Training ECMS- Module 2

Access Management & Migration

May 2023

DeNederlandscheBank

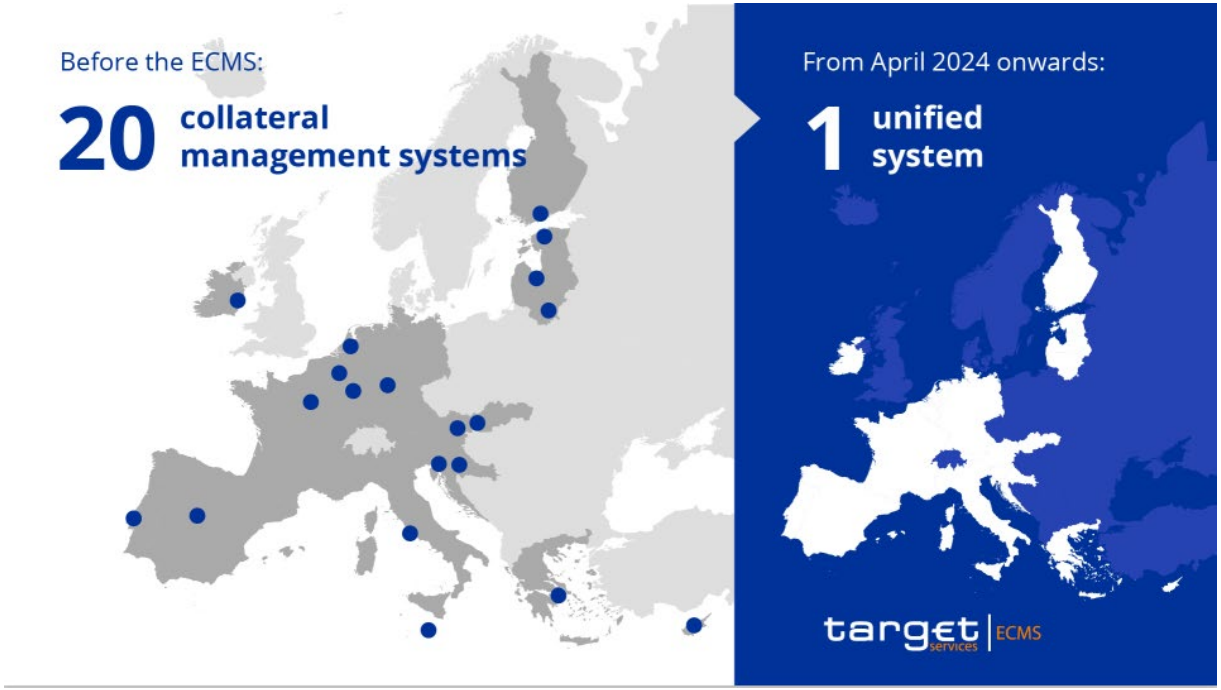
EUROSYSTEEM

Agenda

1. **Introduction**
2. **Access Management**
3. **Migration**

ECMS introduction

ECMS – Eurosystem Collateral Management System



A single, unified collateral management system

The Eurosystem Collateral Management System will replace the 20 local collateral management systems of the NCBs in operation today.

Go-live is planned for **8 April 2024**.

The ECMS – key aspects

The ECMS will work together with the other TARGET services to ensure that cash, securities and collateral flow freely across Europe.

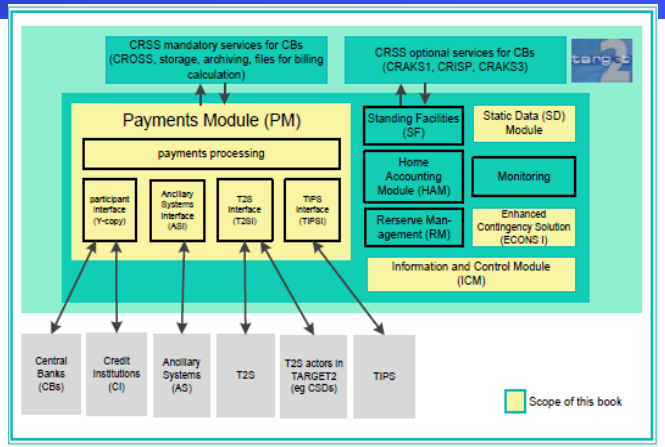
The ECMS keeps track of the individual collateral and credit positions of counterparties belonging to the Eurosystem national central banks.

The ECMS calculates the credit line available to each counterparty and sends this information to the central liquidity management tool (CLM).

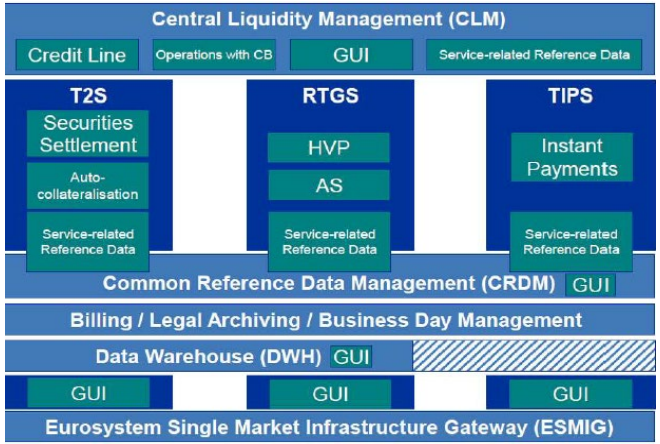
The ECMS converts counterparties' (de-) mobilisation instructions into settlement instructions which are sent to and settled in TARGET2-Securities (T2S).

TARGET2 becomes CLM

TARGET2 today



T2/T2S Consolidation Project (CSLD)



CLM as of March 2023

- All Central Bank Operations (CBO) will be handled in CLM, all participants act via a Main Cash Account (MCA).
- Interbank payments will be handled via RTGS Dedicated Cash Accounts (DCA).
- One common communication infrastructure for T2, T2S, TIPS and as of 2024 ECMS for both U2A and A2A-mode, i.e. ESMIG

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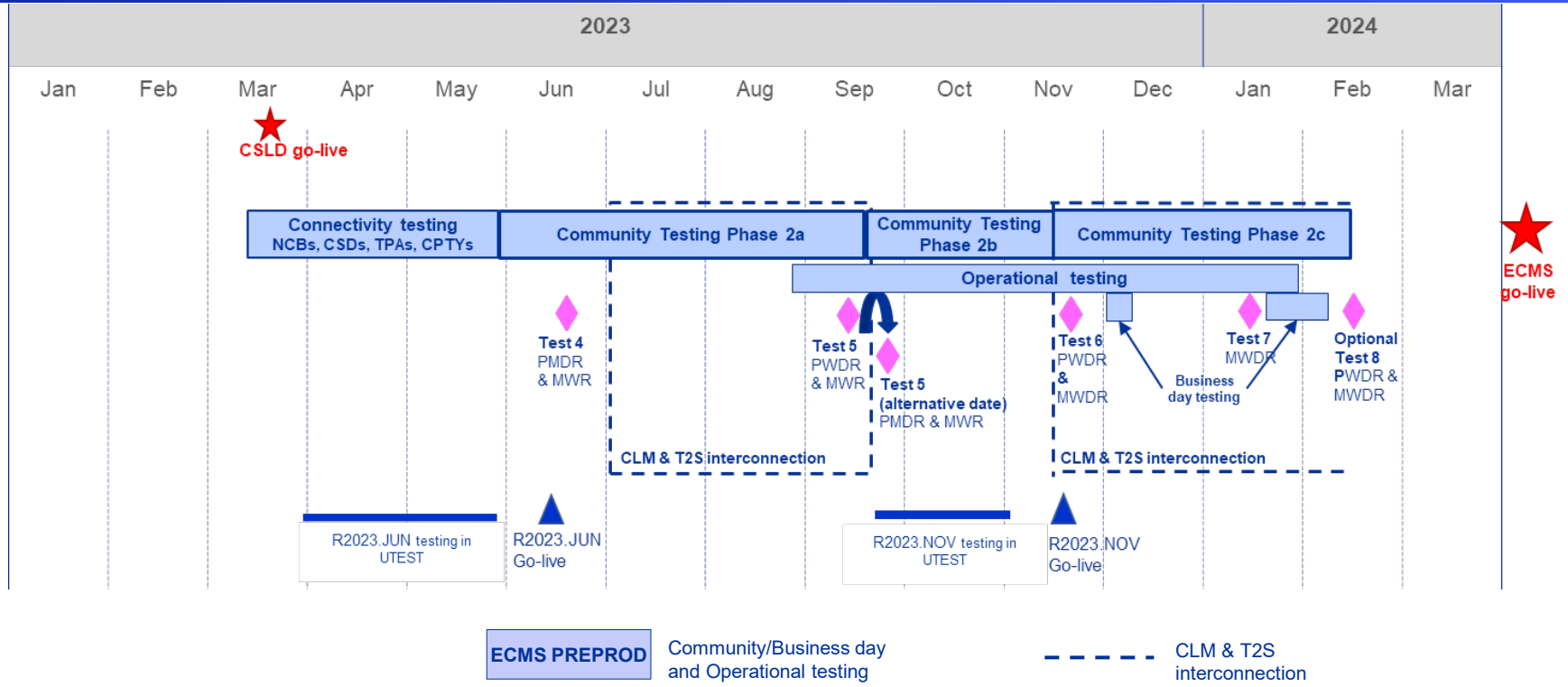
Planning of €-ECMS project (as of 27 January 2023)



