



**Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo)  
National Stakeholders Group (NSG-PT)**

**Summary of 6<sup>th</sup> AMI-SeCo NSG-PT Meeting**

**Place:** Telco Webex

**Date:** February 12th 2021 – 10.00h to 11.30h

<b>Institutions</b>	<b>Members</b>
Banco de Portugal (BdP)	
Departamento de Sistemas de Pagamentos (DPG)	Maria Tereza Cavaco (Chair)
	Anabela Mendes
	Fábio Michelli
	Fernando Chau
	Francisco Dias
	Hugo Mira
	Lara Fernandes
Departamento de Mercados (DMR)	Anabela Cardoso
	José Luís Marques
	José Pedro Braga
	Luís Sousa
	Mónica Gomes
	Pedro Corsino Matos
AEM	Abel Ferreira
APB - Associação Portuguesa de Bancos	João Tomaz
Banco BPI	Sofia Pereira Santos
Banco Santander Totta	Rita Roque
	Sandra Santos
BCP	Luís Castanho Ferreira

<b>Institutions</b>	<b>Members</b>
	Luís Moreira Fernandes
BNP Securities Services	Bernardo Silva
Caixa Central de Crédito Agrícola Mútuo	Sónia Costa Reis
CGD	Filipa Isabel Alcaide
	Ricardo Ribeiro
Citibank	Giselle Toloí
Deutsche Bank	Miriam Ferreira
	Pedro Campos
Interbolsa	Arlinda Moreira
	Corina Oliveira
	Helena Teixeira Lopes
	Ruben Azevedo
	Rui Matos
Novo Banco	Paulo Custódio
	Sandra Murcela
	Tiago Louro
	Vasco Pinto
SIBS	Andreia Dias
<b>Absent Institutions</b>	
Comissão dos Mercados de Valores Mobiliários (CMVM)	
IGCP- Agência de Gestão da Tesouraria e da Dívida Pública	

## 1. Introduction and presentation of the Meeting agenda

The Chair of NSG-PT explained that, at this meeting, some of the agenda items will be presented by participants of the Group.

After the presentation of the agenda, it was unanimously approved by the participants in the meeting.

## 2. SCoRE: Portuguese community Adaptation Plan update - Interbolsa

This item of the agenda was presented by Interbolsa, which started by the update to the adaptation plan related to the Corporate Actions standards.

Special focus was given to the standards in which updates of Interbolsa's adaptations to be made by and / or the Portuguese market, namely:

- Regarding Standard 1, concerning the processes and flows of Corporate Events, there were changes in the processing of instructions for the General Meeting and in the notification of the results of the General Meeting. Considering that proxy voting services, not currently provided by Interbolsa, are ancillary services of a CSD and with procedures already in place on the market, Interbolsa will make the necessary adaptations only with regard to notification of General Meetings, a service that has been offered by Interbolsa since September 2020, through proprietary messages and ISO 15022.
- With regard to Standards 2 and 3, related to the availability of the necessary data for the calculation of the result of the events and the consistency of the information provided by the Issuer CSD throughout the intermediation chain, there was no change in relation to the events identified as relevant and to be implemented. However, it was proposed by the representative of BCP, and supported by the representative of BNP Paribas, to be considered as relevant also the CONS event. It was mentioned by Interbolsa that it will analyze the possibility of its implementation, stressing that it has not been used by the market.
- Regarding Standard 8, referring to the payment time for the events, it was mentioned by Interbolsa that it is still being analyzed by the harmonization group, highlighting that this standard will have an impact on the market, as the payment instructions in cash, currently sent to the T2S at 8:30 am on the payday, will now be sent for settlement on the night time cycle of the T2S (NTS) of the payday. With regard to amortization, the settlement of values and money will also have to be carried out simultaneously.
- Finally, with regard to Standard 15, regarding the implementation of ISO 20022 messages, as mentioned above, Interbolsa will not implement messages related to the instruction and notification of the results of the General Meeting, since Interbolsa will only provide the service notification of General Meetings.

As for the plan to implement the changes related to the Corporate Actions standards, the initial communication to the participants is expected to be made at the end of June 2021 and the detailed communication by the end of the year. During the year 2022, adaptations to



Interbolsa's systems and internal tests will be carried out, and tests with the participants are scheduled for 2023. The implementation of the changes in production will occur in November 2023.

