

# OeKB CSD Participant Meeting

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# Agenda

Host



Georg Zinner  
Managing  
Director

Business  
Facts & Figures

AOB



Harald Seisenbacher  
Relationship  
Management Issuers

Issuer Platform -  
Update



Kurt Kerschbaum  
Director Accounts,  
Settlement, Notary

Settlement  
Discipline – Update



Gerhard Frank  
Director Asset  
Servicing

Implementation  
SCoRE Standards  
2 & 6



Peter Felsinger  
Managing  
Director

Investor CSD  
Business

# 1. Business Facts & Figures



Georg Zinner  
Managing Director



# 1. Business Facts & Figures

Safekeeping as of 31.05.2023

(1/2)

Safekeeping		31.12.2021	31.12.2022	31.01.2023	28.02.2023	31.03.2023	30.04.2023	31.05.2023
Securities with a price as percentage of par	Issuer CSD	391,991	426,598	433,996	443,024	451,012	449,260	453,433
	Investor CSD	9,123	9,135	8,822	8,692	8,196	8,082	8,408
Securities with a price per unit	Market value in Euro million	306,399	263,587	275,203	279,901	271,989	273,925	269,447
	Units in million	7,748	7,783	7,825	7,820	7,756	7,800	7,755
Number of securities categories	Issuer CSD	14,400	13,342	13,306	13,494	13,007	13,298	13,630
	Investor CSD	1,319	1,297	1,322	1,326	1,320	1,316	1,322

Account Holders		31.12.2021	31.12.2022	31.01.2023	28.02.2023	31.03.2023	30.04.2023	31.05.2023
Number of Account Holders	Domestic	46	46	45	45	46	46	46
	Non-domestic	26	26	26	26	26	26	26

# 1. Business Facts & Figures

Settlement as of 31.05.2023

(2/2)

Settlement		Monthly Average 2021	Monthly Average 2022	Monthly Average 2023	01/2023	02/2023	03/2023	04/2023	05/2023	Σ 01-05/2023
Number of transactions	Intra	137,465	130,985	123,581	126,875	121,973	143,083	104,860	121,112	617,903
	Cross/External	6,179	4,573	3,428	3,624	3,942	4,193	2,548	2,831	17,138
Settled volume in securities with a price as percentage of par in Euro million	Intra	52,167	63,212	97,579	111,802	88,330	94,549	103,128	90,084	487,893
	Cross/External	153	302	587	1,312	277	527	140	677	2,933
Securities with a price per unit	Market value in Euro million									
	Intra	21,852	20,137	17,927	16,360	17,285	23,048	15,851	17,092	89,636
	Cross/External	235	338	311	228	412	446	270	200	1,556
	Units in million									
	Intra	703	700	583	529	555	731	511	587	2,913
	Cross/External	30	26	13	11	13	17	10	15	66

## 2. Issuer Platform - Update



Harald Seisenbacher  
Relationship Management  
Issuers



## 2. Issuer Platform - Update

### Achievements reached by the implementation of the Issuer Platform in Q4/2022

- The Global Certificate, representing the total of a Securities Issue, had to be represented in paper – a Physical Global Certificate (PGC). This was good until 2021, when an amendment to the Securities Deposit Act (DepG) opened the way for digital global certificates (DGCs) for all security types, except equities.  
Objective: digitalization – simplification and automation – of the last remaining paper-based processes in the securities industry.
- Implementation of the new advantages und possibilities via the OeKB CSD Issuer Platform and Issuer Platform Client.
- Comprehensive use of the opportunities resulting from DGCs:
  - Advantages through direct bidirectional communication between issuer, their agents and OeKB CSD
  - Automated and structured communication channels
  - Simplified and streamlined processes in the lifecycle, comprising
    - Creation of DGCs
    - Income collection
    - Provision of corporate action information

