



EUROPEAN CENTRAL BANK
EUROSYSTEM

Billing Processes

Advisory Group on Market Infrastructures for
Securities and Collateral

Single Collateral Management Rulebook for Europe

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Executive summary

The Eurosystem's Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) includes representatives from financial market stakeholders and the Eurosystem.

It facilitates an active dialogue with market participants and financial market infrastructures. It does so with a view to fostering financial market integration in the field of securities and collateral management, and also in order to provide advice on market infrastructures managed by the Eurosystem and related projects.

In 2018 the AMI-SeCo agreed on a series of harmonisation proposals for the handling of billing processes related to the management of securities and collateral, based on the usage of ISO 20022 messaging.

In 2019, as part of its work on the definition of a Single Collateral Management Rulebook for Europe (SCoRE), SCoRE Standards for the handling of billing processes were then developed by the AMI-SeCo's Collateral Management Harmonisation Task Force (CMH-TF) in order to address the harmonisation needs identified by the AMI-SeCo in 2017. The SCoRE Billing Processes Standards take into account market feedback received during the consultation conducted with the AMI-SeCo National Stakeholder Groups and other relevant bodies.

The SCoRE Billing Processes Standards support the management of invoices relating to securities and collateral held with multiple central securities depositories (CSDs).

They are intended to support the automation of billing processes through the inclusion of a minimum set of information in fee invoices. This information is to be communicated via harmonised ISO 20022 messages in accordance with a standard billing period/frequency. The SCoRE Billing Processes Standards are addressed primarily to account servicers. Accordingly, account servicers should have the capability to send a harmonised ISO 20022 invoice to their clients according to the Standards (regardless of whether it relates to a debt or an equity instrument, or a security held as collateral). The SCoRE Billing Processes Standards identify the required data elements to be communicated in the ISO 20022-compliant billing message.

Financial market stakeholders covered by the SCoRE Billing Processes Standards are international CSDs ((I)CSDs), triparty agents (TPAs), custodians, Eurosystem central banks and users. As explained in Section 2 of this document, the relevant actors who are to adopt the Standards may differ for each Standard, e.g. some Standards are relevant only to (I)CSDs.

This document is structured as follows. Section 1 provides a high-level overview of billing processes in the context of the management of securities and collateral. It includes background information on the harmonisation needs identified by the AMI-SeCo in 2017. It also explains the general methodology and approach followed by the CMH-TF in the harmonisation of collateral management processes. Section 2 then sets out the SCoRE Billing Processes Standards. Section 3 describes the applicable business processes and workflows necessary to support the

implementation of the SCoRE Billing Processes Standards and provides an overview of the billing lifecycle and message structure. Annex 1 provides background information. Annex 2 presents the list of harmonisation needs originally identified by the AMI-SeCo. Annex 3 provides a list of the data elements included in the existing ISO 20022 billing messages.

Terminology

Term	Explanation
Account servicer	Party that manages the account on behalf of the account owner (i.e. it manages the registration and booking of entries on the account, calculates balances on the account and provides information about the account). Account servicers include triparty agents, (international) central securities depositories ((I)CSDs) and custodians.
Account owner	Party that legally holds the account or the party in a contractual relationship with the account servicer.
AMI-SeCo markets	Financial markets and relevant financial market stakeholders active in the European Union, the United Kingdom and Switzerland.
Business processes	A collection of related, structured activities carried out in a specific sequence for the purpose of producing or using a service. Different actors and activities could be involved, e.g. in triparty and bilateral collateral management, corporate actions, billing processes and other processes relevant to the handling of assets.
Central clearing counterparty (CCP)	An entity that interposes itself, in one or more markets, between the counterparties to the contracts traded, becoming the buyer to every seller and the seller to every buyer and thereby guaranteeing the performance of open contracts.
Central bank processes	Business processes relevant to the collateralisation of central bank credit operations.
Commercial bank processes	Business processes relevant to commercial bank operations.
Counterparty	The party on the opposite side of a financial transaction (e.g. any party transacting with a central bank in the role of collateral giver in a Eurosystem credit operation).
Custodians	Commercial banks acting in their capacity as account servicers.
Eurosystem central banks	The national central banks of the countries that have adopted the euro as their single currency, acting in their role as collateral takers for Eurosystem credit operations.
Eurosystem practices	Arrangements determined by Eurosystem central banks (which are not used in a commercial bank environment) related to collateral eligibility/use of collateral in Eurosystem credit operations.
Financial instruments	Financial instruments that may be used as collateral in the AMI-SeCo markets (i.e. debt, equities), denominated in euro or another currency. (International) central securities depository links allow participants to hold securities issued worldwide. ¹
(International) central securities depositories ((I)CSDs)	Issuer and investor (international) central securities depositories also acting as account servicers. An (I)CSD is defined as an entity that (1) enables securities transactions to be processed and settled by book entry, (2) provides custodial services (e.g. the administration of corporate actions and redemptions), and (3) plays an active role in ensuring the integrity of securities issues. Securities can be held in a physical (but immobilised) form or in dematerialised form (whereby they exist only as electronic records).
SCoRE Standards	Part of a single rulebook based on common business processes, workflows and ISO 20022 messaging for asset servicing and collateral management with central banks and/or with commercial banks
Triparty agents (TPAs)	Agents regulated as (I)CSDs and/or custodians/commercial banks that act as providers of triparty services.
Users	In the billing process context, this includes collateral givers and collateral takers (including central banks, commercial banks and central clearing counterparties) that use the services of collateral management and asset servicing providers.