ECMS Training

Training module 2: Access Management

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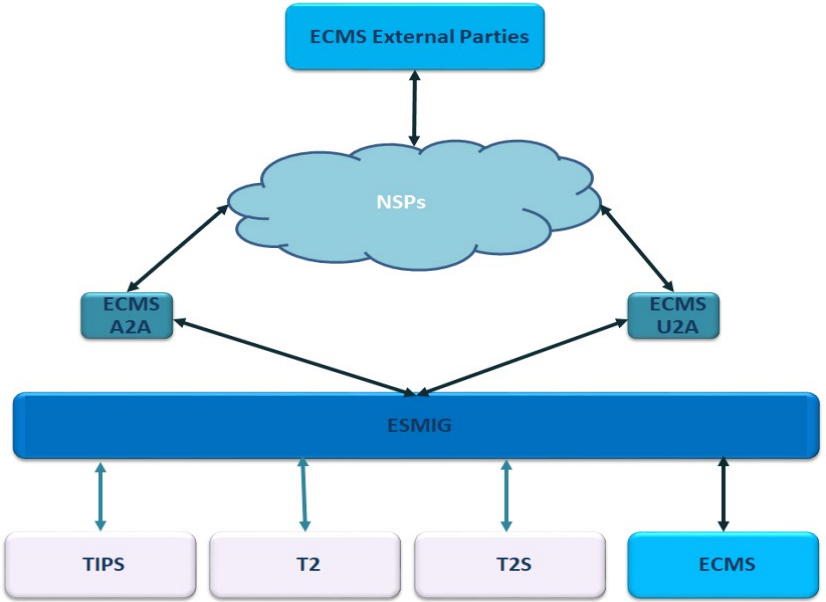
Access Management

- ECMS is indeed one of the TARGET-Services, but leads to a complete different functionality and (potentially) user group.
- SWIFT or SIA/Colt provide a Closed User Group with relevant TARGET Services Actors in both Test (EAC & UTEST) and Production environment, and for each Service: T2, T2S, TIPS, ECMS and potential future services.
- Separate procedure for subscribing to each service/environment. This leads to access of the requested service ('the relevant tile is visible and active').
- The person mentioned in the Registration form, the Admin User, will have authority to add colleagues of its organisation. These colleagues will be provided with the relevant roles to work in ECMS.



Access Management

Process after sending a (new) registration form to DNB; including test phase

1. **Creation of the user:**
   - Each party must have at least one administrator ("*admin user*")
   - If a new entity is to be registered in 4-eyes, it must be created with at least two administrators
   - Each new user is linked to the same ECMS Party to which the creator user belongs

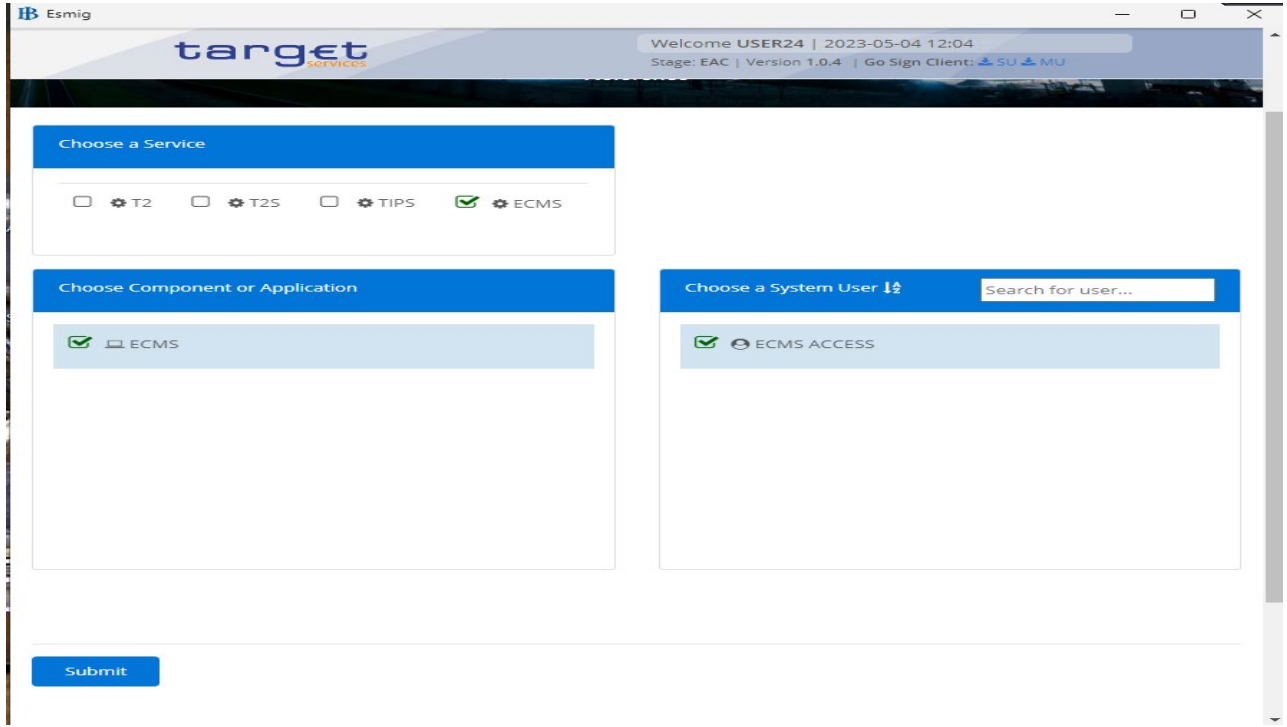
2. **Allocation of Roles**
   - The party administrators are automatically able to manage all the predefined roles assigned to the party they belong to

- ❑ DNB will setup counterparty: based on registration form
- ❑ DNB will create CPTY admin user(s)

