

SCoREBOARD

Corporate Actions – H1 2024

Slovenian 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 Slovenian NSG with the involvement of the following stakeholders:

6 entities are monitored in the Slovenian market

- 1 CSD – KDD
- 4 Custodians
- 1 Issuer

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.



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Key takeaways

Implementation of the Standards related to the processing of corporate actions in the Slovenian market is progressing steadily.

All reporting entities responded to the survey. All custodians expect to implement Standards related to the processing of corporate actions by November 2024. KDD (the Slovenian CSD), which is the entity responsible for timely implementation of Standards in the Slovenian market, is expected to implement Standards by November 2024. All four monitored custodians reported some progress on implementation of the Standards, while the monitored issuer already complies with majority of relevant Standards.

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 10.03% Implementation started 51.88% Analysis started 37.97% Analysis not started 0.11% Replies not submitted 0% ----- Non applicable standards 1.68%	Average % of milestones achieved 30%	% of custodians on time 100%
Issuers	100%	Aware of obligations 81.82% Not aware of obligations 18.18% Replies not submitted 0%	NA (milestones irrelevant for issuers)	NA
CSD - KDD	Survey submitted	Implemented 26.29% Implementation started 48% Analysis started 25.71% Analysis not started 0% ----- Non applicable standards 24.89%	No	Yes

CSD – KDD

KDD has already implemented 7 out of 15 Standards related to the processing of corporate actions and expects to meet implementation date.

KDD has already implemented 7 out of 15 Standards related to the processing of corporate actions (Standards 2, 6, 7, 8, 9, 10, 11), while the implementation of other Standards is ongoing (with exception of Standards 5, 12 and 14 – which are not applicable in their entirety for KDD), but influenced by work on other urgent projects at KDD. KDD remains committed to meet the new implementation date.

Custodians

With expected increase in implementation efforts of KDD in the second half of 2024, Slovenian custodians, which largely rely on KDD in this regard, are also expected to follow KDD's lead and meet the implementation date of Standards related to the processing of corporate actions.

Slovenian custodians have already implemented 10.03% of Standards related to the processing of corporate actions, 51.88% of Standards are being implemented and 37.97% of Standards are being analysed. The analysis has not yet started only for 0.11% of Standards, while a small share (1.68%) of Standards are not applicable to them. Although Slovenian custodians reported a small progress in the implementation of Standards in H1 2024, they still predominantly remain in a phase of analysing the adaptations needed. Their dependence on activities of KDD was also observed. With KDD expected to increase its implementation efforts in the second half of 2024, it is also envisaged the custodians will follow KDD's pace and implement Standards by November 2024.

Issuer

The monitored issuer is on track to comply with SCoRE Standards.

No obstacles were discovered that would prevent the monitored issuer to meet requirements of SCoRE Standards related to the processing of corporate actions.

NCB

Banka Slovenije is on track to adopt the SCoRE Standards by November 2024.

Banka Slovenije is on track to implement the SCoRE Standards related to the processing of corporate actions for its collateral management activities by November 2024.

2 Compliance 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 - KDD
1A: Notification	75%	100%	G
1B: Instruction	74%		G
1C: Advise	74%		G
1D: Confirmation	74%		G
1E: Reversal	71%		G
1F: Meeting Notification	51%	100%	Y
1G: Meeting Instruction	50%		Y
1H: Meeting Results	50%		Y
2: Calculation of Proceeds	75%	100%	B
3: Consistency of Information	50%	100%	Y
4: Rounding Rule 1	75%	100%	G
4: Rounding Rule 2	75%	100%	G
4: Rounding Rule 3	75%	100%	G
4: Rounding Rule 4	67%	100%	G
4: Rounding Rule 5	75%	100%	G
5: Negative Cash Flows	0%	100%	N/A
6: Business Day Rule		100%	B
7: Securities Amount Data Rule 1		100%	B
7: Securities Amount Data Rule 2		0%	N/A
7: Securities Amount Data Rule 3		0%	B
7: Securities Amount Data Rule 4		0%	B
8: Payment Time Rule 1		0%	B
8: Payment Time Rule 2		0%	N/A
8: Payment Time Rule 3		100%	B
8: Payment Time General Principle 3		100%	B
9: Processing Status	67%	100%	B
10: Rule 1	50%		B
10: Rule 2	33%		B
10: Rule 3	33%		B
11: Default Option	75%	100%	B
12: Handling of Fees	0%		N/A
13: Reversal	67%	100%	Y
14: Foreign Currency			N/A
15: ISO 20022 Messaging	61%		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 - KDD
Milestone 1 June 2020	75%	Yes
Milestone 2 March 2021	50%	Yes
Milestone 3 July 2021	25%	Yes
Milestone 4 December 2021	0%	06/24
Milestone 5 December 2021	25%	06/24
Milestone 6 January 2022	25%	Yes
Milestone 7 June 2022	25%	06/24
Milestone 8 July 2022	25%	Yes
Milestone 9 March 2023	25%	06/24
Milestone 10 May 2023	25%	Yes
Milestone 11 May 2023	25%	Yes
Milestone 12 September 2024	100%	Yes
Milestone 13 November 2024	100%	Yes

4 Concluding remarks

Minor delays in meeting the milestones have been observed in the Slovenian market. Nonetheless, KDD and Slovenian custodians are expected to meet the final implementation date for Standards related to billing processes.

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