

SCoREBOARD

Corporate Actions – H1 2021

Belgian NSG






The Single Collateral Management Rulebook for Europe (SCoRE) contains 15 Standards related to the processing of corporate actions (published as the [AMI-SeCo Standards for Corporate Actions](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H1 2021 monitoring exercise conducted by the Belgian NSG with the involvement of the following stakeholders:

- 3 CSDs – Euroclear Bank, Euroclear Belgium, NBB-SSS
- 2 TPAs – BNY Mellon, Euroclear Bank
- 5 Custodians
- 4 Issuers

14 entities are monitored in the Belgian NSG

The SCoRE Overview provides a high-level summary of the H121 monitoring exercise.

SCoRE Overview

|  |  Response Rate |  Implementation Status |  Milestones achieved? |  Implemented on Time? |
|---|---|---|--|--|
| Custodians | 80% | Implemented 15.0% Analysis started 24.2% Implementation started 1.03% | 30% | 80% |
| Issuers | 75% | Yes 48% No 27% | n/a | n/a |
| CSD - Euroclear Bank | 100% | Implemented 40.3% Analysis started 2.48% Implementation started 26.0% | Yes | Yes |
| CSD - Euroclear Belgium | 100% | Implemented 27.3% Analysis started 40.9% Implementation started 6.83% | Yes | Yes |
| CSD - NBB-SSS | 100% | Implemented 16.1% Analysis started 33.5% Implementation started 2.48% | Yes | 11/25 |
| TPA - BNY Mellon | 100% | Implemented 0% Analysis started 50% Implementation started 12.5% | Yes | Yes |
| TPA - Euroclear Bank | 100% | Implemented 0% Analysis started 0% Implementation started 12.6% | Yes | 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. Section 2 then 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

Implementation of the Corporate Action Standards in the Belgian market is currently on track

Implementation of the Corporate Actions Standards in the Belgian market is partly on track. The Belgian CSDs and TPAs have all met the first milestone and the majority is also on track to meet all future milestones. One CSD reports later dates for the majority of the future milestones which in turn affects timely implementation of the applicable Standards by November 2023. Further assessment of the impact is needed.

The majority of the reporting entities active in the Belgian market responded to the survey. This section presents the key findings of the survey for each entity type.

CSD - Euroclear Bank

Euroclear Bank reports a high-level of compliance with the Standards

Euroclear Bank reports a high level of compliance with the Corporate Action Standards. Regarding the non-implemented Standards, Standards 2, 3, 4, 8 and 9 are currently either being analysed or being implemented.

Milestones 1 and 2 are being met. Furthermore, Euroclear Bank is on track to meet all future milestones.

CSD - Euroclear Belgium

Euroclear Belgium implementation is fully on track

In total, Euroclear Belgium is already compliant with 9 of the 15 Standards. Standard 12 is not applicable since there is no market practice of consent fees in the ESES CSDs. The remaining standards are currently being analysed in view of achieving full compliance by November 2023.

Milestones 1 and 2 are being met. Furthermore, Euroclear Bank is on track to meet all future milestones.

CSD - NBB-SSS

NBB-SSS implementation is currently on track

NBB-SSS is already fully compliant with 6 of the 15 Standards. Standard 3 (Consistency of Information) is not applicable to NBB-SSS as it only acts as an Issuer CSD. The remaining Standards are currently being analysed.

Milestones 1 and 2 are being met. Later dates are reported for 8 future milestones with the result that full compliance is not envisaged until 2025 which is later than the date agreed by AMI-SeCo. The impact of this delay should be further analysed. The milestones regarding the start of the adaptation (6), internal testing (8) and external testing (9) are on track.

TPAs - BNY Mellon

BNY Mellon TPA implementation is on track

As a TPA, Standards 1A to 1H are of relevance to BNY Mellon. One of the Standards (1B) is already implemented, while Standards 1F, 1G and 1H are not applicable since these messages are not part of the collateral management product offering. The remaining components are currently being analysed.

Milestones 1 and 2 are being met. Furthermore, BNY Mellon is on track to meet all future milestones.

TPA - Euroclear Bank

Euroclear Bank TPA is fully compliant with all applicable standards

As a TPA, Standards 1A to 1H are of relevance to Euroclear Bank. According to the SCoREBOARD, Euroclear Bank is already fully compliant with all applicable standards.