# 2. Issuer Platform - Update

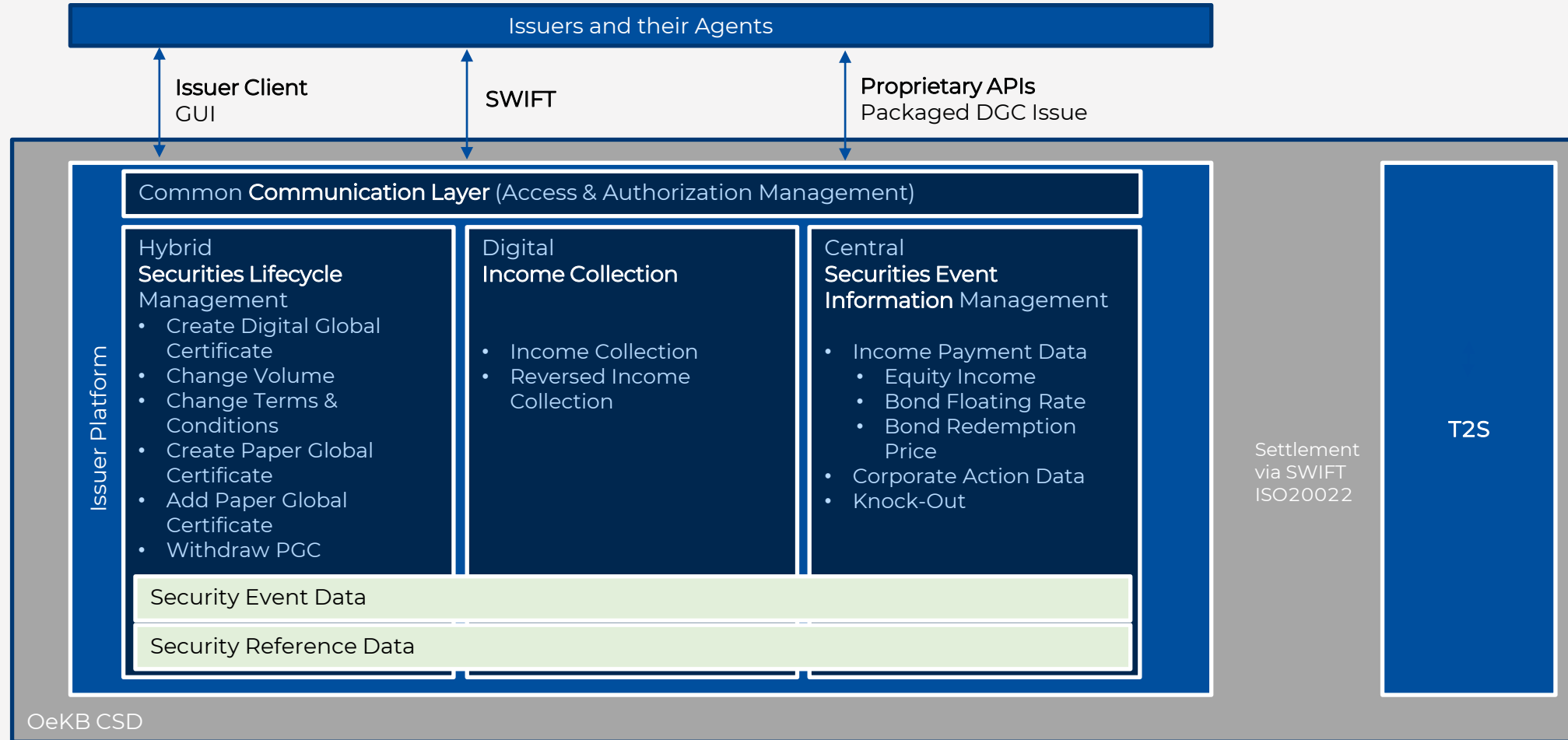
Achievements reached by the implementation of the Issuer Platform in Q4/2022

- What does it mean in reality?
  - A single user interface for issuers and their agents
  - A2A Connectivity allowing STP creation of DGC
  - No need to print / sign / deliver / scan / destroy a PGC
  - The DGC as a digital record is the legal basis of the holders' rights
  - OeKB CSD Issuer Platform supports the creation of DGCs and management of DGCs and PGCs