Revision history

Date	Description
December 2019	First version of the Rulebook published.
June 2021	Second version of the Rulebook published to incorporate updates stemming from the finalisation of the draft ISO 20022 message and definition of harmonised Service Categories.

¹ For example, the Eurosystem accepts, on a temporary basis, marketable debt instruments denominated in US dollars, pounds sterling and Japanese yen as foreign currency-denominated collateral. If needed, SCoRE Standards may specify relevant denominations.

1 Introduction

1.1 Billing processes

Most market participants typically receive fee and billing information from (international) central securities depositories ((I)CSDs) and triparty agents (TPAs) in respect of securities deposited with these service providers. The information provided in the fee invoice, and the format in which it is provided, vary considerably across (I)CSDs and TPAs. At present, there is no predominant format in which information is provided, with postal mail, email, PDF, SWIFT, XML and CSD online systems all among the formats used.

1.2 Harmonisation needs

In its [Report on Collateral Management Harmonisation](#) in December 2017, the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) identified a series of harmonisation needs in the field of collateral management. In the area of billing processes, several harmonisation needs were identified (see Annex 1). The growing trend towards holding securities and collateral in different (I)CSDs means that the recipient of the invoice has to manage the different (I)CSD processes for the reconciliation and payment of fee invoices for these assets. A need to implement harmonised ISO 20022 messaging for the transmission of the fee invoices and to move to harmonised monthly billing cycles (i.e. from the first day to the last day of each calendar month) was identified in this area.

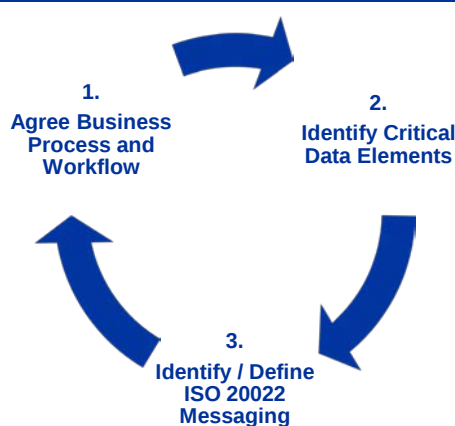
The AMI-SeCo's Collateral Management Harmonisation Task Force (CMH-TF) agreed that sufficient information should be provided in the fee invoice message exchanged between the (I)CSD/TPA and financial market participants to obviate the need for manual exchange of fee information and to ensure timely resolution of any reconciliation issues that might occur. If securities and collateral are held in an omnibus account with an (I)CSD, it should also be possible to obtain sufficient information from the invoice message to distribute the total fee among the participants holding the securities and collateral in the account. To allow the application-to-application (A2A) exchange of fee information, the CMH-TF agreed that ISO 20022 messaging by which billing information could be transmitted should be defined.

The date on which billing information is provided also differs across AMI-SeCo markets, as does the date on which payment should be made to the (I)CSD. In cases where counterparties hold securities or collateral with multiple (I)CSDs, each with different billing dates, the AMI-SeCo agreed that the timing and frequency of the provision of billing information and the debiting of fees should be standardised with the introduction of a harmonised billing period.

1.3 Approach to harmonisation

The following three-step approach has been taken to harmonisation:

1. define and agree the harmonised business process and workflow;
2. for each business process, identify the critical data elements necessary for the functioning of the process;
3. identify/define an ISO 20022-compliant message by which these data elements should be transmitted.



In the case of billing processes, existing ISO 20022-compliant messaging will be used as the basis for future messaging needs. Accordingly, the AMI-SeCo CMH-TF has been working with SWIFT to update the existing ISO 20022-compliant billing messages. The messages will be finalised once the AMI-SeCo participants have endorsed the SCoRE Billing Processes Standards. This is to ensure that all financial market stakeholder needs are catered for in the messages.