Custodians

Most of the custodians have commenced internal analysis

The level of compliance varies significantly across the different Standards. The lowest levels of compliance are observed with Standards 1F, 1G, 1H and 5. While most of the reporting entities have at least started internal analysis, there is one custodian that reported 'not applicable' for all Standards. This custodian argues that the Corporate Actions Standards are not applicable since they will not be using ISO 20022 messages.

In general, there is evidence of engagement by Belgian custodians in the process with the majority of Standards yet to be implemented currently in the process of being analysed. Nonetheless, the milestone reporting identifies the needs for further future efforts in view of achieving full compliance with the Standards in accordance with the timeframe agreed by AMI-SeCo.

Issuers

50% of the issuers exhibit awareness of obligations

Half of the monitored issuers in the Belgian market exhibit a high level of awareness of their obligations under the AMI-SeCo Corporate Action Standards. Nonetheless, the monitoring exercise highlights that some further work could be envisaged to increase issuer awareness around Standard 5 (Negative Cash Flows) and Standard 8 (Payment Time) as well as to involve the other issuers.

NCB

National Bank of Belgium is on track to adopt the AMI-SeCo Standards in November 2023

National Bank of Belgium is on track to implement the AMI-SeCo Standards for Corporate Actions for its collateral management activities by November 2023.

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



- 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 - Euroclear Bank | CSD - Euroclear Belgium | CSD - NBB-SSS | TPA - BNY Mellon | TPA - Euroclear Bank |
|-------------------------------|------------|---------|----------------------|-------------------------|---------------|------------------|----------------------|
| 1A: Notification | 60% | 50% | G | G | G | G | G |
| 1B: Instruction | 60% | | G | G | G | G | G |
| 1C: Advise | 60% | | G | G | G | G | G |
| 1D: Confirmation | 60% | | G | G | G | G | G |
| 1E: Reversal | 60% | | G | G | G | G | G |
| 1F: Meeting Notification | 36% | 50% | G | N/A | G | N/A | G |
| 1G: Meeting Instruction | 24% | | G | N/A | G | N/A | G |
| 1H: Meeting Results | 27% | | G | N/A | G | N/A | G |
| 2: Calculation of Proceeds | 55% | 50% | G | G | G | | |
| 3: Consistency of Information | 57% | 50% | G | G | N/A | | |
| 4: Rounding Rule 1 | 60% | 50% | G | B | B | | |
| 4: Rounding Rule 2 | 60% | 50% | B | B | B | | |
| 4: Rounding Rule 3 | 60% | 50% | B | B | B | | |
| 4: Rounding Rule 4 | 60% | 50% | G | B | N/A | | |
| 5: Negative Cash Flows | 40% | 25% | B | B | B | | |
| 6: Business Day Rule | | 50% | G | B | B | | |
| 7: Securities Amount Data | | 50% | B | B | B | | |
| 8: Payment Time Rule 1 | | 50% | G | N/A | B | | |
| 8: Payment Time Rule 2 | | 25% | G | G | B | | |
| 8: Payment Time Rule 3 | | 50% | G | G | B | | |
| 9: Processing Status | 60% | 50% | G | B | G | | |
| 10: Blocking | 60% | | G | G | G | | |
| 11: Default Option | 60% | 50% | B | B | G | | |
| 12: Handling of Fees | 60% | | B | N/A | G | | |
| 13: Reversal | 60% | 50% | B | B | G | | |
| 14: Foreign Currency | | | N/A | B | B | | |
| 15: ISO 20022 Messaging | 2% | | G | G | G | | |

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.