# 2. Issuer Platform - Update

## OeKB CSD Issuer Platform Overview



# 2. Issuer Platform - Update

## The Status

- 13,670 active ISIN in total
  - 11,792 PGC
  - 1,867 DGC (14 % of total as per June 1<sup>st</sup>, 2023)
  - 11 Single Certificates (Streifbandverwahrung)
- 5,031 Income Collections (as per June 1<sup>st</sup>, 2023)

# 2. Issuer Platform - Update

## Latest Enhancements, Next Steps and the future

- Latest enhancements regarding the creation of DGCs:
  - Incomplete Reference Data (missing ISIN data) are now kept in a loop until supplemented and not immediately rejected (limit: three days)
  - Joint establishment of a DGC:
    - Issuer to input initial Reference Data
    - Transfer Agent to take over for the continuous management of the DGC face quantity (increase/decrease)
- Next steps and the future (coming soon):
  - Securities Event Information Management (SEIM)
  - Enhanced Customer Reporting
  - Distribution Account

# 3. Settlement Discipline - Update



Kurt Kerschbaum  
Director Accounts,  
Settlement, Notary



# 3. Settlement Discipline - Update

## First year and Next Steps

- Annual report about Settlement Fails in year 2022 (February – December):
  - 8,89% Settlement Fails based on volume
  - 7,69% Settlement Fails based on value
  - Number of Settlement Fails 216,246
  - Total value of Settlement Fails EUR 92 billion
  - Total amount of penalties collected and distributed (single count): EUR 6,3 Mio.
- Next Steps:
  - RTS article 19 amendment – enter into force probably in summer 2024
    - ECSDA and EACH will discuss implementation in joint meetings
  - RTS article 21 - 38 (Buy-IN) enter into force on November 2<sup>nd</sup>, 2025

# 4. Implementation SCoRE Standards 2 & 6



Gerhard Frank  
Director Asset Servicing



# 4. Implementation SCoRE Standards 2 & 6

## Background

- What is ECMS?
  - The Eurosystem Collateral Management System (ECMS) is a unified system for managing assets used as collateral in Eurosystem credit operations.
  - For further information see: <https://www.ecb.europa.eu/paym/target/ecms/html/index.en.html>
- What is SCoRE?
  - In parallel to ECMS the Eurosystem's Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) is working towards developing a Single Collateral Management Rulebook for Europe (SCoRE), which defines common rules for managing collateral. The SCoRE CA Standards are intended to facilitate a consistent and timely implementation of harmonised business processes and workflows for the processing of CA and meeting events across AMI-SeCo markets.
  - All SCoRE Standards can be found here: [Collateral management harmonisation \(europa.eu\)](#)
- Relevant SCoRE Standards for OeKB CSD
  - Corporate Actions (SCoRE 2)
  - Billing Processes (SCoRE 6)
- Both initiatives (ECMS and SCoRE) will be implemented on April 8<sup>th</sup>, 2024

# 4. Implementation SCoRE Standards 2 & 6

## SCoRE 2 / Corporate Actions – List of Standards

### – 15 SCoRE CA Standards

- Standard 1: Harmonised business processes and workflows for corporate actions
- Standard 2: Provision of data necessary for calculating proceeds
- Standard 3: Consistency of information provided by issuer (I)CSDs, investor (I)CSDs and custodians
- Standard 4: Rounding rules
- Standard 5: Negative cash flows
- Standard 6: Business day rule
- Standard 7: Securities amount data
- Standard 8: Payment time
- Standard 9: Notification of processing status
- Standard 10: Elective events
- Standard 11: Availability of default options
- Standard 12: Handling of fees for meeting events
- Standard 13: Reversal of a corporate action
- Standard 14: Processing of foreign currency payments
- Standard 15: ISO 20022 messages for corporate actions



# 4. Implementation SCoRE Standards 2 & 6

SCoRE 2 / Corporate Actions - Standards with most relevant impact for OeKB CSD Customers

- SCoRE CA Standard 4: Rounding rules
  - Harmonised rounding rules should be applied for calculating cash payments and securities movements
  - Rounding down (instead of commercial rounding)
  
- SCoRE CA Standard 5: Negative cash flows
  - Securities with a fixed negative interest rate are not eligible with OeKB CSD
  - OeKB CSD will not support the processing of negative cash flows where floating interest rates result in a negative coupon amount. No payment will be performed.

