

SCoREBOARD

Triparty Collateral Management – H1 2023

Belgian 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 April 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 17 Standards related to triparty collateral management (published as the [SCoRE Standards for Triparty Collateral Management](#)). Implementation progress is monitored twice per year.

Introduction

This summary report presents the results of the H1 2023 monitoring exercise conducted by the Belgian NSG with the involvement among the following stakeholders:

- 2 TPAs – BNY Mellon and Euroclear Bank

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

There are two TPAs monitored in the Belgian market

milestones up to Milestone 9 inclusive “Internal testing Complete for SCoRE” (with a deadline of 10 March 2023) as described in section 3 below.

Section 1 presents the key takeaway. Section 2 depicts the entity compliance status with the standards. Section 3 provides an overview of the progress against the individual milestones and section 4 focuses on concluding remarks.

1

Key takeaways

Implementation of the Triparty Collateral Management Standards in the Belgian market is partly delayed

Implementation of the Triparty Collateral Management Standards in the Belgian market is partly delayed. One of the two TPAs, namely BNY Mellon, plans to adopt the Single Triparty Model later than the implementation deadline agreed by AMI-SeCo (by November 2024). As of April 2024, Euroclear Bank will no longer meet the criteria to remain a Eurosystem eligible TPA. This has an impact on the relevance of and compliance with some of the SCoRE Standards. Euroclear Bank implementation is planned for December 2024.

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

Figure 1
Summary of the monitoring exercise

SCoRE TRIPARTY COLLATERAL MANAGEMENT STANDARDS FOR EUROPE	 Response Rate	 Implementation Status	Are all milestones 1 to 9 inclusive achieved?	Will the last milestone 13 be implemented on time (i.e. by 08 April 2024)?
TPA - BNY Mellon	Survey submitted	Implemented 5.55% Implementation started 19.4% Analysis started 47.2% Analysis not started 0% Non applicable standards 27.7% Replies not submitted 0%	No	11/24
TPA - Euroclear Bank	Survey submitted	Implemented 8.33% Implementation started 5.55% Analysis started 86.1% Analysis not started 0% Non applicable standards 0% Replies not submitted 0%	No	12/24

BNY Mellon implementation is behind schedule

TPA – BNY Mellon

14 Standards related to triparty collateral management are applicable to BNY Mellon. 2 of these Standards have already been implemented (blue). For 7 Standards implementation has started (green). There are currently 5 Standards still under analysis. Since analysis should have been finalised by July 2021, its implementation is deemed to be behind schedule (yellow status).

BNY Mellon confirmed that it has met milestones 1, 2, 3, 5, 6 and 8. Since the analysis phase is taking more time than foreseen, milestone 4 and 7 have not been met and delays can be expected in several future milestones.

TPA – Euroclear Bank

Euroclear Bank implementation is behind schedule

All Standards related to triparty collateral management are applicable to Euroclear Bank, in its capacity as a Eurosystem eligible TPA. 3 Standards have already been implemented (blue).

Milestones 1 and 2 have been met. However, since the implementation of multiple standards is still ongoing, milestone 6 has not been met.

CCPs

CCPs are monitored in their role as users of Triparty Collateral Management Service

There are no CCPs that are active in the Belgian market in scope of this monitoring exercise.

NCB

NBB will adopt the Single Triparty Model in April 2023

The National Bank of Belgium is on track to implement the SCoRE Standards for Triparty Collateral Management by April 2024, provided that the ECMS project remains on track.

2

Compliance level with the standards

This section provides an overview of the current status of compliance with triparty collateral management standards. In the NSG reports, TPAs are monitored on an individual basis and are assigned a colour-code status in accordance with the methodology outlined in figure 2 below.

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

STANDARD	TPA - BNY Mellon	TPA - Euroclear Bank
1: ISO 20022 messaging	Y	Y
2: Initiation	G	Y
3: Increase	G	Y
4: Decrease	G	Y
5: Revaluation	G	Y
6: Cancellation	G	Y
7: Unilateral removal	Y	Y
8: Reporting on flows	Y	Y
9: Reporting on stocks	G	Y
10: Closure	G	Y
11: Handling of CA	N/A	Y
12: Partial settlement	B	B
13: Reference data	Y	Y
14: Usage of baskets	B	B
15: Future dated	Y	B
16: Operating hours	N/A	Y
17: Cut-off Times Rule 1	N/A	Y
17: Cut-off Times Rule 2	N/A	Y
17: Cut-off Times Rule 3	N/A	Y
17: Cut-off Times Rule 4	N/A	Y

3 Progress against 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 of 8 April 2024 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)?	16/02/2024
M13	SCoRE Standards Implemented: have the SCoRE Standards been implemented?	08/04/2024

The current H1 2023 monitoring exercise focuses on milestones 1 to 9 given that Milestone 9 “Internal testing Complete for SCoRE” (with a deadline of 10 March 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

Expectation of achieving the milestones at the set dates

	TPA - BNY Mellon	TPA - Euroclear Bank
Milestone 1 June 2020	Yes	Yes
Milestone 2 March 2021	Yes	Yes
Milestone 3 July 2021	Yes	03/24
Milestone 4 December 2021	11/23	03/24
Milestone 5 December 2021	Yes	03/24
Milestone 6 January 2022	Yes	03/24
Milestone 7 June 2022	11/24	03/24
Milestone 8 July 2022	Yes	03/24
Milestone 9 March 2023	11/24	03/24
Milestone 10 May 2023	11/24	03/24
Milestone 11 May 2023	12/24	Yes
Milestone 12 February 2024	11/24	03/24
Milestone 13 April 2024	11/24	12/24

Both responding TPAs have reached the first two implementation milestones. BNY Mellon has finalised its analysis with delay (expected by November 2023) and is therefore facing delays in all other milestones. Euroclear Bank expressed its intention to offer Triparty Collateral Management services under the Single Triparty Collateral Management model once it has migrated to T2S. It is therefore not expected to be fully compliant with the ISO 20022 messages by April 2024. BNY Mellon expressed that it would reach the final milestone by November 2024.

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