1.4 Scope of the SCoRE Billing Processes Standards

The SCoRE Billing Processes Standards cover the harmonisation of billing processes in AMI-SeCo markets, namely:

- processing of billing data through the standard custody chain of (I)CSDs and intermediaries;
- processing of billing data for bilateral collateral management (also involving Eurosystem central banks);
- processing of billing data for triparty collateral management.

The Standards also cover the key data elements underpinning these business processes, which in turn form the basis of the ISO 20022 messages by which these data elements are to be transmitted.

The document sets out the implementation actors involved (i.e. (I)CSDs, TPAs, national central banks (NCBs), central clearing counterparties (CCPs), custodians, etc., as applicable).

1.4.1 Processing of billing data through the standard custody chain of (I)CSDs and intermediaries

The SCoRE Billing Processes Standards are applied to standard custody chains and to collateral management services, both to encourage harmonisation and best practice, and because securities held as part of a standard custody relationship may be used for bilateral and triparty collateral management.

1.4.2 Processing of billing data for bilateral collateral management

Processing of billing data for bilateral collateral management is in scope (as set out in detail in the Standards).

1.4.3 Processing of billing data for triparty collateral management

The Standards also cover relevant billing processes for triparty collateral management, including the implementation of ISO 20022 messaging for the provision of billing data by the TPA to the collateral taker.

2 SCoRE Billing Processes Standards

This section sets out the SCoRE Billing Processes Standards (“SCoRE Billing Standards”). The aim of these Standards is to help ensure the efficient and automated exchange of billing information by all relevant financial market stakeholders in AMI-SeCo markets.

2.1 SCoRE Billing Standard 1: ISO 20022 messages for billing information

Dissemination of billing information must be offered using an ISO 20022 message.

Description

A harmonised ISO 20022 message must be offered by account servicers for billing information in European markets. The ISO 20022 Billing Report message (camt.077) must be used for the provision of billing information by the account servicer to the account owner. By default (unless requested otherwise), the account owner will receive the invoice(s) at account level.² Flat fees (e.g. participation fees) should be assigned to a main account for invoicing purposes. In the event that certain fees (e.g. custody fees) are calculated on the basis of a participant’s total holding across multiple accounts (i.e. when a degressive fee structure is in place), then the resulting fee should be distributed on a pro-rata basis across the relevant accounts.

The Standard does not preclude the provision of invoices or billing information for (I)CSD services by other messaging means, as this may be required in order to fulfil legal obligations in certain jurisdictions.

The billing message provides itemised details of an invoice at the end of the billing period. In the event that an error is detected, corrections may be made by means of adjustments reported in a subsequent invoicing cycle. Correction lines are reported with a specific item type.

By default, the billing message will include specific service categories to identify the activities that make up the total fee. To keep the presentation of the information consistent, invoice messages should cover the full activity for each account, along with the relevant fee details. Fees linked to specific activities (e.g. collateral management activities) should be identified by specific service categories in the message. Service

² This does not exclude the account owner’s right to (also) receive invoice or billing information at participant level should the account owner request such information.

categories may relate, for instance, to settlement activities, collateral management activities or custody activities. The full list of permissible service categories can be found in table 2 in section 3.4.2 of this document.

The invoice message consists of (at least) the following key data:

- invicer details (information on the institution issuing the invoice);
- invoicee details (information on the institution receiving the invoice);
- invoice details (identification of the invoice, etc.);
- billing period;
- classification of the service categories (e.g. settlement, custody, collateral management);
- securities account;
- invoice amount (total amount, tax amount);
- payment date.

Full details of the message structure are provided in Section 3.4 of this document. Billing information not covered by Section 3.4 is outside the scope of the Standard (e.g. proprietary/specific client related billing information items are not applicable).

2.2 SCoRE Billing Standard 2: Harmonised billing cycles

Billing information must be offered on a monthly basis. The billing period runs from the first day of the month to the last day of the month inclusive.

Description

A harmonised billing cycle must be offered covering the period from the first day of the month to the last day of the month inclusive.

2.3 SCoRE Billing Standard 3: Cut-off date for provision of billing information by (I)CSDs

(I)CSDs must provide billing information to their clients no later than the 8th calendar day of the month (or the next business day if the 8th calendar day is not a business day) for fees related to core (I)CSD services and/or triparty collateral management services.