# 4. Implementation SCoRE Standards 2 & 6

## SCoRE 2 / Corporate Actions - Standards with most relevant impact for OeKB CSD Customers

- SCoRE CA Standard 6: Business day rule
  - After the Go Live of SCoRE/ECMS OeKB CSD as Issuer CSD will only accept securities as objects of safekeeping and administration that foresee one of the following 3 Business Day Conventions (“preceding” will not be supported any longer for new issued securities)

Business Day Convention	Calculation Period	Post-Trade Process
Following	Adjusted	Pay the next business day
Following	Unadjusted	Pay the next business day
Modified Following	Adjusted	Pay the previous business day

- For securities issued before the Go Live of SCoRE/ECMS, “preceding” will still be supported

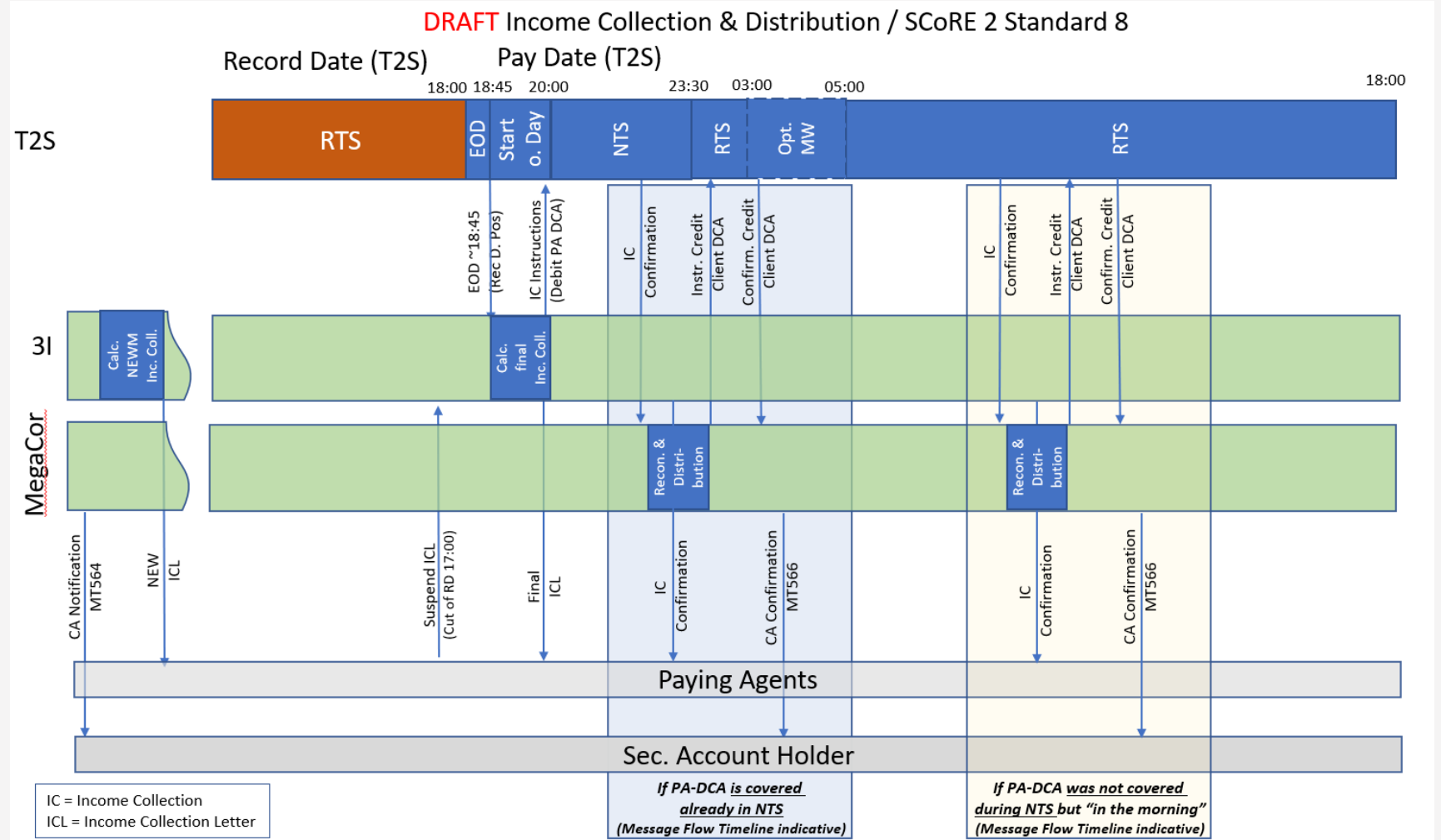
# 4. Implementation SCoRE Standards 2 & 6