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 - Euroclear Bank | CSD - Euroclear Belgium | CSD - NBB-SSS | TPA - BNY Mellon | TPA - Euroclear Bank |
|-------------------------------|------------|----------------------|-------------------------|---------------|------------------|----------------------|
| Milestone 1 June 2020 | 40% | Yes | Yes | Yes | Yes | Yes |
| Milestone 2 March 2021 | 20% | Yes | Yes | Yes | Yes | Yes |
| Milestone 3 July 2021 | 0% | Yes | Yes | 07/23 | Yes | Yes |
| Milestone 4 December 2021 | 40% | Yes | Yes | 12/23 | Yes | Yes |
| Milestone 5 December 2021 | 40% | Yes | Yes | 12/23 | Yes | Yes |
| Milestone 6 January 2022 | 20% | Yes | Yes | Yes | Yes | Yes |
| Milestone 7 June 2022 | 40% | Yes | Yes | 11/25 | Yes | Yes |
| Milestone 8 July 2022 | 40% | Yes | Yes | Yes | Yes | Yes |
| Milestone 9 December 2022 | 40% | Yes | Yes | Yes | Yes | Yes |
| Milestone 10 December 2022 | 40% | Yes | Yes | 12/24 | Yes | Yes |
| Milestone 11 April 2023 | 60% | Yes | Yes | 04/25 | Yes | Yes |
| Milestone 12 October 2023 | 80% | Yes | Yes | 10/25 | Yes | Yes |
| Milestone 13 November 2023 | 80% | Yes | Yes | 11/25 | Yes | Yes |

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

Summary

According to the indicators, the majority of entities in the Belgian market will be fully compliant in accordance with the implementation timeline agreed by AMI-SeCo. Further clarity on the implementation planning is needed from NBB-SSS (as described in the action points above).

