

SCoREBOARD

Billing Processes – H2 2021






Croatian NSG

The Single Collateral Management Rulebook for Europe (SCoRE) contains four Standards related to billing processes (published as the [SCoRE Standards for Billing Processes](#)). Implementation progress is monitored twice per year. This summary report presents the results of the H2 2021 monitoring exercise conducted by the Croatian NSG with the involvement of the following stakeholders:

8 entities are monitored in the Croatian market

- 1 CSD – SKDD
- 7 Custodians

The SCoRE Overview provides a high-level summary of the H2 monitoring exercise.

|  <small>SINGLE COLLATERAL MANAGEMENT RULEBOOK FOR EUROPE</small> |  Response Rate |  Implementation Status |  Milestones achieved? |  Implemented on Time? |
|--|---|---|--|--|
| Custodians | 29% | Implemented 11.4% Analysis started 0% Implementation started 2.85% | 0% | 29% |
| CSD - SKDD | 100% | Implemented 40% Analysis started 40% Implementation started 20% | No | 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 of each entity type. Section 2 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

Analysis of the Billing Processes Standards in the Croatian market has commenced

CSD - SKDD responded to the survey. Two custodians in the Croatian market participated in the current round of the monitoring survey, but more custodians are expected to participate in the next round.

Based on the agreed milestones, the implementation process of the Standards is on schedule.

CSD - SKDD

For CSD – SKDD, two of the four standards (Standard 2: Harmonised Billing Cycles and Standard 3: Cut-off Date) have already been fully implemented.

Standard 4: Date for Payment Fees is undergoing development and implementation) and is on track for implementation. However, Standard 1: ISO 20022 Messaging is still undergoing analysis and is behind schedule.

Two standards have already been implemented while the remaining two standards are being analysed

Regarding Standard 4, some minor system changes are required and will be implemented as soon as the price list officially allows.

Implementation of Standard 1 in terms of defining the content of the message should be done on time. Final implementation of this standard depends entirely on the capability to communicate ISO20022 messages.

Custodians

Custodian participation is expected to increase in the next monitoring exercise

Two custodians - Interkapital vrijednosni papiri d.o.o. and OTP Banka d.d. - participated in the current round of the monitoring survey, with more expected to participate in the next round.

Both custodians have implemented Standard 2: Billing Cycles.

Interkapital vrijednosni papiri d.o.o. has also implemented Standard 4: Dates for Payments Fees, while OTP Banka d.d. is currently in the process of ongoing development and implementation of this Standard.

Standard 3: Cut-off Date, is not applicable for custodians.

Both custodians have not yet started the relevant analysis for Standard 1: ISO 2022 Messaging and are, thus, behind schedule for its implementation.

1 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 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, 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.

Table A
SCoREBOARD

| STANDARD | Custodians | CSD - SKDD |
|----------------------------|------------|------------|
| 1: ISO 20022 messaging | 0% | Y |
| 2: Billing cycles | 29% | B |
| 3: Cut-off date | 14% | B |
| 4: Dates for payments fees | 29% | 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.
- 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.
- Percentages are calculated on the basis of expected respondents, i.e. number of entities monitored in the market.

¹ For further details please refer to the [AMI-SeCo Monitoring Framework](#)

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 - SKDD |
|-------------------------------|------------|------------|
| Milestone 1 June 2020 | 0% | 12/21 |
| Milestone 2 March 2021 | 0% | Yes |
| Milestone 3 July 2021 | 0% | 12/21 |
| Milestone 4 December 2021 | 0% | Yes |
| Milestone 5 December 2021 | 0% | 03/22 |
| Milestone 6 January 2022 | 14% | 06/22 |
| Milestone 7 June 2022 | 14% | 12/22 |
| Milestone 8 July 2022 | 14% | 01/23 |
| Milestone 9 December 2022 | 14% | 02/23 |
| Milestone 10 December 2022 | 29% | 02/23 |
| Milestone 11 April 2023 | 29% | 05/23 |
| Milestone 12 October 2023 | 29% | Yes |
| Milestone 13 November 2023 | 29% | 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

SKDD provided the following additional information on milestone planning:

Milestone 1: Analysis of all technical changes necessary for implementation (new messaging formats and internal adaptations required to IT systems) has started.