## SCoRE 2 / Corporate Actions - Standards with most relevant impact for OeKB CSD Customers

### – SCoRE CA Standard 8: Payment time

OeKB CSD will make available NTS settlement for cash payments (e.g. coupon payments, redemptions, ...) wherever possible but not facilitate NTS settlement for payment in securities in a first step.

Paying agents are encouraged to analyze whether they want to become compliant with this standard.



# 4. Implementation SCoRE Standards 2 & 6

## SCoRE 2 / Corporate Actions - Standards with most relevant impact for OeKB CSD Customers

- SCoRE CA Standard 14: Processing of foreign currency payments
  - No change to the current process as OeKB CSD maintains customer's Non EUR cash accounts inhouse
- SCoRE CA Standard 15: ISO 20022 messages for corporate actions
  - SRD II Meeting event and Shareholder Identification messages will continue to be exclusively in ISO 20022 format
  - For all other events customers may switch from ISO 15022 to ISO 20022
    - The earliest switch to ISO 20022 will be in Q1/2024 **before** the go live of SCoRE/ECMS
    - Customers will be invited to register for the switch to ISO 20022 until end of August 2023 (for such customers ISO 15022 will be discontinued in Q1/2024)
    - Timeline: Customer testing with the beginning of November 2023

# 4. Implementation SCoRE Standards 2 & 6

SCoRE 2 / Corporate Actions - Standards with most relevant impact for OeKB CSD Customers

- SCoRE CA Standard 15: ISO 20022 messages for corporate actions (continued)

CorporateActionNotification	seev.031.001.13
CorporateActionEventProcessingStatusAdvice	seev.032.001.08
CorporateActionInstruction	seev.033.001.12
CorporateActionInstructionStatusAdvice	seev.034.001.13
CorporateActionMovemetPreliminaryAdvice	seev.035.001.14
CorporateActionMovementConfirmation	seev.036.001.14
CorporateActionMovementReversalAdvice	seev.037.001.14
CorporateActionNarrative	seev.038.001.07
CorporateActionCancellationAdvice	seev.039.001.12
CorporateActionInstructionCancellationRequest	seev.040.001.12
CorporateActionInstructionCancellationRequestStatusAdvice	seev.041.001.13
CorporateActionInstructionStatementReport	seev.042.001.11
CorporateActionMovementPreliminaryAdviceCancellationAdvice	seev.044.001.12

For further information see: [Securities Events \(SR2023\) \(swift.com\)](#)

# 4. Implementation SCoRE Standards 2 & 6

## SCoRE 6 / Billing

- **Standard 1:** Dissemination of billing information must be offered using an ISO 20022 message
  - Introduction of Camt.077 planned for March 2024
  - Customer can decide to receive Billing information via PDF or Camt.077
- **Standard 2:** 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.
  - **Already Compliant**
- **Standard 3:** (I)CSDs must provide billing information to their clients no later than the 8<sup>th</sup> calendar day of the month (or the next business day if the 8<sup>th</sup> calendar day is not a business day) for fees related to core (I)CSD services and/or triparty collateral management services.
  - **Already Compliant**
- **Standard 4:** Cash payments to the (I)CSDs must be processed on the 15<sup>th</sup> calendar day (or the next business day if the 15<sup>th</sup> calendar day is not a business day) of each month for fees related to core (I)CSD services and/or triparty collateral management services
  - **Already Compliant**

