Eurosystem deliberations on mobilisation of collateral for use in Eurosystem credit operations

AMI SeCo meeting, 6-7 March 2017
Major developments in EU post-trade services landscape

• Go-live of T2S
• ICSDs’ public announcements on extending their services on T2S to realise higher “collateral mobility and liquidity efficiency”
• Entry into force of CSDR and its potential effect on links
• Eurosystem market infrastructure projects, in particular investigations to launch an ECMS
• EU Commission’s Capital Markets Union initiative

Identify opportunities to further improve efficiency
Analysis on how the Eurosystem and its counterparties could make the best use of the new landscape
**Eurosystem consideration to only rely on T2S to settle mobilisation of marketable collateral for its credit operations**

- Decreasing / eliminating the difference between domestic and cross-border mobilisation
- Enabling Eurosystem counterparties to use and consolidate activity in T2S
- Streamlining Eurosystem collateral management procedures
- Limiting complexity (single interface between ECMS and T2S)
- Further improving transparency on collateral management framework

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Initial market feedback is welcome

- How could market participants / T2S users and market infrastructure service providers contribute to making collateral taking by the Eurosystem more efficient?
  - E.g. increasing network of links, finding a safe and efficient realignment of assets settled in T2S that are issue outside T2S, ...

- What benefits / challenges / implications would market participants see if the Eurosystem took marketable collateral in T2S only?
  - E.g. business, operational, cost, ...