NSG with the involvement among the following stakeholders:

- 1 CSD – Euroclear Finland
- 4 Custodians

5 entities are monitored in the Finnish market

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 8 inclusive “Internal testing Started for SCoRE” (with a deadline of 1 July 2022) 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.

## 1 Key takeaways

The Finnish market is behind schedule overall as a result of the uncertainty surrounding Euroclear Finland’s Adaptation Plan

The preparations of the Finnish market have been impacted by Euroclear Finland’s updated Adaptation Plan as well as its set T2S migration date in September 2023. Given the work on T2S migration as well as difficulties in meeting the billing requirements in a direct holding market, this puts timely compliance with the standards at risk and, thus, the Finnish market can be considered behind schedule overall. The Finnish NSG will follow-up on this matter in view of achieving full clarity as soon as possible.

**Figure 1**  
Summary of the monitoring exercise

 <small>SEMI-CENTRAL MANAGEMENT REGISTRY FOR EUROPE</small>	 <b>Response Rate</b>	 <b>Implementation Status</b>	<b>Are all milestones 1 to 8 inclusive achieved?</b>	<b>Will the last milestone 13 be implemented on time (i.e. by 20 November 2023)?</b>
<b>Custodians</b>	75%	Implemented 25% Implementation started 0% Analysis started 16.6% Analysis not started 16.6% Non applicable standards 41.6% Replies not submitted 0%	Average % of milestones achieved 28%	% of custodians on time 50%
<b>CSD - Euroclear Finland</b>	Survey submitted	Implemented 40% Implementation started 40% Analysis started 20% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	12/29

Euroclear Finland implementation of the Billing standard is not on schedule

## CSD - Euroclear Finland

Euroclear Finland has reported that the roadmap for joining T2S in September 2023 is the current priority for the Finnish market. All other priorities are being analysed in relation to the T2S roadmap and it is not expected that all compliance issues will be resolved by the November 2023 deadline. Euroclear Finland has stressed that the camt.077 requirement for an account owner to receive the billing information at account level is a major obstacle given the more than two million securities accounts.<sup>1</sup>

Internal analysis has been launched and discussions with participants is planned in 2024 (so post Finland migration to T2S in September 2023) in order to agree upon Finnish market's approach.

## Custodians

Custodians may be impacted by Euroclear Finland's replanning exercise

Given that the Adaptation Plan was updated in March 2022 and that Euroclear Finland's T2S migration date is set to November 2023 custodians are still in the process of adapting to the new timelines. Hence, the lower-than-expected implementation rate. This matter will be closely monitored.

Billing standards 3 and 4 are irrelevant for custodians.

## NCB

The Bank of Finland's implementation of the SCoRE Standards for Billing Processes for its collateral management activities as of the go-live of the ECMS is dependent on Euroclear Finland's ability to implement SCoRE-compliant billing for the ECMS purposes by November 2023.

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<sup>1</sup> Euroclear Finland has indicated that it may be able to implement certain SCoRE aspects related to account-level billing for the ECMS purposes on schedule.

## 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 - Euroclear Finland
1: ISO 20022 messaging	0%	Y
2: Billing cycles	75%	B
3: Cut-off date		B
4: Dates for payments fees		G

**Notes:**

- Billing 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 standards / standards being 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 20 November 2023 to achieve compliance and implementation of the standards.

**Table 2**  
Milestones identified by AMI-SeCo

Milestone	Description	Date
M1	<b>Analysis Started:</b> 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	<b>Initial Communication:</b> Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?	01/03/2021
M3	<b>Analysis Completed:</b> Have you completed an in-depth analysis of all applicable SCoRE Standards?	31/07/2021
M4	<b>Documentation Completed:</b> 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	<b>Detailed External Communication:</b> 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	<b>SCoRE Adaptation Started:</b> Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE Standards?	01/01/2022
M7	<b>SCoRE Adaptation Complete:</b> Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE Standards?	30/06/2022
M8	<b>Internal Testing Started for SCoRE:</b> 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	<b>Internal Testing Complete for SCoRE:</b> Have you completed the necessary internal testing?	02/12/2022
M10	<b>External Testing Started for SCoRE:</b> 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)?	20/03/2023
M11	<b>Final External Communication on SCoRE:</b> 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?	01/04/2023
M12	<b>External Testing Completed for SCoRE:</b> 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)?	13/10/2023
M13	<b>SCoRE Standards Implemented:</b> have the SCoRE Standards been implemented?	20/11/2023

The current H2 2022 monitoring exercise focuses on milestones 1 to 8 given that Milestone 8 inclusive “Internal testing Started for SCoRE” (with a deadline of 1 July 2022) 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 - Euroclear Finland
Milestone 1 June 2020	50%	Yes
Milestone 2 March 2021	25%	Yes
Milestone 3 July 2021	25%	12/29
Milestone 4 December 2021	25%	12/29
Milestone 5 December 2021	25%	12/29
Milestone 6 January 2022	25%	12/29
Milestone 7 June 2022	25%	12/29
Milestone 8 July 2022	25%	12/29
Milestone 9 December 2022	25%	12/29
Milestone 10 March 2023	25%	12/29
Milestone 11 April 2023	25%	12/29
Milestone 12 October 2023	50%	12/29
Milestone 13 November 2023	50%	12/29

## 4 Concluding remarks

Euroclear Finland reported challenges in achieving full compliance in accordance with the timeline agreed by the AMI-SeCo. They reported that they will not be able to fully implement billing processes with 20022 messages by November 2023. Due to camt.077 requirement for account owner receiving the billing information at account level, Euroclear Finland is not on track to meet implementation by November 2023. Instead, the current invoicing processes and payment deadlines shall be met.

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