

SCoREBOARD

Billing Processes – H1 2022

Dutch 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 SCoRE.

The 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 H1 2022 monitoring exercise of the Dutch NSG commissioned by the AMI-SeCo with involvement among the following stakeholders:

- 1 CSD – Euroclear Nederland
- 6 Custodians

7 entities are monitored in the Dutch 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 6 inclusive 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

Implementation of the Billing Processes Standards in the Dutch market is on track

The vast majority of the entities monitored in the Netherlands (members of the AMI-SeCo NL NSG) responded to the survey.

Figure 1
Summary of the monitoring exercise

SCORE SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE	 Response Rate	 Implementation Status	Are all milestones 1 to 6 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 20 November 2023)?
Custodians	67%	Implemented 30.7% Analysis started 38.4% Implementation started 0% Analysis not started 0%	28%	50%
CSD - Euroclear Nederland	100%	Implemented 50% Analysis started 50% Implementation started 0% Analysis not started 0%	No	Yes

ENL has fully implemented 2 of the 4 Billing Processes Standards

CSD - Euroclear Nederland

Implementation of the standards relating to billing processes has started. Euroclear Nederland has implemented two of the four billing standards (Standard 2: Billing cycles and Standard 3: Cut-off date). Euroclear Nederland has also started the analysis for implementation of Standards 1: ISO20022 messaging and Standard 4: Dates for payment fees.

ENL has reported that it expects to comply with all standards by November 2023.

Custodians

Custodians are on track with implementing the Billing Processes Standards

Most custodians indicate that they have started the analysis on the implementation of Standard 1: ISO20022 messaging. A majority of custodians have reported that they have fully implemented Standard 2: Billing cycles.

Custodians that responded during this monitoring exercise are aware of the importance of commencing the process of analysing the consequences of the SCoRE Standards for their IT systems. The majority of respondents are on track with regard to Standards 1 and 2 of the rulebook.

NCB

De Nederlandsche Bank is on track to adopt the SCoRE Standards in November 2023.

De Nederlandsche Bank is on track to implement the SCoRE Standards for billing processes for its collateral management activities by November 2023.

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. Standards 3 and 4 are irrelevant for custodians

STANDARD	Custodians	CSD - Euroclear Nederland
1: ISO 20022 messaging	0%	Y
2: Billing cycles	67%	B
3: Cut-off date		B
4: Dates for payments fees		Y

- 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.
- 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.

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	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)?	20/03/2023
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?	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

The current H1 2022 monitoring exercise focuses on milestones 1 to 6 given that milestone 6 (with a deadline of 1 January 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 Nederland
Milestone 1 June 2020	33%	05/22
Milestone 2 March 2021	50%	12/22
Milestone 3 July 2021	17%	12/22
Milestone 4 December 2021	33%	12/22
Milestone 5 December 2021	17%	12/22
Milestone 6 January 2022	17%	05/22
Milestone 7 June 2022	17%	12/22
Milestone 8 July 2022	17%	09/22
Milestone 9 December 2022	33%	02/23
Milestone 10 March 2023	33%	Yes
Milestone 11 April 2023	33%	Yes
Milestone 12 October 2023	50%	Yes
Milestone 13 November 2023	50%	Yes

Euroclear Nederland has implemented two of the four billing standards (Standard 2: Billing cycles and Standard 3: Cut-off date). Euroclear Nederland has started the analysis to implement Standards 1: ISO 20022 messaging and Standard 4: Dates for payment fees. The CSD has reported that it expects to fully meet the final implementation date of November 2023.

So far, a low level of compliance is reported by custodians with the SCoRE standards, with the exception of Standard 2: Billing cycles which the vast majority of reporting entities have already complied with. Furthermore, custodians have reported that in-depth analysis has commenced for Standard 1.

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