



EUROPEAN CENTRAL BANK

EUROSYSTEM

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# **Eurosystem deliberations on taking collateral for credit operations**

AMI-SeCo meeting, Frankfurt

4-5 July 2017

# Background

- **The ECB presented at a high-level how the Eurosystem aims at making collateral management more efficient in the March 2017 AMI-SeCo meeting**
- **AMI-SeCo**
  - **welcomed the information and appreciated having been involved**
  - **agreed to have a dedicated workshop on the topic**
  - **agreed that technical work should continue on solving the realignment of cross-CSD Eurobond settlement transactions in T2S**

# **AMI-SeCo workshop in Madrid on 11 May 2017**

- **A wide range of AMI-SeCo members and Eurosystem NCBs were represented**
- **The ECB elaborated on the Eurosystem deliberations on taking marketable collateral in T2S:**
  - **Horizon: ECMS go-live**
  - **Only location of NCB accounts (as collateral taker) to be affected**
- **The two ICDSs confirmed their service offering and their commitment to work on a solution for the realignment of cross-CSD Eurobond settlement transactions in T2S**
- **Participants expressed support emphasising the need for seamless asset servicing and the ability to pool collateral and liquidity management**
- **Follow-up questionnaire**

# Questionnaire to AMI-SeCo members

- **More background information and detailed questions focussing on potential implications new policy might have for market participants**
- **12 AMI-SeCo members replied**
- **The majority of respondents seem to agree with the Eurosystem's preliminary assessment of potential benefits and challenges**
- **The ability to pool activity in T2S, the longer term effects on integration and harmonisation and level playing field were highlighted among the benefits for market stakeholders**
- **The need for an appropriate network of links, the solution to the realignment of Eurobonds and the availability of efficient asset servicing and tri-party services were highlighted among the challenges**
- **Avoiding undue complexity and aligning settlement windows were mentioned**