

# **SCOREBOARD**

# Corporate Actions - H1 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 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 Spanish NSG with the involvement among the following stakeholders:

18 entities are monitored in the Spanish market

- 1 CSD Iberclear
- 15 Custodians
- 2 Issuers

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.

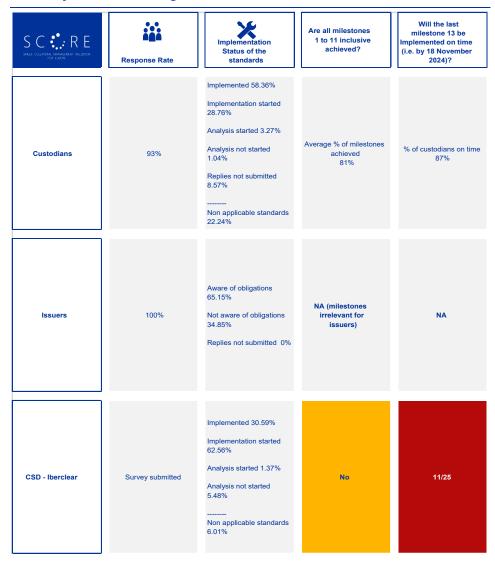
Section 1 presents the key takeaways per entity type i.e., CSD, TPA, Custodian etc. Section 2 depicts for each entity type their compliance status with the standards. Section 3 focuses on the progress against the individual milestones and Section 4 provides concluding remarks.

## 1 Key takeaways

The implementation of the Corporate Action Standards is on track and it has beenwas included in the adaptation plans of the AMI-SeCo España entities

The majority of the entities participating in the Spanish AMI-SeCo NSG reported their progress under the monitoring framework. The implementation of the Corporate Action Standards is on track, and it was included in the adaptation plans of the NSG entities. The results of the survey in H1 2024 show that CSD Iberclear has already implemented 30 percent of the applicable standards, while 62 percent of the remaining applicable standards are under implementation. With regard to Spanish custodians, close to 90 percent are expected to implement the last milestone 13 on time.

Figure 1
Summary of the monitoring exercise



CSD – Iberclear has already implemented 30 percent of the applicable standards, while 62 percent of the applicable standards

remain under implementation.

### CSD - Iberclear

The SCoREBOARD for Iberclear maintains good progress on implementation and development. The CSD has already implemented 30 percent of the applicable standards, while 62 percent of the applicable standards remain under implementation. CSD Iberclear will not be fully compliant with some standards in November 2024. However, the remaining standards are related to events that are either not deemed relevant for fixed income or not used in the domestic market. Iberclear has communicated that they have an internal plan to comply with the remaining standards by the end of 2025.

#### **Custodians**

Close to 90 percent of Spanish custodians are expected to implement last milestone 13 on time

All the Spanish AMI-SeCo NSG custodians are included under the monitoring framework. Compliance with the standards is reflected with 87 percent of the standards that are applicable either already implemented or under implementation. In relation to the remaining applicable standards, only 1 percent of the answers indicate that analysis has not started. With reference to the milestones achieved, there has been a notable increase of 11 additional basis points, with an average milestone completion rate of 81 percent until Milestone 11. Last milestone is expected to be completed on time by 87 percent of Spanish custodians.

#### **Issuers**

Issuers in the Spanish market confirm awareness and commitment with the AMI-SeCo agenda

The involvement among the issuers in the monitoring exercise is maintained at a maximum level, with a 100 percent response rate. Issuers represented through the Spanish Issuers Association and the Debt Management Office have reported along the subsequent monitoring surveys a high degree of awareness of AMI-SeCo standards and their implications.