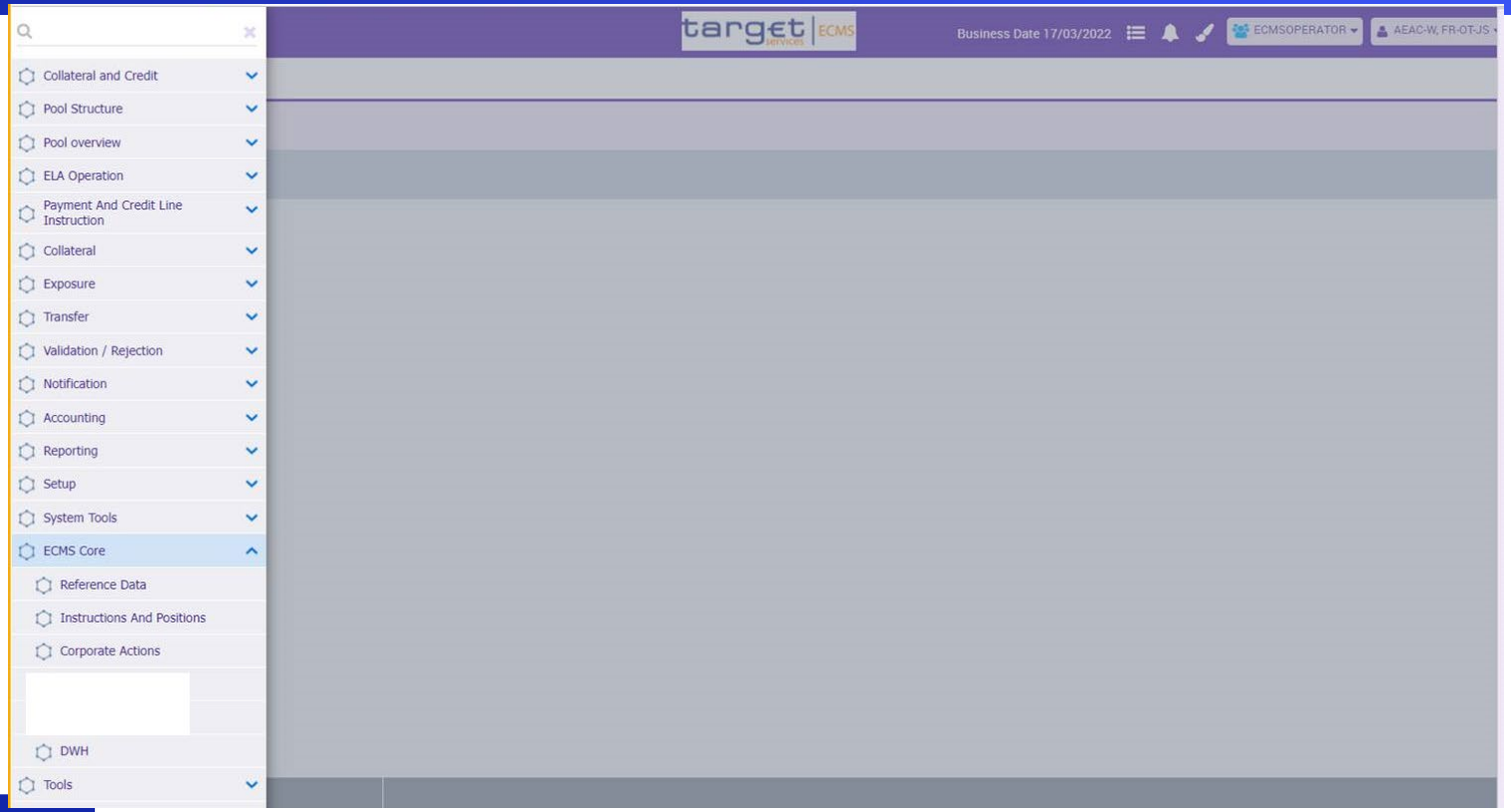
If also A2A:

- ❑ CPTY Admin(s) create A2A - users
- ❑ CPTY checks receipt of an acknowledgement (admi.007) from ECMS after sending one A2A message [ECMS Catalogue of Messages]

Access Management



Access Management



Access Management:

- The capability of triggering actions in the ECMS is defined by privileges, the Privileges are granted to predefined Roles and the Roles are granted to Users.
  - A **Privilege** identifies the capability of triggering an ECMS user function.
  - A **Role** is a set of Privileges. The roles are predefined in the ECMS.
  - The **user** inherits the role whenever it is granted to him/her; or whenever the user is included in a group.
  - Administrators can use **groups** to gather the U2A users with the same business profile.
- The same user cannot be linked to a U2A role and an A2A role at the same time.
- In case a user is granted different roles, the privileges of the different roles are always cumulative. Hence, it is not possible to have contradictory privileges/roles assigned as ECMS applies the less restrictive rule (the less restrictive privilege applies).
- **One certificate DN** can be linked to **several ECMS system users.**

Access Management

Predefined roles available in ECMS:

Read Only Role

- User can access the information but do not have the possibility to Create/update (i.e. The buttons 'Create' and 'Edit' are not available).
- **Only the view mode** is allowed

Execution Role

- User can **access** the information and besides it has the possibility to **Create/update** (i.e. The buttons 'Create' and 'Edit' are available)
- There are 2 specific roles **to complement the execution roles**, '2-eyes' role' and '4-eyes' role, one of them has to be granted besides the specific execution roles.

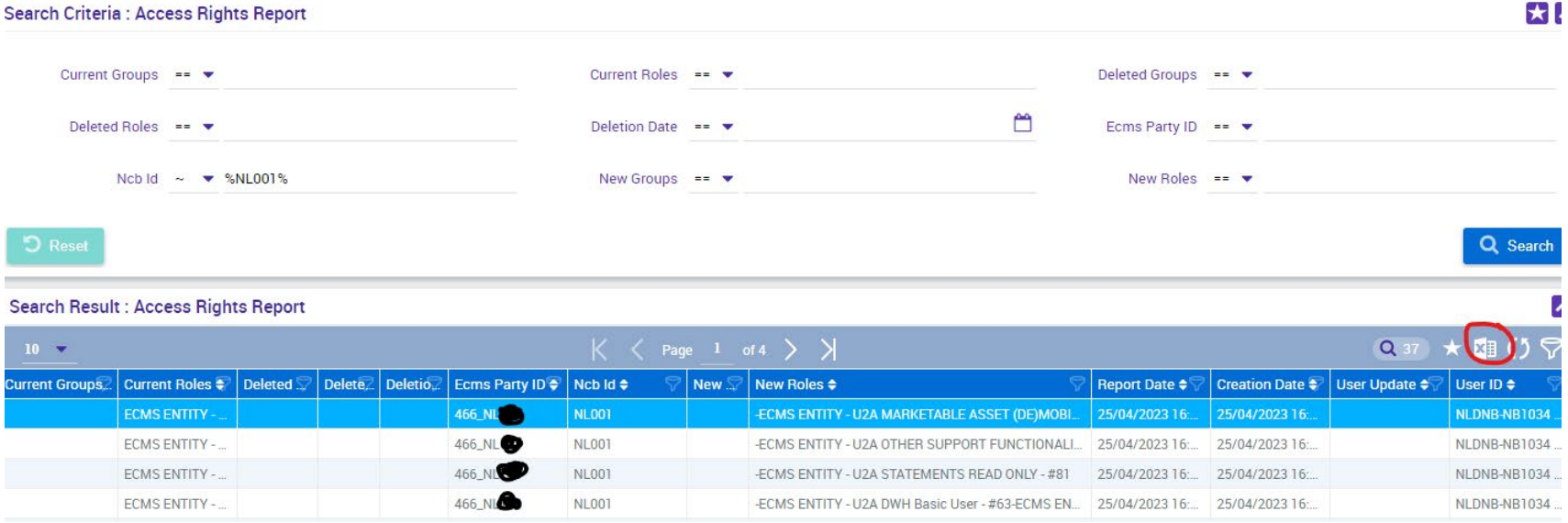
Counterparty Roles

- Party Administrator
- Reference Data
- Marketable Asset (de)mobilisation
- Credit Claim Management
- Cash Collateral
- Other Collateral
- Externally managed collateral
- Open Market Operations
- Standing Facilities
- Credit Freezing
- Credit Line Management
- ELA Read only
- CA and Tax Management
- Pool Position Management
- Statements
- Banking Group management
- 4-eyes
- 2-eyes
- Counterparty A2A