Description

(I)CSDs must provide complete billing information (i.e. both cumulative and itemised information) to their account holders no later than the 8th calendar day of the month (or the next business day if the 8th calendar day falls on a non-business day).

2.4 SCoRE Billing Standard 4: Harmonised dates for payment of fees to (I)CSDs

Cash payments to the (I)CSDs must be processed on the 15th calendar day (or the next business day if the 15th calendar day is not a business day) of each month for fees related to core (I)CSD services and/or triparty collateral management services.

Description

The objective is to harmonise the date on which fee payments are to be transmitted to (I)CSDs (acting as CSDs and/or as TPAs).

3 Business processes and workflows

This section describes the business processes and workflows necessary to support the implementation of the SCoRE Billing Processes Standards set out in Section 2 of this document. The “cascade” process is then described, and an overview of the billing lifecycle and message structure is also presented.

3.1 Business processes and workflows

The billing process involves a two-way interaction between the account servicer and the account owner whereby the account servicer is responsible for providing billing information to the account owner, and the account owner is in turn responsible for ensuring payment of the amount invoiced to the account servicer. The key steps of the business process are set out in Box 1 below.

Box 1

Business process

Step 1: The account servicer aggregates billing information and generates invoice data based on the client's activity in the preceding month.

Step 2: The account servicer sends one invoice per account to its clients (account owners) by default unless requested otherwise.

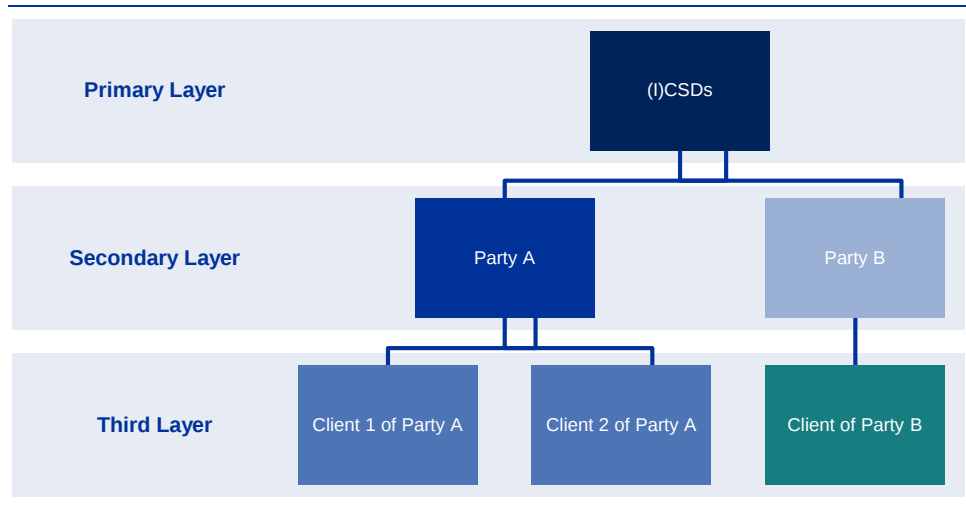
Step 3: The client records the invoice data in its system and performs relevant internal processes e.g. reconciliation of the invoice received.

Step 4: The invoiced payment amount is remitted to the account servicer on the payment date stipulated in the invoice. The payment method (e.g. via direct debit) is agreed bilaterally between the provider and the client.

3.2 Cascade of information

The billing information is “cascaded” from the (I)CSDs at the top of the chain and then flows in sequence to all the parties in the custody chain. Accordingly, the Standards presented in this document place an obligation on the initiating actors who sit at the top of the custody chain (primary layer stakeholders) to provide information to stakeholders.