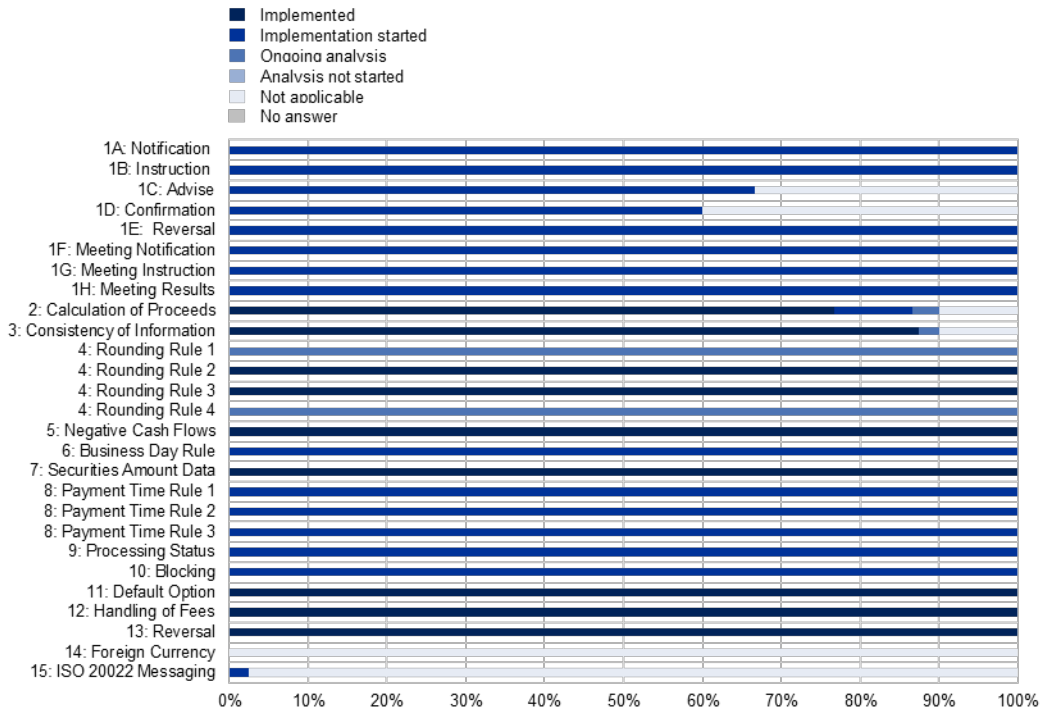
3

Implementation status per AMI-SeCo Standard

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

CSD - Euroclear Bank

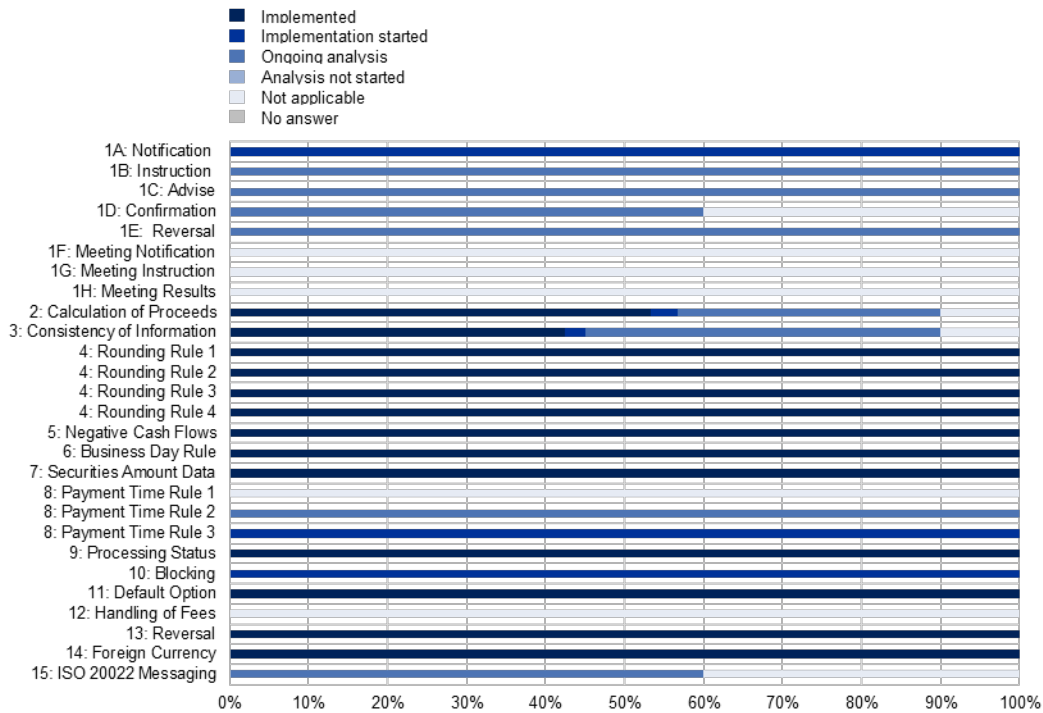
Implementation status per AMI-SeCo Standard



Notes
N/A

CSD - Euroclear Belgium

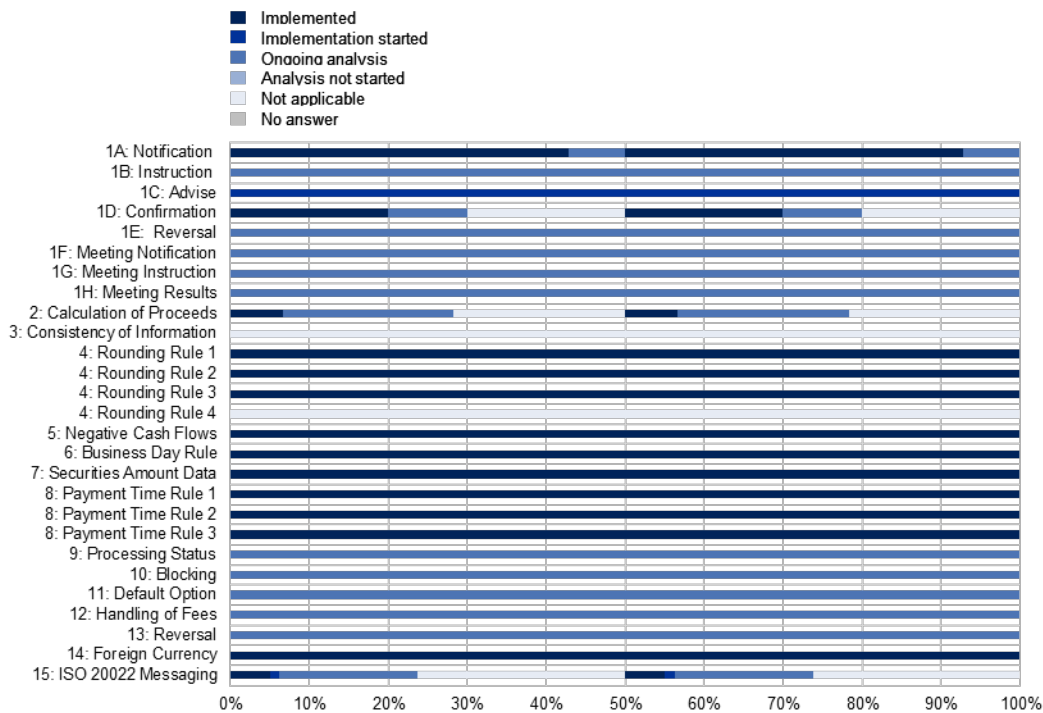
Implementation status per AMI-SeCo Standard