# 5. Investor CSD Business



Peter Felsinger  
Managing Director



# 5. Investor CSD Business

## Account with NBB-SSS (National Bank of Belgium)

- Preparation of the opening of a securities account (interoperable CSD link) with NBB-SSS which will act as Issuer CSD for EU Bonds (issued by the European Commission on behalf of the European Union)
- OeKB CSD's clients will be able to hold EU Bonds on their securities accounts with OeKB CSD
- Close contact with the NCA to fulfill the regulatory requirements of CSDR
- Go-live planned for Q4/2023



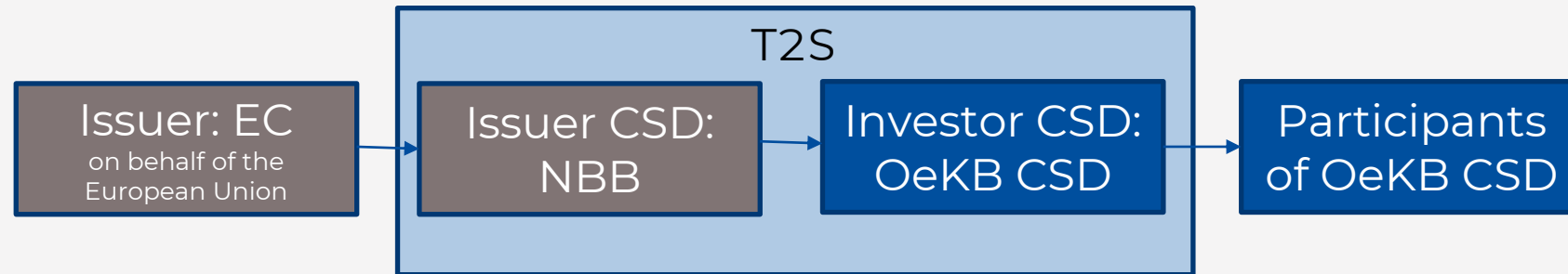
# 5. Investor CSD Business

## The EU Bond Issuance

- With NextGenerationEU (NGEU), the Commission will become one of the largest supranational issuers of debt securities denominated in euro. Debt securities issued under the NGEU program are expected to reach a total value of EUR 800 billion by 2026.
- **Issuer:** European Commission
- **Paying Agent:** ECB
- **Issuer CSD:** National Bank of Belgium (NBB)
- Auction processed by Banque de France
  
- We expect that the Issuance Service will start with 01/2024

# 5. Investor CSD Business

## The EU Bond Issuance - Settlement



- Only CSDs are allowed to hold the debt on behalf of their underlying Participants
- Primary Market: RVP Cross Instructions for Primary Dealers
- Secondary Market: T2S Settlement (Intra/Cross)

## 6. Any Other Business (AOB)



Georg Zinner  
Managing Director



# 6. Any Other Business (AOB)

First User Committee Meeting (after new constitution) on June 1<sup>st</sup>, 2023

## Issuers:

- Mag. Harald Frodl, Raiffeisen KAG
- Dr. Eveline Lindner, OMV Aktiengesellschaft
- Mag. (FH) Markus Stix, Österreichische Bundesfinanzierungsagentur Ges.m.b.H.

## Participants admitted to the SSS operated by OeKB CSD:

- Günter Bauer, UniCredit Bank Austria AG
- Uwe Dreger, BNP Paribas S.A., Niederlassung Deutschland
- Sandra Schovanez, Erste Group Bank AG
- Mag. Stefan Wallner, Raiffeisen Bank International AG

## Voted Chairperson:

- Günter Bauer, UniCredit Bank Austria AG



# Thank you for your kind attention!

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