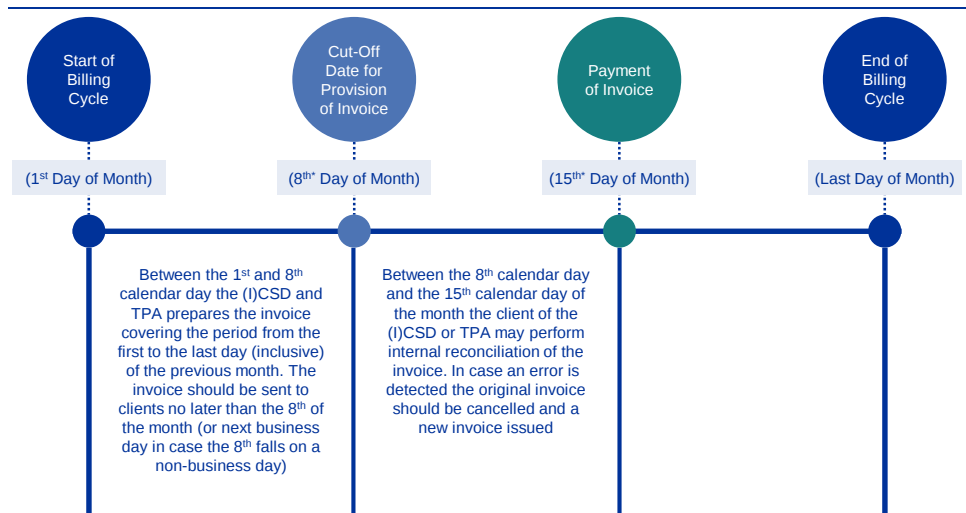
Figure 1
Cascade of billing information



3.3 Lifecycle overview

The Standards are based on the concept that billing information is to be provided on a monthly basis, with a series of intermediate key dates for (i) provision of billing information by primary layer stakeholders and (ii) payment of invoices issued by primary layer stakeholders.

Figure 2
Billing lifecycle



** In case the 8th calendar day or the 15th calendar day falls on a non-business day, then the process shall be executed on the next business day.*

3.4 Messaging overview

3.4.1 Billing report

The invoice message consists of the following key data:

- Invoicer details
 - Information relating to the institution issuing the invoice e.g. name and address of the institution
- Invoicee details
 - Information relating to the party receiving the invoice e.g. name and address of the party
- Invoice information
 - Invoice date
 - Invoice numberBilling period (from the 1st to the last day of the preceding month)
 - Payment date of the invoice
 - Cash account to be used for the payment of the invoice
- Invoice details
 - Securities account for which the invoice is being issued
 - Total fee for the given securities account (including details of any taxes, discounts or charges which may have been applied)
 - Identification of the fee charged per individual Service Categories (e.g. Settlement Services, Custody Services, Safekeeping Services) which collectively comprise the total fee charged for the given securities account
 - Breakdown of the service items associated with each Service Category

The table below identifies the related message fields in which this information is reported.

Table 1
Billing report – key data elements

	Data element	Description	Messaging element
Report Type	Identification	The report type is always = Billing Report. It provides information on billing data	BllgRpt/BllgRptOrErr/ BllgRpt
Invoicee Information	Invoicer	Identification of the organisation issuing the invoice where different from the creditor or ultimate creditor.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcr/Id/ OrgId
	Department	Identification of a division of a large organisation or building.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcr/PstlAdr/ Dept
	Contact Details	Set of elements used to indicate how to contact the party.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcr/ CtctDtls
Invoicee Information	Invoicee	Identification of the party to which an invoice is issued where different from the debtor or ultimate debtor.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcee/Id/ OrgId
	Department	Identification of a division of a large organisation or building.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcee/PstlAdr/ Dept
	Contact Details	Set of elements used to indicate how to contact the party.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/Invcee/ CtctDtls
Invoice Information	Invoice Date	Date at which the billing report was created.	BllgRpt/BllgRptOrErr/BllgRpt/ InvDt
	Billing Identification	Unambiguous reference number of the invoice (invoice number).	BllgRpt/BllgRptOrErr/BllgRpt/ BllgId
	Invoice Legal Statement	The Invoice Legal Statement is a free-text field used by the Account Servicer to define the legal validity of the invoice message.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/ InvclgStmnt
	Payment Method	Method of payment. The following options are possible: - Classical (CLAS): Classical method - Credit Transfer (TRF): Transfer of an amount of money in the books of the account servicer. - Direct (DIRE): direct mode - Direct Debit (DD): Collection of an amount of money from the debtor's bank account by the creditor. - Transfer Advice (TRA): Transfer of an amount of money in the books of the account servicer. An advice should be sent back to the account owner.	BllgRpt/BllgRptOrErr/BllgRpt/RgltryData/ PmtMtd
Billing Period	Billing Period	Period for which for which the report data is valid. - From Date – start date of the billing period. In line with Billing Processes Standard No. 2, this is the first date of the previous month - To Date – end date of the billing period. In line with Billing Processes Standard No. 2, this is the last date of the previous month	BllgRpt/BllgRptOrErr/BllgRpt/ BllgPrd
Account Information	Securities Account Identification	Unique identification of the securities account to which the <i>Total Invoice Amount</i> relates. In T2S markets, the possibility to report the T2S account number in this field must be supported ³ .	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvctTtls/AcctId/ SecuritiesAcctId
Invoice Totals	Tax	Detailed information on tax applied as follows: - Total Taxable Amount – total amount subject to tax - Rate – rate used to calculate the tax - Tax Name - name used to describe the tax levied (such as the national value added tax). - Total Tax Amount - calculated tax amount. This represents the sum of all tax amounts related to the invoice.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvctTtls/InvctTtls/ Tax
	Adjustment Amount	Amount of invoice adjustment taking into account	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvctTtls/InvctTtls/

³ The T2S account number must always be reported when the recipient of the message is a Eurosystem central bank.