Notes
N/A

CSD - NBB-SSS

Implementation status per AMI-SeCo Standard

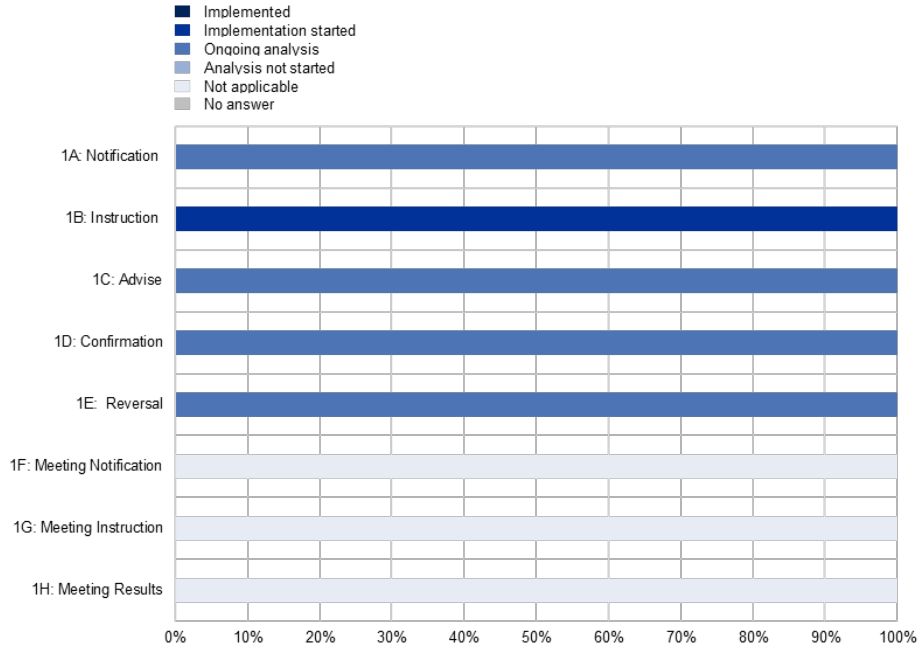


Notes

N/A

TPA - BNY Mellon

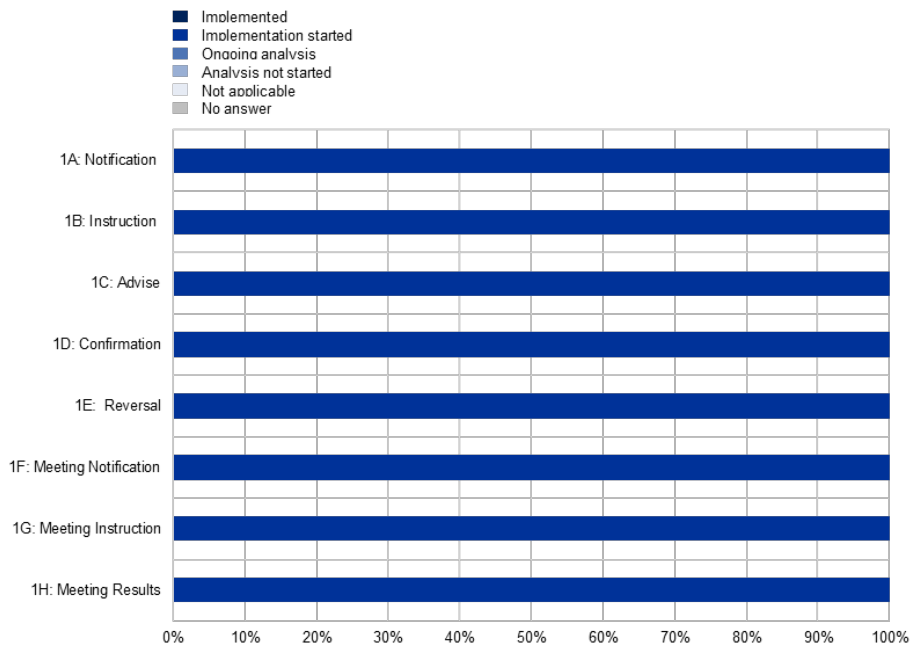
Implementation status per AMI-SeCo Standard