Access Management

Role Statement	
Button	**Function**
Create	This function enables you to assign a role to the user.
Field	**Description**
Security Role(*)	Enter / Select the Security Role you want to assign to the user. The possible values are: – Counterparty U2A Cash Collateral (Execution and Read Only) – Counterparty U2A Externally Managed collateral (Read Only) – Counterparty U2A Open Market Operations (Read Only) – Counterparty U2A Standing Facilities (Execution and Read Only) – Counterparty U2A Credit Freezing (Execution and Read Only) – Counterparty U2A Credit Line (Execution and Read Only) – Counterparty U2A Pool Position Management (Read Only) – Counterparty U2A ELA Management (Read Only) – Counterparty U2A Banking Group Management (Read Only) – Counterparty U2A Credit Claim Management (Execution and Read Only)

Access Management



Access Management

- The TARGET Services Connectivity Guide on the ECB website describes in general terms the connectivity to ESMIG.
- This connectivity guide is not sufficient to achieve your connectivity to ESMIG. All NSPs specific steps and technical details (e.g. settings and tokens) to achieve the connectivity to TARGET Services, are described in the relevant NSP (SWIFT or SIA-COLT) related documentation.
- The ECMS User Handbook also provides information on Access Management for ECMS.

- ECMS actors that interact with ECMS via A2A can request access to the ECMS Closed User Group in the MyStandards web application.

ECMS Training

Training module 2: Migration

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Migration

- The ECMS Migration is the process responsible for the **creation or migration of data in the ECMS**, as well as other necessary activities such as **connectivity of the actors and connectivity to other systems, to prepare the ECMS for the go-live**, i.e. start of business on the 8th April 2024.
- The ECMS migration **follows a big-bang approach, meaning all the NCBs and their communities participating in the ECMS will be migrated simultaneously** so that all participants are live in production from the start for the collateral management functionalities that are moved by the NCBs from local CMSs to the new ECMS.

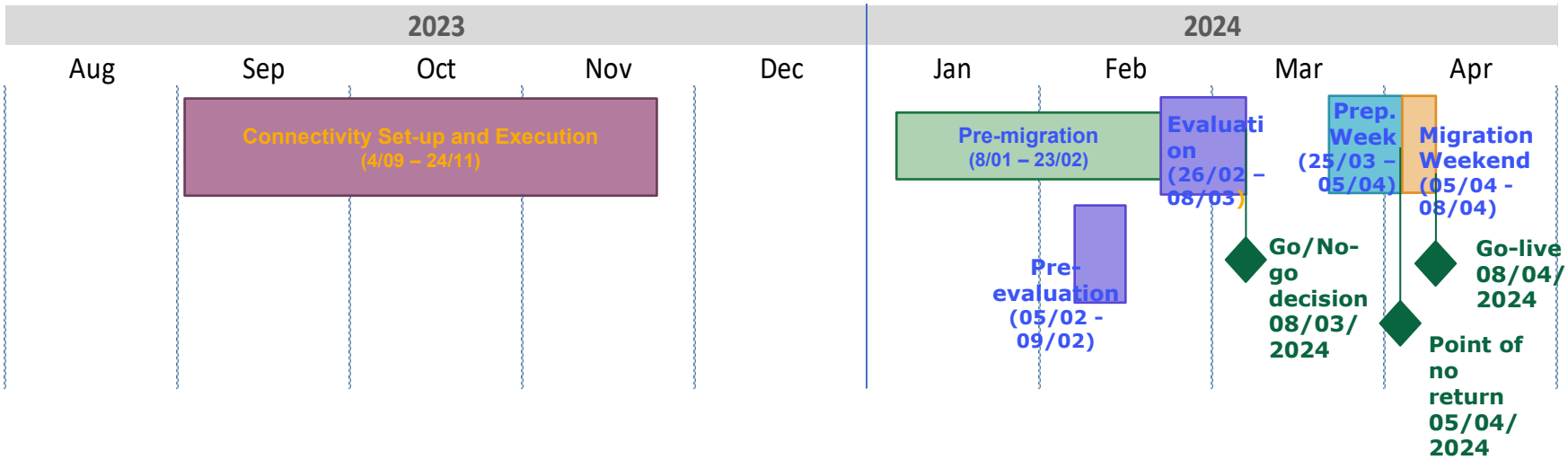
Migration

The process is divided in different stages and phases, for which different activities should be executed by the actors. The ECMS migration phases are:

1. Connectivity Set-up and execution
2. Pre-migration
3. Pre-evaluation
4. Evaluation
5. Preparation week
6. Migration Weekend
7. Post-migration

Migration

The following timeline gives an overview on the timing, duration and chronology of the migration process in ECMS, by highlighting the different phases and milestones:



Migration

Name of ECMS Migration Phases/Milestones	Start Date	End Date
Connectivity Set-up and Execution	04/09/2023	24/11/2023
Pre-Migration	08/01/2024	23/02/2024
Pre-evaluation	05/02/2024	09/02/2024
Evaluation	26/02/2024	08/03/2024
Go/No-Go decision	08/03/2024	08/03/2024
Preparation for the migration weekend	25/03/2024	05/04/2024
Point of no return	05/04/2024	05/04/2024
Migration weekend	05/04/2024	08/04/2024
Go-Live	08/04/2024	08/04/2024
Post-migration	08/04/2024	12/04/2024

The point of no return is the latest point in time by which the ECMS migration cannot be reverted, i.e. the local CMSs are decommissioned and all new instructions (collateral, credit operations, credit line) can only be made in the ECMS. This will certainly be after the end of day processes in the local CMSs and after the migration of transactional data into the ECMS.

Migration

Go/No-Go decision for the start of the Migration Weekend

The decision to proceed with the migration will be taken by the MIB following the evaluation period on 8 March 2024.

Point of No return

As ECMS pursues a 'Big Bang' approach there is no point of return after the beginning of the actual migration process on 5 April 2024.

Preparation of the migration weekend

The weeks before the migration weekend starts, i.e. from 25/03/2024 to 05/04/2024 (upon start of the actual migration activities). The main goal of the period is to receive all data from the external sources in order to initialise the ECMS database, or other reference data considered useful or necessary.

Migration Weekend

The migration weekend begins on 5 April 2024 after closing of the business day on the local collateral management systems (CMSs). The migration weekend is executed according to the Migration Weekend Playbook, which covers the detailed activities that must be performed by the respective actors, their duration, and their dependencies (including actions NCBs are still expected to conduct in their local CMSs, the exact timing for each activity, detailing of the synchronisation points).