	Data element	Description	Messaging element
		discounts, allowances and charges. - Added – indicates that the adjustment amount must be added to the total amount. - Subtracted – indicates that the adjustment amount must be subtracted from the total amount.	Adjstmnt
	Total Invoice Amount	Total amount of the invoice, being the sum of total invoice line amounts, total invoice adjustment amounts (discounts, allowances and charges) and total tax amounts.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/InvcTtls/TtlInvcAmt/ Amt
Service Categories	Service Category	Agreement or rules under which the transaction should be processed. It specifies a classification for groups of service items. The list of permissible Service Categories is contained in Table 2.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/ SvcCtgyTtls
	Service Category Totals	Specifies totals related to the given service category.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/SvcCtgyTtls/ TtlInvcAmt
Service Items	Service Item	For each Service Category, a breakdown of the individual components comprising the total fee per Service Category is reported as follows: - Item Type - specifies a classification for the service items such as query, report, securities account, etc. Proprietary service items may be used in addition to the standard list. - Description - Description of the service item. - Quantity - Sum of total number of units per service item. - Unit Price - Specifies the unit price of the service item.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/SvcCtgyTtls/ SvcItmTtls
	Service Item Totals	The total fee charged for the given Service Item.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/SvcCtgyTtls/SvcItmTtls/ TtlInvcAmt
Invoice Corrections	Service Item Correction Details	Debit/credit amounts arising from the correction of the previous invoicing cycles - Item Type - specifies a classification for the service items such as query, report, securities account, etc. Proprietary service items may be used in addition to the standard list. - Description - Description of the service item. - Quantity - Sum of total number of units per service item. - Unit Price - Specifies the unit price of the service item.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/SvcCtgyTtls/ SvcItmCrrctn
	Service Item Correction Totals	Total amount of the correction. The message also specifies whether the correction is a debit or credit.	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/SvcCtgyTtls/SvcItmCrrctn/ TtlInvcAmt
Payment Information	Payment Due Date	Due date for the payment of the invoice. In line with Billing Processes Standard 4 this will be equal to the 15th calendar day (or next business date in case the 15th falls on a non-business day).	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/InvcTtls/ PmtDueDt
	Cash Account	This field is used to identify the cash account, as assigned by the account servicer, from which the total amount of the invoice shall be debited from (in case the payment method = Direct Debit) or shall be credited to (in case the payment method = Credit Transfer).	BllgRpt/BllgRptOrErr/BllgRpt/AcctInvcTtls/InvcTtls/ CshAcct

Table 2
Service Categories

Service Category	Description	Identifier
Safekeeping Services	This category encompasses the reporting of all fees that are calculated as basis points applied to the assets under custody. This includes notary, central maintenance and asset servicing fees.	SAFE
Settlement Services	This category encompasses the reporting of all fees related to the settlement of securities and/or cash. This includes fees related to the settlement of market claims and transformations. Taxes applied on settled transactions (such as financial transaction taxes) and ancillary settlement services are also reported under this category.	SETT
Investment Fund Services	This category encompasses the reporting of all related to specific services provided for investment funds, such as order routing or holder reporting. The safekeeping and settlement of investment funds and exchange-traded funds should be reported under the Safekeeping Services and Settlement Services categories respectively.	INVS
Custody Services	This category encompasses the reporting of all fees that are charged per operation such as election instructions. The category is also used to report fees on tax services related to assets under custody together with the processing of corporate actions and meetings events.	CUST
Information Services	This category encompasses the reporting of all fees related to the provision of information through any kind of means and to the provision of connectivity tools. This includes ISO messaging (inbound or outbound), graphical user interface (GUI) access, connectivity, recharge of security tokens, report subscriptions and the provision of data by any other means (e.g. paper based formats).	INSV
Bilateral Collateral Management Services	This category encompasses the reporting of all fees related to the management of collateral subject to bilateral agreements (covering central bank financing for marketable and non-marketable assets, non-cleared OTC derivatives and securities financing).	BICM
Triparty Collateral Management Services	This category encompasses the reporting of all fees related to the provision of services to collateral giver and/or collateral takers involved in a triparty collateral management transaction.	TPCM
Shareholders Data Transmission Services	This category encompasses the reporting of fees related to the provision of services allowing intermediaries to send shareholders' data to issuers. This includes costs related to the provision of service for the calculation and settlement of fees applied by intermediaries to issuers for the notification of shareholders' data.	SHDT
Issuers Services	This category encompasses the reporting of fees related to the provision of issuer services by a CSD. This includes fees such as issuance and redemptions of securities and management of corporate actions.	ISSU
Clearing Services	This category encompasses the reporting of fees related to the provision of clearing services.	CLEA
Stock Exchange Services	This category encompasses the reporting of fees related to the provision of stock exchange services. This includes transaction fees.	STEX
Securities Lending Services	This category encompasses the reporting of all fees related to securities lending services.	SECL
Cash and Liquidity Management Services	This category encompasses the reporting of all fees related to cash and liquidity management services.	CALM
Settlement Penalties	This category encompasses the reporting of all fees related to the cost recovery of settlement penalties applied by non-EU settlement systems (outside the scope of CSDR settlement discipline)	PENA
Penalty Mechanism	This category encompasses the reporting of fees related to the recovery of costs associated with the development and maintenance of the penalty mechanism. Note: this category should not be used for the reporting of the penalty itself.	PENM
Registration Services	This category encompasses the reporting of all fees related to the registration of securities.	REGI
Account Management Services	This category encompasses the reporting of fees related to account maintenance services including, inter alia, membership fees and minimum fees (i.e. fees added to small invoices in order to reach the minimum fees agreed for each participant).	ACMS
Other Services	This category encompasses the reporting of fees related to other services provided which might not be set in a general tariff applicable to all clients, but bilaterally agreed with clients individually. This includes the provision of customised service requests and other support provided to clients such as training and testing access as well as out-of-pocket expenses.	OTHE