Notes
N/A

TPA - Euroclear Bank

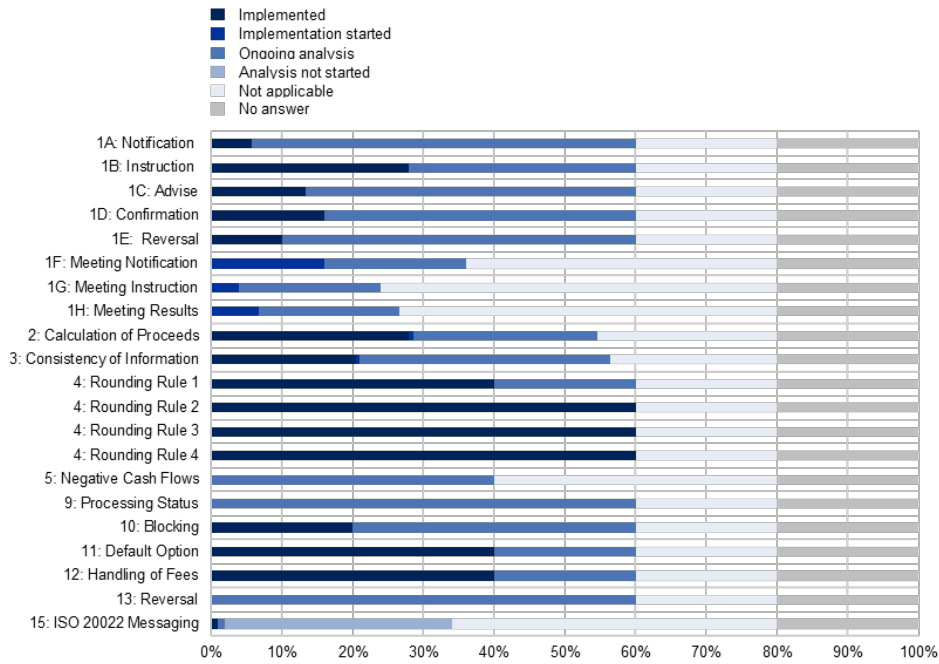
Implementation status per AMI-SeCo Standard



Notes
N/A

Custodians

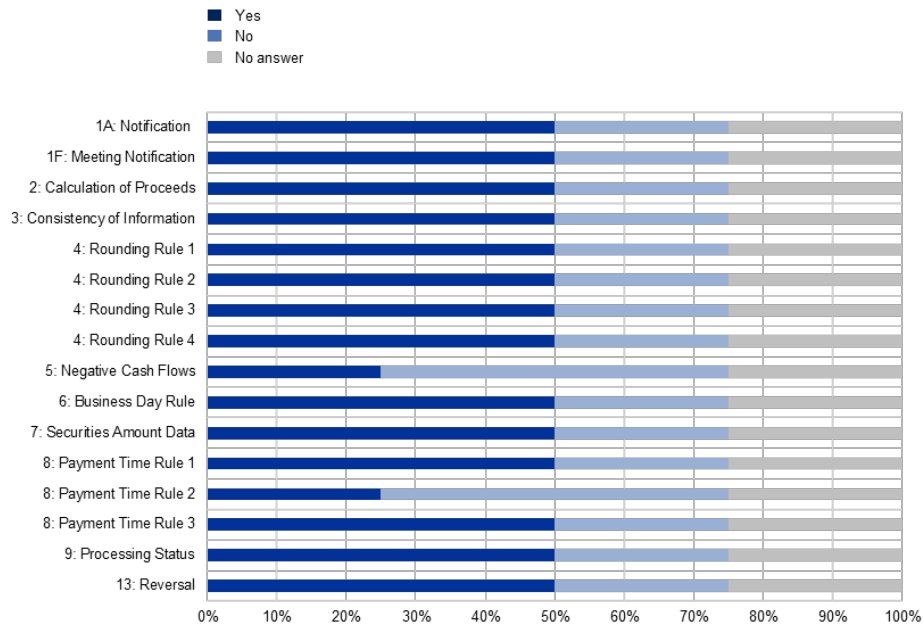
Implementation status per AMI-SeCo Standard



Notes
N/A

Issuers

Fulfilment of obligations per AMI-SeCo Standard



Notes
N/A

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The cut-off date for the data included in this report was 21 May 2020.

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