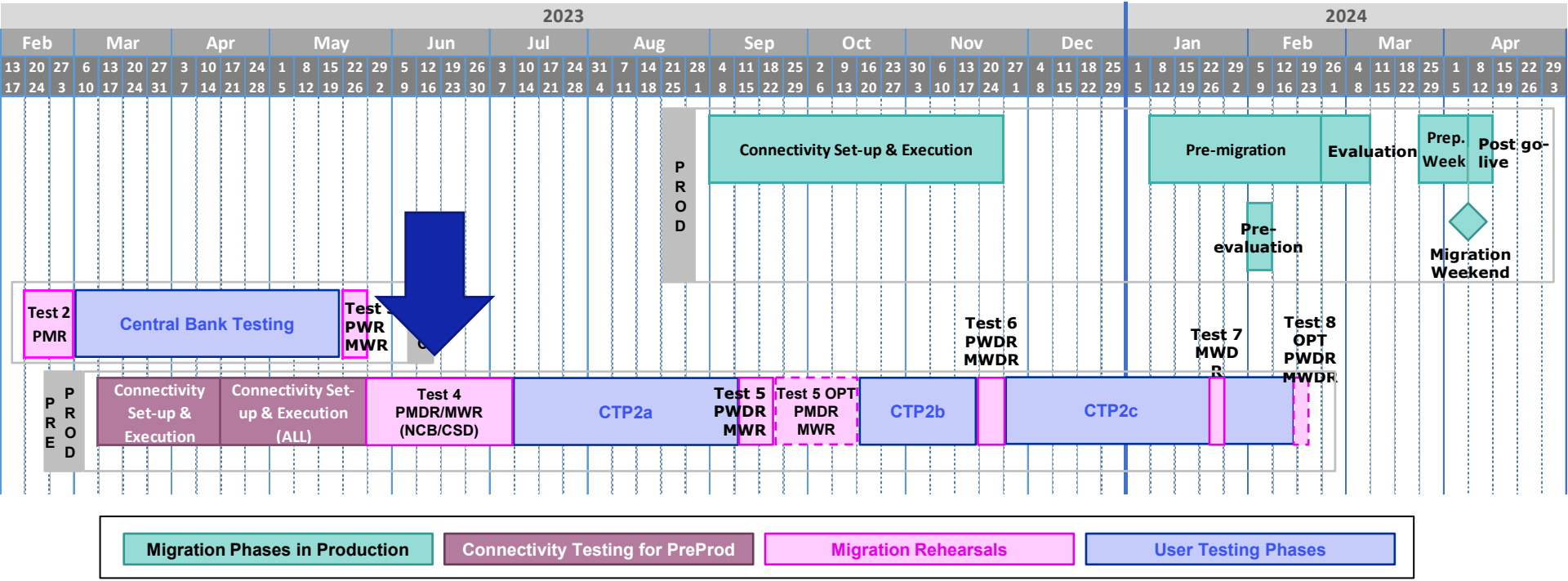
All transactional data must be present in ECMS at the end of the Migration Weekend Stage so ECMS is fully operable on Monday 8 April 2024 for NCBs as well as CSDs, TPAs and Counterparties.

Go-Live

The ECMS will come into operation and be used to manage the collateral of the Eurosystem with the scheduled start of the day-time processing (DTP) for the business day 8 April 2024 (i.e. 7AM CET).

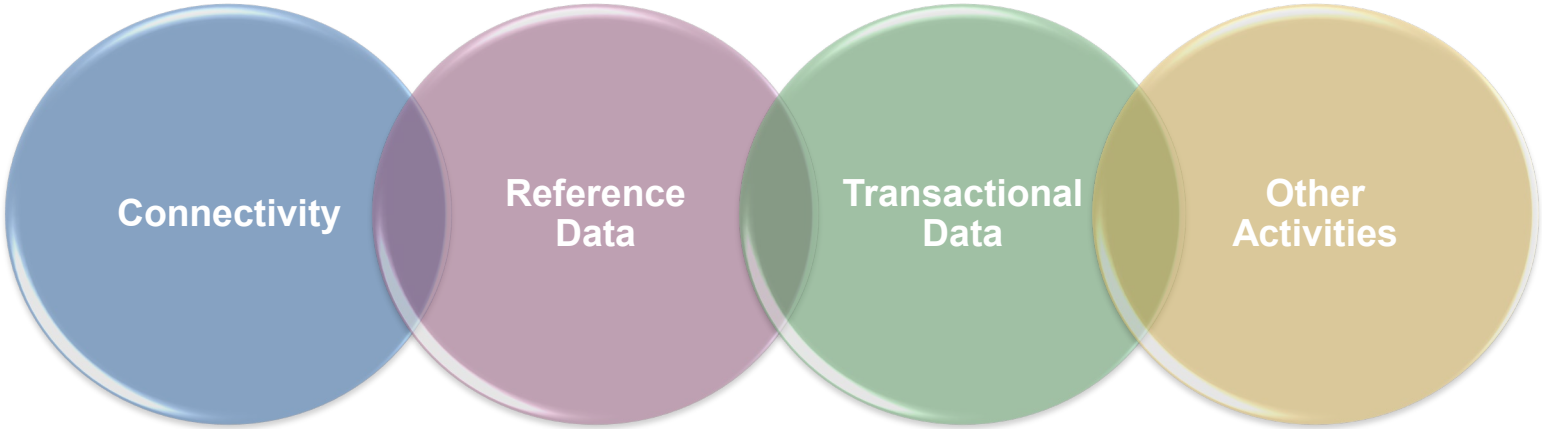
For business day 8 April 2024, the business day schedule should occur as normal from the start of day-time process onwards (i.e. from go-live).

Migration

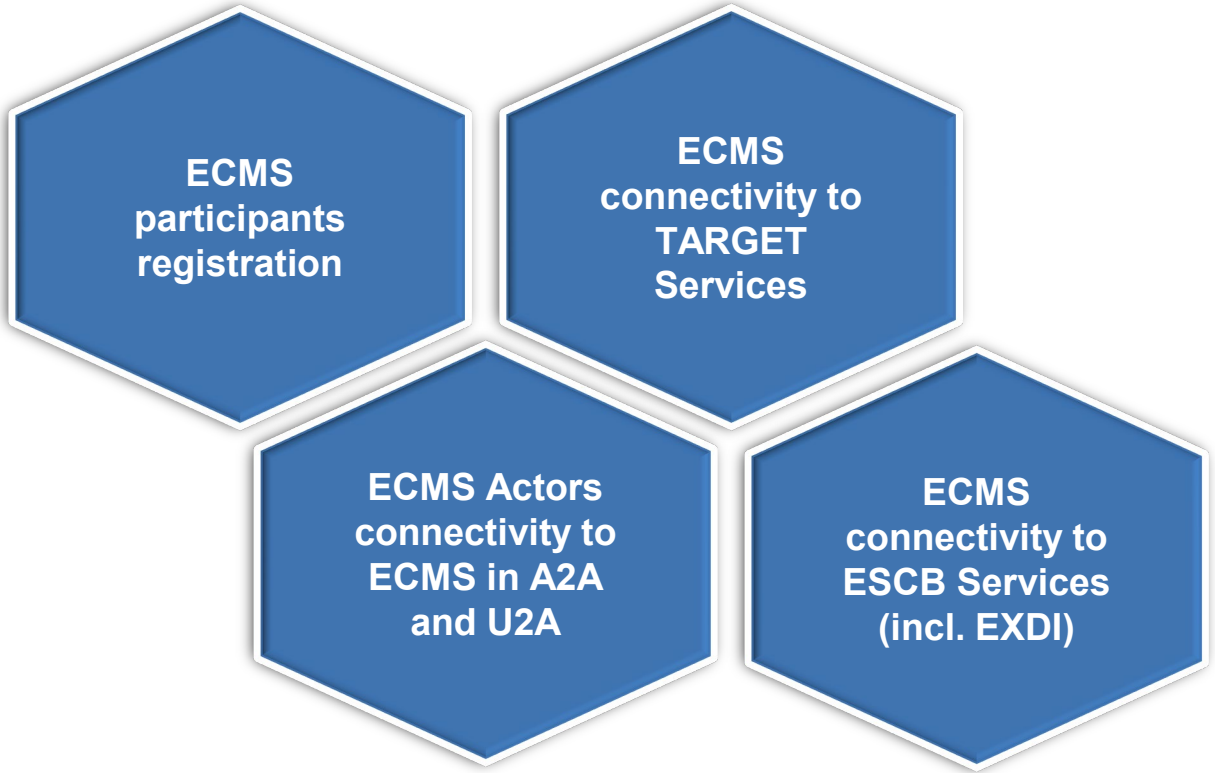

2023
2024
Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
PROD
Connectivity Set-up & Execution
Pre-migration
Evaluation
Prep. Week
Post go-live
Pre-evaluation
Migration Weekend
Test 2 PMR
Central Bank Testing
Test 6 PWDR MWDR
Test 7 MWD R
Test 8 OPT PWDR MWDR
PRE
PROD
Connectivity Set-up & Execution
Connectivity Set-up & Execution (ALL)
Test 4 PMDR/MWR (NCB/CSD)
CTP2a
Test 5 PWDR MWR
Test 5 OPT PMDR MWR
CTP2b
CTP2c
Migration Phases in Production
Connectivity Testing for PreProd
Migration Rehearsals
User Testing Phases