Annex 1: Background to the SCoRE Billing Processes Standards

Background to Standard 1

Standard 1 on ISO 20022 messages is to be implemented in two phases (or “waves”).

Implementation time frame

> Wave 1: by November 2023

> Wave 2: see details below.

Implementing actors

In Wave 1, (I)CSDs acting as account servicers will be able to provide billing information using an ISO 20022 message. In the case of bilateral collateral management involving Eurosystem central banks, the collateral taker (Eurosystem) and collateral giver (counterparties of the Eurosystem) will be able to forward/receive billing information using an ISO 20022 message. In the case of triparty collateral management, TPAs will be able to provide billing information using an ISO 20022 message.

Implementing actors and their roles in Wave 1

Role	Actor	Description
Processing of billing information	(I)CSDs	In their role as account servicers providing information to account owners.
Processing of billing information for bilateral collateral management	Eurosystem central banks Eurosystem counterparties	In their roles as collateral takers and collateral givers sending/receiving billing information on securities provided as collateral in Eurosystem credit operations.
Processing of corporate actions for triparty collateral management	TPAs	In their role as TPAs providing information to collateral givers and collateral takers.

Implementing actors in Wave 2

In December 2019 AMI-SeCo agreed on the following points with regard to Wave 2:

AMI-SeCo members endorsed that the Wave 2 implementation deadline for ISO 20022 messaging would be November 2025: AMI-SeCo Standards for Corporate

Actions and Billing Processes on ISO 20022 messaging would become applicable for actors in Wave 2 as of November 2025, i.e. at the latest by then account servicers should offer / support ISO20022 messaging (to clients that have the capability to use the ISO20022 protocol).

AMI-SeCo members supported that the AMI-SeCo chair (on behalf of the AMI- SeCo) would send a recommendation letter to SWIFT with regards to the end of the co-existence of ISO15022 and ISO20022 messaging standards which should be November 2028, explaining the importance of a consistent approach to deliver on the commitment of the global community to transition to a single global standard. AMI-SeCo members took the view that discontinuing one-to-one equivalency would be an important driver to motivate organisations to move from one (legacy) standard to another richer standard and thus it could be recommended to SWIFT that the MT standard should no longer be maintained as from November 2025. The recommendation letter would reflect that the coexistence period should be as short as possible, with a view to limiting industry costs, risks and complexity (stemming from supporting two messaging standards in parallel) and avoiding fragmentation in Europe. The AMI-SeCo therefore proposes that the coexistence period should be three years resulting in the date for the end of co-existence being November 2028. Both NSGs and AMI-SeCo members would be consulted on the draft recommendation letter.

The endorsement of the Wave 2 timeline assumes that this timeline and the related clear communication towards SWIFT will lead to decisions by SWIFT that are consistent with the timelines above as endorsed by the AMI-SeCo. The AMI-SeCo will monitor related progress.

