

SCoREBOARD

Corporate Actions – H2 2021






Danish NSG

The Single Collateral Management Rulebook for Europe (SCoRE) 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. This summary report presents the results of the H2 2021 monitoring exercise conducted by the Danish NSG with the involvement of the following stakeholders:

- 1 CSD – VP Securities
- 4 Custodians
- 4 Issuers

9 entities are monitored in the Danish market

The SCoRE Overview provides a high-level summary of the H2 21 monitoring exercise.

 <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small>	 Response Rate	 Implementation Status	 Milestone achieved?	 Implemented on Time?
Custodians	100%	Implemented 39.9% Analysis started 30.1% Implementation started 2.09%	50%	100%
Issuers	100%	Yes 34.1% No 65.8%	n/a	n/a
CSD - VP Securities	100%	Implemented 18.6% Analysis started 17.7% Implementation started 0.42%	No	Yes

Note: Implemented on Time reflects the entity's expected ability to achieve the final milestone on time.

This NSG summary report is structured as follows: The Executive Summary provides an overview of the responses received per Entity Type i.e. CSD, TPA, Custodian etc. Section 1 presents the compliance status of each entity type. Section 2 provides an overview of the progress against the individual milestones. Section 3 then provides a more detailed overview of the implementation status per Standard for each entity type.

Executive Summary

The majority of the reporting entities responded to the survey. VP Securities and the Danish market participants have previously concluded an initial gap analysis and are on this basis undertaking a market wide detailed analysis of the required adaptation.

Impact assessment and detailed analyses are ongoing

CSD – VP Securities

VP Securities are currently compliant with a number of the Standards. The majority have already been implemented, and the remaining standards are pending further detailed analyses and design prior to implementation and release planning. VP Securities offers corporate actions messaging in ISO20022 format for many of the events covered by the Standards. An impact assessment and detailed analyses have been initiated aiming at confirming events and required data elements, plus identifying potential events requiring changes to e.g. current market practises and/or regulatory requirements. The results and assumptions are being discussed together with custodians and issuers/issuing agents.

VP Securities is committed to be fully compliant by November 2023

Custodians

To facilitate both an appropriate and an adequate initial impact assessment of the Standards vis-à-vis the Danish custodians, and market participants in general, the Danish National Stakeholder Group (DK NSG) established in 2019 a national task force mandated to advice the DK NSG on the impact of the endorsed Standards, and propose adaption plan(s). The Danish market participants actively participate in this work, which have concluded in an initial impact assessment, indicating a particular focus on automated processes for reversals and ISO20022 communication. The majority of Custodians have initiated internal analyses of the Standards.

Custodians participate in detailed analyses and impact assessments organised by the Danish NSG

Issuers

Among the Danish issuers, the Danish mortgage credit institutes have participated in the present monitoring survey. The responses of the custodians outlined above reflects the compliance status in their capacity as issuer agents, and by extension the issuers.

Mortgage Credit Issuers confirm awareness of obligation

SCoREBOARD

This section presents the overall compliance status in the market. CSDs and TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in Box 1¹. Custodians and Issuers are monitored on an aggregated basis and assigned a percentage compliance status.

Box 1

SCoREBOARD – Implementation Phase



SINGLE COLLATERAL MANAGEMENT RULEBOOK
FOR EUROPE

- 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

For custodians and issuers, progress is monitored and reported as a percentage; for example the % of custodians in a given market who have started internal adaptation of IT systems.

¹ For further details please refer to the [AMI-SeCo Monitoring Framework](#)