Migration

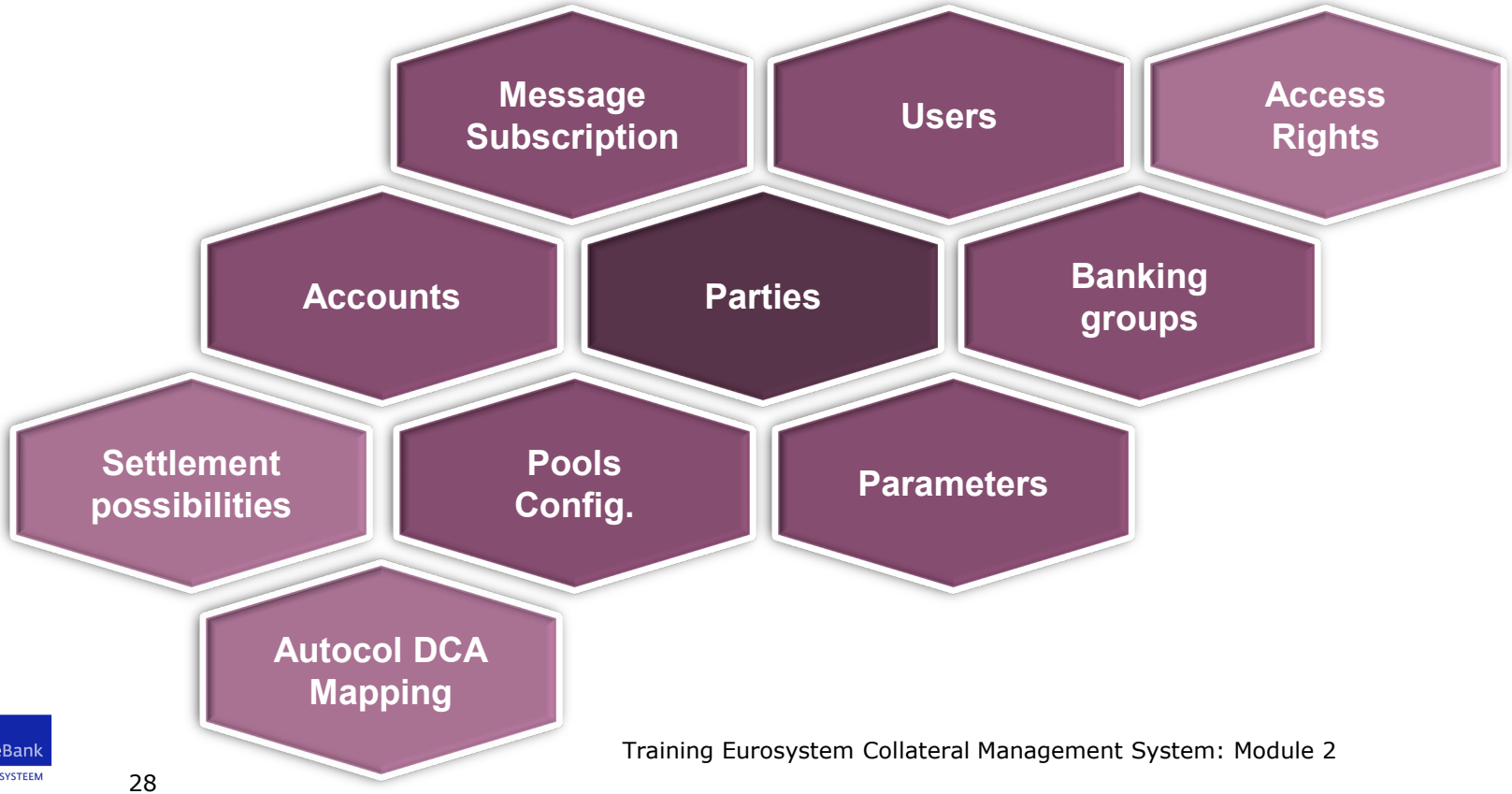
Considering the ECMS functionalities and the goal of the ECMS migration process, the ECMS migration scope is:



Connectivity (17/4 to 26/5)



Reference Data (29/5 to 30/6)



Reference Data

NCB creates remaining reference data for its counterparties			
What	NCB parametrises the counterparty collateral and cash accounts, the pools, the authorised operations, the message subscription	*Pre-requisites*	• CTPYs have submitted the complete registration forms
When	Pre-migration	*Steps*	• NCB creates the counterparty contact information • NCB creates the collateral and cash accounts of the counterparties • NCB creates the pools, with the required characteristics, including authorised monetary policy operations or maximum credit line if applicable • NCB creates the banking groups and parametrise the CTPY as a banking group manager or banking group participant if applicable • NCB performs the creditor configuration and the Selected Credit Assessment Sources & System for credit claims if applicable • NCB confirms the CTPYs message subscription is correct in ECMS
Who	NCB		
Note	• Some data is requested from counterparties through the registration form, such as the contact information. • Some data is created in ECMS by NCB based on the data already existing in the NCB local CMSs (e.g. accounts and pools).		

Reference Data (26/6 to 30/6)

Set-up counterparty users			
What	Set-up all counterparty users with the respective access rights	*Pre-requisites*	• CTPYs are properly configured as ECMS entities • NCB has finalised the counterparty parametrisation in ECMS
When	Pre-migration	*Steps*	• The CTPY Administrator user shall create the remaining U2A users of is counterparty, including the attribution of the correct roles
Who	**CTPY**		

CTPY checks and confirms its data			
What	The CTPY shall check if its reference data in ECMS is as expected	*Pre-requisites*	• CTPY users with the correct roles have been configured
When	Pre-migration	*Steps*	• The CTPY shall check their entity data, pool configuration and message subscription • In case of questions, the CTPY shall liaise with its NCB
Who	**CTPY**		

Reference Data

EUCONLxxx

The Monetary Pool: Used for Eurosystem credit operations like MRO, LTRO, Intraday Credit, Marginal Lending, etc.
>>> Only this pool will be linked to the MCA

MIXDNLxxx

The Secondary Pool: Serves primarily as security for claims which do not result from or relate to Eurosystem credit operations.

Pool naming convention: Pool Purpose (EUCO or MIXD) + RIAD Code of the Counterparty

Asset account: RIAD Code of the Counterparty + Asset Identifier (MA/CC) + 1 or 2 (for the pool)

T2 account information (T2 Production):

- Account owner BIC (FLORNL2AXXX)
- CLM Main Cash Account (MNLEURFLORNL2AXXX0600149900)
- Contingency Account (XNLEURFLORNL2AXXX-ECONSII)

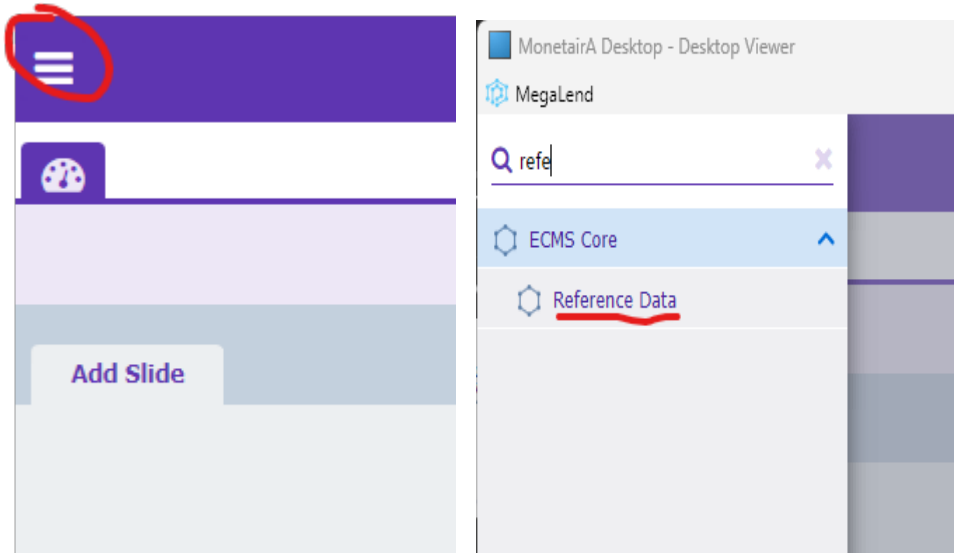
Reference Data

You will receive your ECMS information:

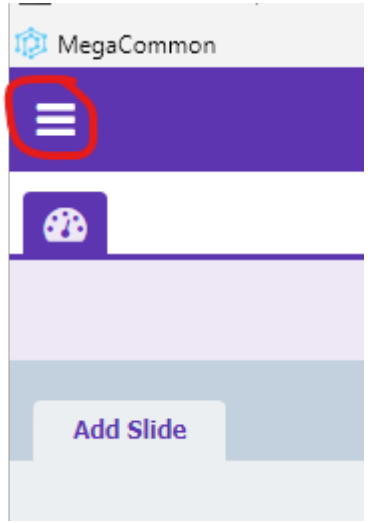
- Internal Asset Account(s)
- Participant Cash Accounts
- Pool reference(s)
- T2 accounts information

By the end of next week (12 May 2023)

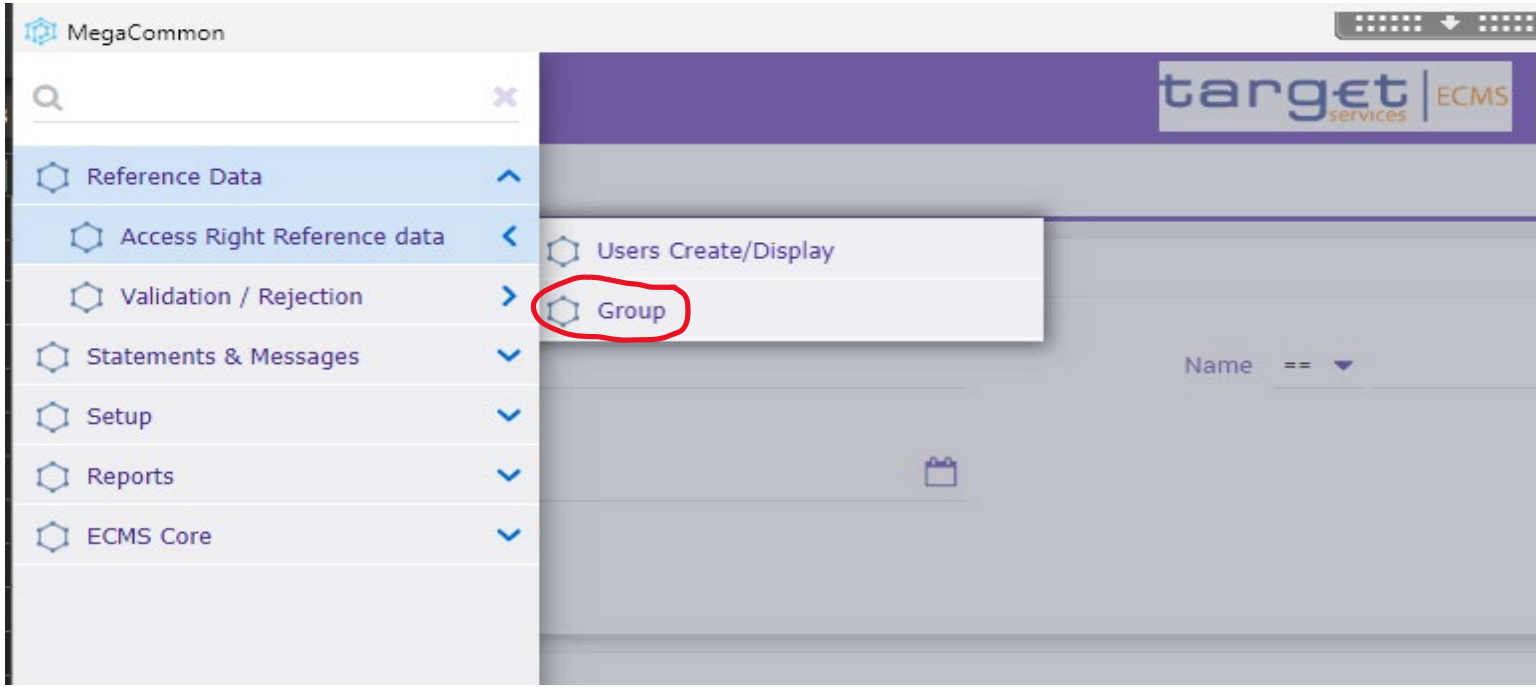
Reference Data



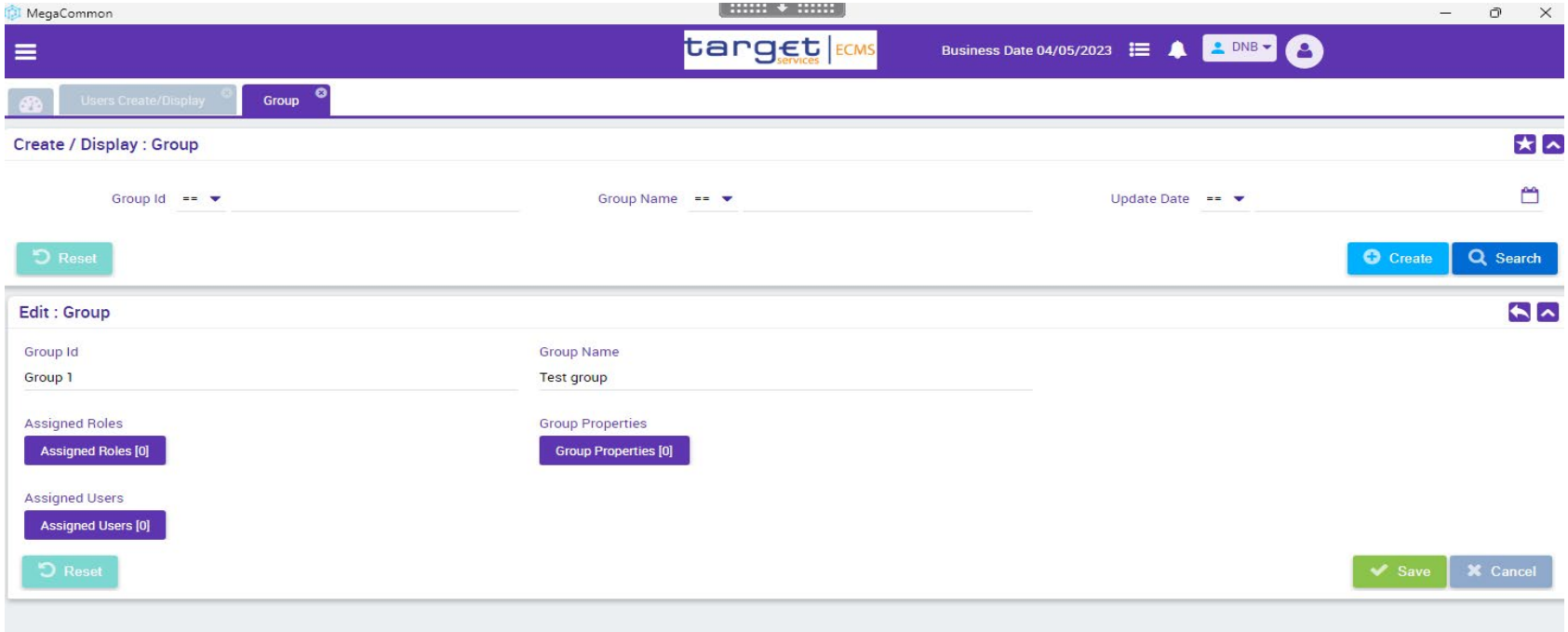
New window opens



Reference Data



Reference Data



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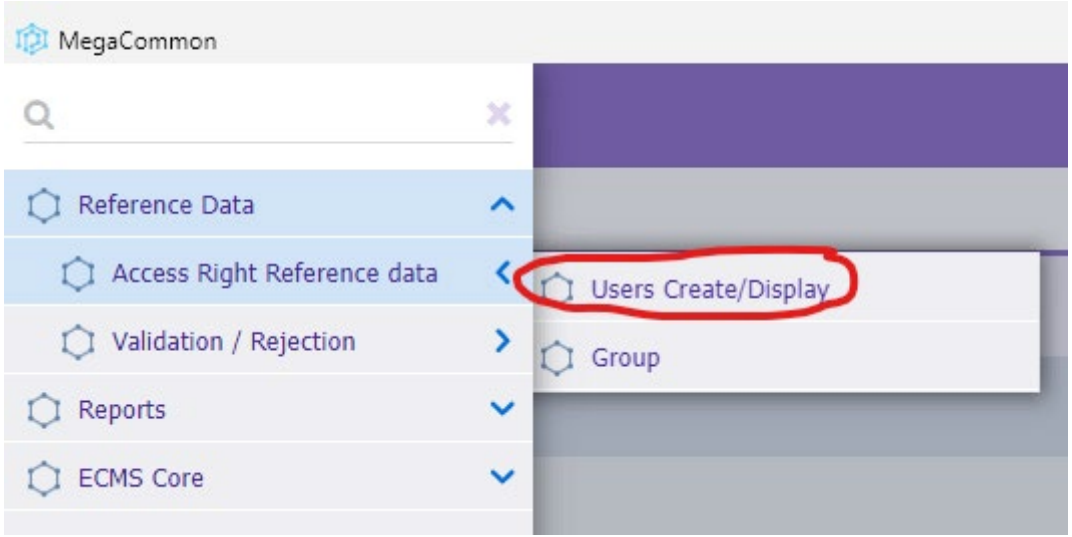
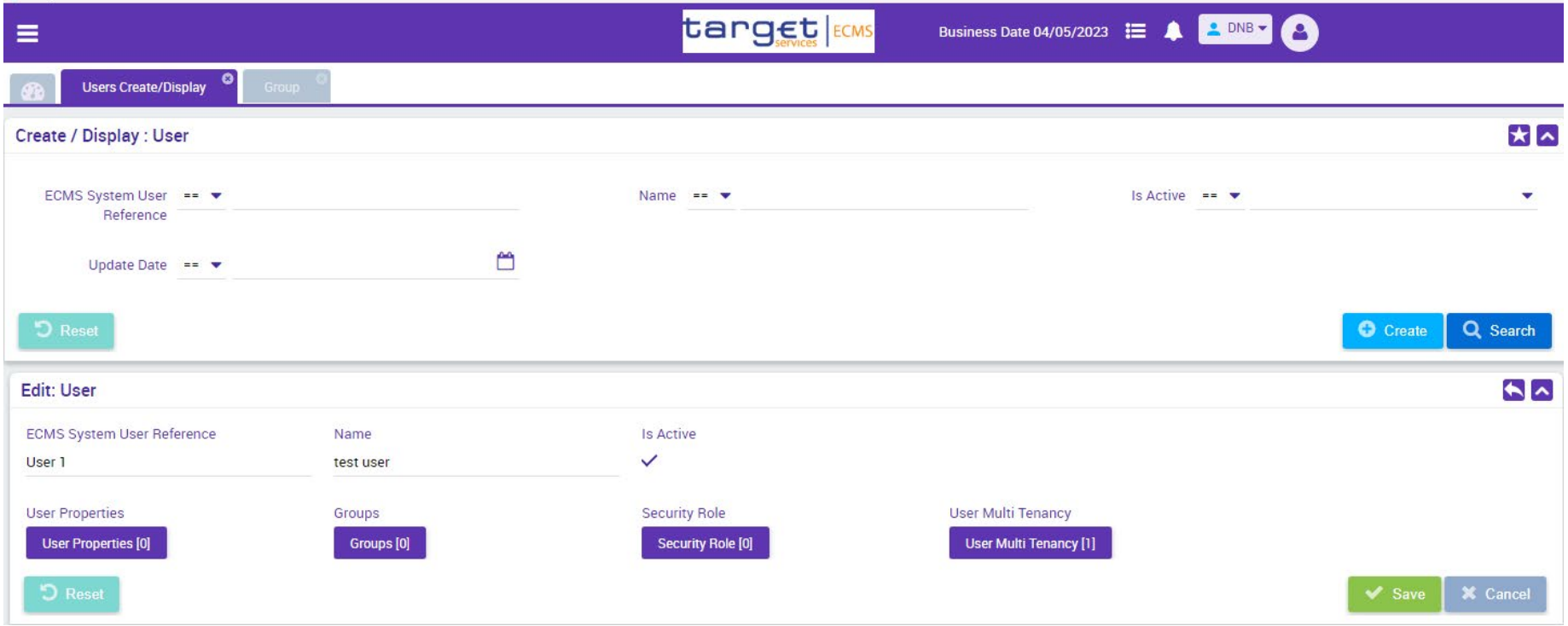