#### **NCB**

Banco de España is on track to adopt the SCoRE Standards for Corporate Actions

Banco de España is on track to implement the SCoRE Standards for Corporate Actions 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 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 - Iberclear
1A: Notification	91%	92%	G
1B: Instruction	92%		G
1C: Advise	92%		G
1D: Confirmation	92%		G
1E: Reversal	92%		Y
1F: Meeting Notification	92%	0%	G
1G: Meeting Instruction	92%		G
1H: Meeting Results	92%		G
2: Calculation of Proceeds	91%	50%	G
3: Consistency of Information	91%	50%	G
4: Rounding Rule 1	93%	100%	В
4: Rounding Rule 2	93%	100%	G
4: Rounding Rule 3	93%	100%	G
4: Rounding Rule 4	93%	100%	G
4: Rounding Rule 5	93%	100%	В
5: Negative Cash Flows	92%	50%	В
6: Business Day Rule		100%	G
7: Securities Amount Data Rule 1		100%	В
7: Securities Amount Data Rule 2		50%	В
7: Securities Amount Data Rule 3		50%	В
7: Securities Amount Data Rule 4		50%	N/A
8: Payment Time Rule 1		100%	G
8: Payment Time Rule 2		50%	N/A
8: Payment Time Rule 3		100%	G
8: Payment Time General Principle 3		100%	В
9: Processing Status	92%	50%	G
10: Rule 1	92%		В
10: Rule 2	91%		В
10: Rule 3	89%		G
11: Default Option	92%	100%	В
12: Handling of Fees	92%		G
13: Reversal	92%	0%	Υ
14: Foreign Currency			Y
15: ISO 20022 Messaging	59%		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.

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

Description	Date
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
<b>Initial Communication:</b> Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?	01/03/2021
Analysis Completed: Have you completed an in-depth analysis of all applicable SCoRE Standards?	31/07/2021
<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
<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
SCORE Adaptation Started: Have you started to adapt/develop the processes and procedures in order to comply with the SCORE Standards?	01/01/2022
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
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
Internal Testing Complete for SCoRE: Have you completed the necessary internal testing?	10/03/2023
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
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
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
SCoRE Standards Implemented: have the SCoRE Standards been implemented?	18/11/2024
	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?  Initial Communication: Has initial high-level communication with external stakeholders on the changes introduced by SCoRE commenced?  Analysis Completed: Have you completed an in-depth analysis of all applicable SCoRE Standards?  Documentation Completed: Have you documented all the internal processes and procedures which need to be adapted in order to comply with the SCoRE Standards?  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?  SCORE Adaptation Started: Have you started to adapt/develop the processes and procedures in order to comply with the SCoRE Standards?  SCORE Adaptation Complete: Have you completed the necessary adaptations/developments for the processes and procedures in order to comply with the SCoRE Standards?  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?  Internal Testing Complete for SCORE: Have you completed the necessary internal testing?  External Testing Started for SCORE: Are you in a position to test the changes introduced in order to comply with the SCORE Standards?  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?  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 partic

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 - Iberclear
	Milestone 1 June 2020	87%	Yes
	Milestone 2 March 2021	93%	Yes
	Milestone 3 July 2021	80%	Yes
ı	Milestone 4 December 2021	80%	Yes
	Milestone 5 December 2021	87%	Yes
	Milestone 6 January 2022	87%	Yes
	Milestone 7 June 2022	80%	Yes
	Milestone 8 July 2022	87%	Yes
	Milestone 9 March 2023	53%	10/24
	Milestone 10 May 2023	80%	Yes
	Milestone 11 May 2023	73%	04/24
S	Milestone 12 eptember 2024	73%	10/24
1	Milestone 13 November 2024	87%	11/25

# 4 Concluding remarks

The Spanish community has reported good progress on the implementation of CA Standards. Although CSD Iberclear will not be fully compliant with some standards in November 2024, the remaining standards are related to events that are either not deemed relevant for fixed income or not used in the domestic market. Iberclear has stablished an internal plan to comply with the remaining standards by the end of 2025. As a consequence, Milestones 9 and 11, referring to internal testing and external communication, were impacted with delays and the expectation to fully meet Milestone 13 moved to November 2025. In the case of Spanish custodians, 87 percent are expected to complete on time last Milestone 13.

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Postal address 60640 Frankfurt am Main, Germany

Telephone +49 69 1344 0 Website www.ecb.europa.eu

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