Interbolsa then presented its plan for adapting the standards relating to “Billing”:

- Regarding Standard 1 - disclosure of billing information through ISO 20022 messages - adaptations to the systems are necessary, namely billing will be carried out at the level of each participant's account and the implementation of camt.077 messages will be necessary.
- Standards 2 and 3 are already implemented, with Interbolsa already invoicing its customers on a monthly basis, with invoices corresponding to the services provided from the first to the last day of each month and invoices are sent until the 8th day of each month (or next business day).
- Regarding standard 4, which provides for the collection of invoices by the 15th of each month (or next business day), Interbolsa will proceed with the alteration of its price lists, in order to establish the alteration of the collection of invoices for the day

Interbolsa presented also the main milestones of the project, highlighting that it expects to start the analysis of Standard 1 in March 2021, make the initial communication to the participants in June 2021 and start adapting to the systems in September 2021. Interbolsa confirms implementing Billing standards in November 2023.

It was agreed that Interbolsa would receive comments from participants at the meeting by Thursday, February 18, 2021, in order to allow the final version of the plans to be prepared for submission to the ECB.

### **3. Implementing Corporate Actions Standards Harmonization**

Mr. Luís Castanho Ferreira, representative of BCP at NSG-PT, reported the experience of the bank in the various Eurosystem projects. Regarding the SCoRE project, BCP is starting to analyze the billing processes standards and triparty services standards. As for corporate actions standards, a high-level analysis was carried out, namely:

- An internal analysis was carried out and identified which of the 15 standards will need adaptation actions.
- In those who concluded that adaptation will be necessary, the more detailed internal analysis and the specification of the adaptations and developments to be made are



dependent on the more in-depth knowledge of the adaptations to be made by Interbolsa.

Regarding proposals with an important impact on the Portuguese market, the representative of BCP referred to the following:

- Payment time (S8) - Strong impact on the market due to the anticipation of the debit date of the issuer's account.
- Handling of fees for meeting related CA events (S12) - Faced with a group of bondholders' AG (Grupo Pestana, CUF, CGD) with these characteristics carried out last year and the identified trend of increasing this practice in the Portuguese market, it was suggested to change the adaptation plan in relation to this standard.
- ISO 20022 for CA messages (S15) to be implemented, in the case of BCP, within the scope of the T2 Consolidation project which is expected to go into production before the SCoRE Project.

Mr. Luís Castanho Ferreira also considered that there is an overload of work related to the different Eurosystem projects. He also said that the nomination of interlocutors in the SCoRE project was not requested, which would have contributed to a greater organization.

The Chair of NSG-PT thanked BCP for the very interesting contribution.

#### **4. Main challenges of CA Harmonization process to banks**

Ms. Rita Roque, representative of Banco Santander Totta (BST) at NSG-PT, started by presenting a state of the art of the 15 standards for Corporate Actions. She then referred to the main challenges that banks face in this project.

The first challenge is related to the dependence of the project on technological developments in the banks and the availability of the functional description of Interbolsa.

The second challenge has to do with the mandatory adaptation to the ISO 20022 format, which may present difficulties, namely, in smaller banks, given that when sending information to customers, the ISO 15022 format or proprietary format is commonly used.

The Chair of NSG-PT thanked the interesting contribution of BST.

#### **5. Feedback and questions**

No issues or questions were raised concerning the concerning the presentations above.



## 6. Other business

Mr. Rui Matos, representative of Interbolsa, reported on the recent work developed in the Debt Issuance Market Contact Group (DIMCG) - a working group in which he participates and which is promoted by the ECB, aiming at "... to identify issues that preclude further improvements in efficiency and integration in the area of debt issuance and initial distribution (ie., covering the full transaction chain from pre-issuance to post-trade) and to investigate how these issues may be addressed". The 3 pillars of debt issuance in Europe are: 1) sovereign debt and multilateral institutions; 2) harmonization processes; and 3) solutions to the problems identified. The work of the DIMCG is expected to end next September, which appears to be feasible.

BdP reported that the community monitoring exercise for the ECMS project was resumed, and the questionnaires for reporting on milestone IAD3 and preliminary assessment of the NSP milestone were distributed this week. The questionnaires include the answers provided in the previous monitoring round regarding the milestones PSE and IAD1, which shall be reviewed and updated in case progress has been made. The questionnaires must be filled in and returned by 8th march 2021.

During spring a new layout for the reports will be shared with ECMS-WG in order to align Readiness Reporting among all TARGET Services.

The next report cycle will take place during summer 2021 for the assessment of milestones IAD2 and NSP.

BdP also informed that the next SCoRE monitoring exercise will be launched on March 1st, with a response deadline of April 9th. The access codes to the questionnaire are the same as those for the 1st exercise, so the institutions that responded last year only need to insert potential changes.

Finally, the group agreed that the next meeting will take place after the Summer.