Table A
SCoREBOARD

STANDARD	Custodians	Issuers	CSD - VP Securities
1A: Notification	100%	25%	Y
1B: Instruction	100%		G
1C: Advise	95%		Y
1D: Confirmation	89%		Y
1E: Reversal	75%		Y
1F: Meeting Notification	67%	15%	N/A
1G: Meeting Instruction	75%		N/A
1H: Meeting Results	50%		N/A
2: Calculation of Proceeds	77%	25%	Y
3: Consistency of Information	72%	25%	Y
4: Rounding Rule 1	100%	25%	B
4: Rounding Rule 2	100%	0%	B
4: Rounding Rule 3	100%	25%	B
4: Rounding Rule 4	100%	0%	Y
4: Rounding Rule 5	75%	0%	Y
5: Negative Cash Flows	100%	0%	Y
6: Business Day Rule		100%	B
7: Securities Amount Data Rule 1		100%	B
7: Securities Amount Data Rule 2		75%	Y
7: Securities Amount Data Rule 3		75%	B
7: Securities Amount Data Rule 4		75%	B
8: Payment Time Rule 1		75%	B
8: Payment Time Rule 2		75%	B
8: Payment Time General Principle 3		25%	B
9: Processing Status	100%	25%	Y
10: Blocking Rule 1	50%		N/A
10: Blocking Rule 2	50%		N/A
10: Blocking Rule 3	50%		N/A
10: Blocking Rule 4	100%		N/A
10: Blocking Rule 5	50%		N/A
11: Default Option	75%	75%	N/A
12: Handling of Fees	50%		N/A
13: Reversal	75%	0%	Y
14: Foreign Currency			B
15: ISO 20022 Messaging	49%		Y

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.
- 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 that the standard has either already been implemented, or that implementation is on track i.e. at a minimum that analysis has already started or that implementation has started per Standard.
- 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.
- A plausibility check was performed by the CMH-TF Secretariat.

2 Milestones

This section tracks an entity's progress in implementing the Standards on an ongoing basis. 13 milestones have been defined as listed in the box below.

Box 2

SCoRE Milestones

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?	02/12/2022
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)?	05/12/2022
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?	01/04/2023
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)?	13/10/2023
M13	SCoRE Standards Implemented: have the SCoRE Standards been implemented?	20/11/2023

Notes: N/A

Milestones expected to be achieved in the current reporting period are highlighted in blue in the header of Table B below. The blue colour-code is then assigned to those milestones which have been successfully achieved to date for each respective entity. Milestones which will only be achieved later are assigned a yellow status, while milestones which will only be achieved with significant delays / where work has not yet commenced are marked in red.

For the remaining milestones (i.e. milestones due to be achieved only after the current reporting cycle) the colour-code indicates an entity's expected ability to achieve a future milestone on time. The expected date of achievement is also indicated in the table if it is different to the milestone date defined by AMI-SeCo.

Table B
Milestones

	Custodians	CSD - VP Securities
Milestone 1 June 2020	75%	01/21
Milestone 2 March 2021	75%	Yes
Milestone 3 July 2021	50%	01/22
Milestone 4 December 2021	50%	02/22
Milestone 5 December 2021	50%	03/22
Milestone 6 January 2022	75%	02/22
Milestone 7 June 2022	50%	Yes
Milestone 8 July 2022	75%	Yes
Milestone 9 December 2022	100%	03/23
Milestone 10 December 2022	100%	03/23
Milestone 11 April 2023	100%	Yes
Milestone 12 October 2023	100%	Yes
Milestone 13 November 2023	100%	Yes

Notes: Actors were asked to report for all milestones, i.e. whether they meet the current milestone (1) and whether they expect to meet the dates for future milestones.

Summary

The Danish market are currently undertaking a marketwise detailed impact analysis of the identified gaps.

VP Securities provided the following additional information on milestone planning:

Milestone 1: Analyses has started.

Milestone 2: Analyses has started and are expected to be finalised Q3 2021.