Milestone 2: SKDD and the Croatian National Bank (HNB) initiated creation of a Working Group - AMI-SeCo National Stakeholder Group, which was supported by the Association for Business and Mediation in the Financial Markets of the Croatian Chamber of Commerce (HGK). The Working Group members are Association members (banks, investment companies, SKDD and Zagreb stock exchange), along with HNB, Hanfa, Ministry of Finance and Issuers. The composition of Working group gathers all relevant stakeholders of the Croatian capital market and acts as a forum for discussion and cooperation.

The Working group had its first session in February 2021, with meaningful initial and structured communications undertaken between users according to timeline defined in the SCoRE monitoring.

Milestone 3: Following the start of aforementioned initial communication, analysis of all technical changes to be implemented is planned to start and expected to be completed until the end of 2021. SKDD is currently finalising the analysis of all technical changes.

Milestone 4: Documentation, following the analysis of all technical changes to be implemented is planned to be completed, along with the documentation of such analysis until the end of 2021. SKDD is currently finalising the documentation along with analysis of all technical changes.

Milestone 5: Detailed external communication to users and other stakeholder is planned in the first quarter of 2022

Milestone 6: Detailed external communication to users and other stakeholder is followed by the adaptation of internal IT systems and procedures, which should start by end of June of the same year.

Milestone 7: The adaptation of internal IT systems and procedures, is planned to be completed by the end of the same year.

Milestone 8: Internal testing of necessary changes implemented in IT systems is planned to commence at the beginning of 2023.

Milestone 9: Internal testing will be followed by external testing of necessary changes implemented in IT systems, which is planned to start by end of February 2023.

Milestone 10: Completion of internal testing of necessary changes implemented is also planned to be completed by end of February 2023.

Milestone 11: Final external communication to users and other stakeholders is planned to take place by end of May 2023.

Milestone 12: Completion of external testing with users and relevant stakeholders of necessary changes implemented is planned according to the deadline of October 2023.

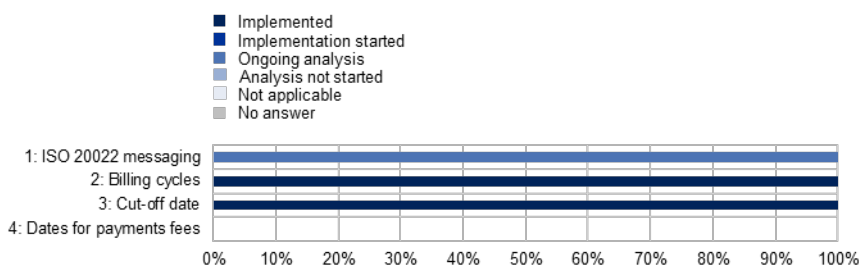
Milestone 13: Implementation of all standards is planned according to the timeline set in the monitoring of November 2023.

3 Implementation status per SCoRE Standard

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

CSD - SKDD

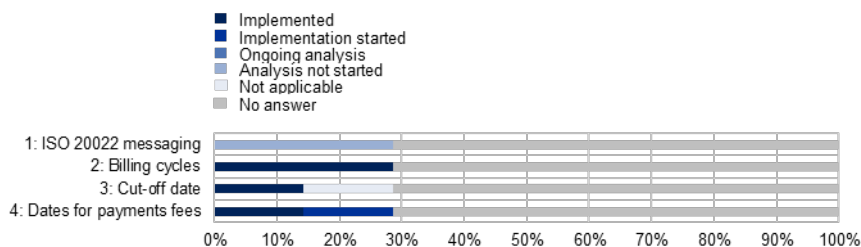
Implementation status per SCoRE Standard



Notes
N/A

Custodians

Implementation status per SCoRE Standard



Notes
Custodians in the Croatian market did not participate in the current round of the monitoring survey

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The cut-off date for the data included in this report was 17 November 2021.

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