Background to Standard 2

The Standard sets out a requirement that billing information be offered on a monthly basis.

Implementation time frame

By November 2023

Implementing actors

Role	Actor	Description
Processing of billing information	(I)CSDs	In their role as account servicers providing information to account owners.
	Custodians	In their role as account servicers providing information to their clients.
Processing of billing information for bilateral collateral management	Eurosystem central banks	In their role as collateral takers sending/receiving billing information.
Processing of billing information for triparty collateral management	TPAs	In their role as TPAs providing billing information to collateral givers and collateral takers.
	Eurosystem central banks	In their role as collateral takers in a triparty transaction.
	CCPs	In their role as collateral takers in a triparty transaction.

Background to Standard 3

The Standard sets out a requirement for harmonised cut-off dates for the provision of billing information by (I)CSDs (for fees related to core (I)CSD services and/or triparty collateral management services).

Implementation time frame

By November 2023

Implementing actors

Role	Actor	Description
Processing of billing information	(I)CSDs	In their roles as issuer (I)CSDs, investor (I)CSDs and/or TPAs ⁴ providing information to account owners.

Background to Standard 4

The Standard sets out a requirement for harmonised cut-off dates for cash payments.

Implementation time frame

By November 2023

⁴ TPAs are in scope if they are also a CSD at the same time.

Implementing actors

(I)CSDs acting as issuer (I)CSDs, investor (I)CSDs and/or TPAs will require that their clients transmit cash payments to them on the 15th calendar day of the month (or the next business day if the 15th calendar day is not a business day).

Role	Actor	Description
Processing of billing information	(I)CSDs	In their roles as issuer (I)CSDs, investor (I)CSDs and/or TPAs ⁵ providing information to account owners.

⁵ TPAs are in scope if they are also a CSD at the same time.

Annex 2: Harmonisation needs

Priority 1

Fee and billing processes (CMHA6)

No.	Process	Process description	Harmonisation need
1	Provision of Minimum Set of Data in Billing (Fee Invoice)	The current set of data provided in the fee invoice is heterogeneous. A minimum set of information needs to be provided in the fee invoice for each securities account held with the CSD.	There is a need to provide a minimum set of information in the fee invoice. The invoice should provide (as a minimum) the following information (for each securities account held with the CSD): account no. at CSD, gross fee, net fee and total VAT.
2	Messaging Format for the Transmission of Billing Information	Owing to differences in current messages, there is a need to define a standardised format in which information on fees should be transmitted, e.g. ISO 20022 message.	There is a need to define a standardised ISO 20022 message format in which information on fees should be transmitted in order to support the automation of the fee and billing process by market participants.
3	Billing Period and Billing Frequency	Owing to differences in the current timing and frequency with which billing information is provided to market participants, there is a need to introduce a harmonised billing period.	There is a need to define a standardised billing period (monthly period covering the 1st of each month to the end of each month).

Priority 2

Fee and billing processes (CMHA6)

No.	Process	Process description	Harmonisation need
1	Identification of Fees Related to Collateral Management Activities	The billing invoice differs across markets, and the identification of activities relating to collateral management is not provided in a harmonised manner. A common invoice process is required for collateral management and other services.	There is a need to identify fees related to collateral management activities [to be analysed further – it may be possible to identify these fees by setting up a separate account for collateral management activities which would allow the provision of a detailed statement].
2	Identification of the Asset Class used for Billing Purposes	Common information on the asset class is needed in the fee invoice and a common definition of asset classes for the purpose of fee billing could be adopted by all (I)CSDs.	There is a need to define a common asset classification for use across all CSDs in order to facilitate the reconciliation and payment of fees.

Annex 3: ISO 20022 messaging – example of data elements

A business example is provided below to illustrate the message representation of the key business data introduced in section 1:

Business scenario

An invoice is issued on April 6th, 2021 from the Account Servicer (INVOICERXXX) to the Account Owner (INVOICEEXXX). It contains details of the fees due for the billing period 1st March 2021 to 31st March 2021 related to all activities occurring on the account CSD Securities Account Number. Fees are levied in respect of Settlement Services (SETT), Custody Services (CUST) and Safekeeping Services (SAFE). A breakdown of the individual service items which collectively comprise the total fee per Service Category is reported in the invoice. The invoice also includes a credit of 10.00 in order to correct an error detected in the invoice issued in the previous billing cycle.

The total taxable amount of invoice is 100.00. This is subject to VAT at a rate of 10% resulting in a total amount due for payment of 110.00. This amount will be collected via direct debit from the cash account BE11111111111111 on 15th April 2021.

Box 2

Illustration of business scenario in the camt.077

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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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