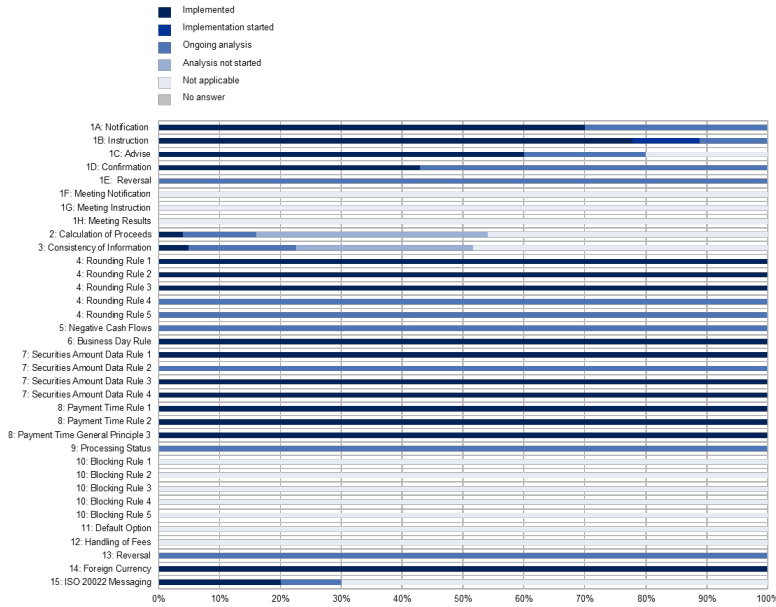
3

Implementation status per SCoRE Standard

This section presents the implementation status of each Standard per entity type.

CSD – VP Securities

Implementation status per SCoRE Standard

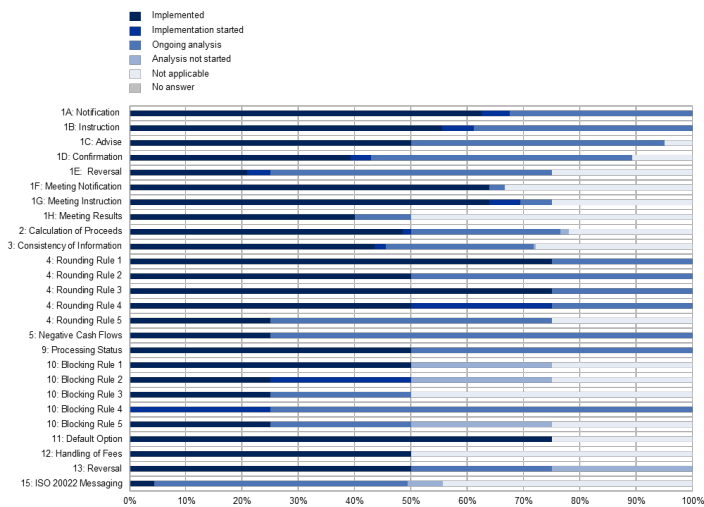


Notes

A plausibility check was performed by the CMH-TF Secretariat.

Custodians

Implementation status per SCoRE Standard

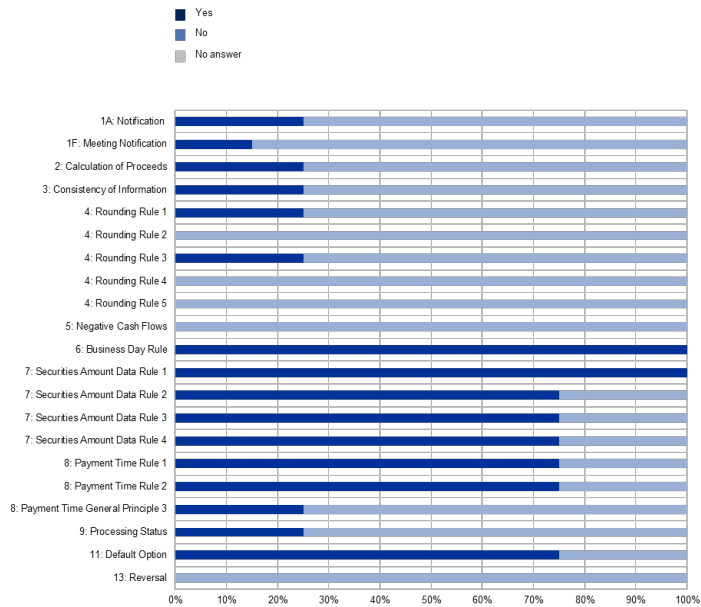


Notes

N/A

Issuers

Fulfilment of obligations per SCoRE Standard



Notes

N/A

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Postal address 60640 Frankfurt am Main, Germany

Telephone +49 69 1344 0

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The cut-off date for the data included in this report was 17 November 2021.

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