



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Market Infrastructure Development
European Central Bank

Eurosystem Collateral Management System

Project status update

25 September 2018

CMH-TF, Frankfurt am Main

Status update

- Eurosystem-internal working group on ECMS (ECMS-WG), with the representatives of each of the 19 National Central Banks, had its 6th meeting on the 18th and 19 Sept. 2018.
- While the focus is currently on the UDFS, other tasks are performed such as the preparation of the ECMS Manual of Operational Procedures.
- A questions and answers document has been published on the ECB website:
https://www.ecb.europa.eu/paym/pdf/ECMS_terms_of_reference.pdf

ECMS UDFS Iterations status

#	High level Description	Status
1	<ul style="list-style-type: none"> Reference data 	Validated
2	<ul style="list-style-type: none"> Marketable Assets 	Validated
3	<ul style="list-style-type: none"> Monetary policy operations 	V0.2 to be delivered
4	<ul style="list-style-type: none"> Provision of reference data to T2S and to TPA T2S relocation 	V0.1 under ECMS-WG review
5	<ul style="list-style-type: none"> Support functionalities (e.g. accounting) 	Not delivered <i>(Service provider starts drafting in Aug. 2018)</i>
6	<ul style="list-style-type: none"> Corporate actions Taxation 	Not started <i>(Service provider starts drafting in Sept. 2018)</i>
7	<ul style="list-style-type: none"> Credit Claims 	Not started <i>(Service provider starts drafting in Nov. 2018)</i>
8	<ul style="list-style-type: none"> Triparty 	Not started <i>(Service provider starts drafting in Jan. 2019)</i>

Partial consolidations of iterations (1 to 3; 1 to 5) are planned to ensure consistency without waiting Q3-2019 for the full UDFS consolidated.

ECMS and the harmonisation proposal for Triparty

- New UR based on the CMH-TF reports have been drafted. The 1st version has been reviewed by the ECMS-WG. A new version will soon be delivered taken into accounts the comments received.
- These ECMS Triparty UR includes the following understanding (based on the information contained in the CMH-TF report):
 - No initiation instruction from the TPA to ECMS (treatment as if initiation and increase are similar);
 - Increase or mandatory decrease of the triparty amount are notified via the reporting on flow (i.e. no instruction of adjustment);
 - Transaction amount and collateral value are both provided.
- A change request (CR) to update the ECMS URD is required to enable the drafting the drafting of UDFS Iteration 8. The change management process include to consult relevant committees hence the CR should be initiated in October.

ECMS and harmonisation proposal for Corporate Actions

- A gap analysis has been performed between the CMH-TF report and the ECMS URD.
- ECMS-WG feedback is currently being analysed. The current conclusion is that no change is needed in the ECMS URD. The CMH-TF report and its relevant parts for the Eurosystem will feed the ECMS UDFS Iteration 6.
- Some items pending are expected to be harmonised:
 - CMHA3 - Taxation Processes
 - CMHA10 - Non-euro collateral

Other coming harmonisation proposals

- CMHA5 – Margin Call: The expectation is on the ISO 20022 message to be used, the ECMS will send a A2A notification to the counterparty in case of margin call.
- CMH6 – Billing processes: the frequency and period of the billing should be harmonised. Additionally, it would be beneficial to also harmonise the data and the message.