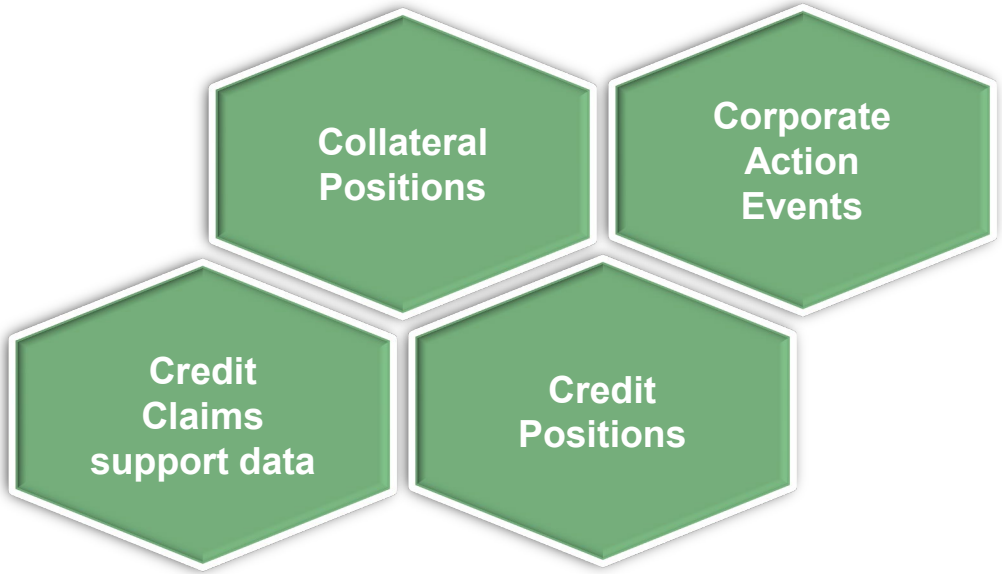
Connectivity: Access to ECMS A2A via ESMIG




target services ECMS
Business Date 04/05/2023
DNB
Users Create/Display
Group
Create / Display : User
ECMS System User Reference
==
Name
==
Is Active
==
Update Date
==
Reset
Create
Search
Edit: User
ECMS System User Reference
User 1
Name
test user
Is Active
User Properties
User Properties [0]
Groups
Groups [0]
Security Role
Security Role [0]
User Multi Tenancy
User Multi Tenancy [1]
Reset
Save
Cancel

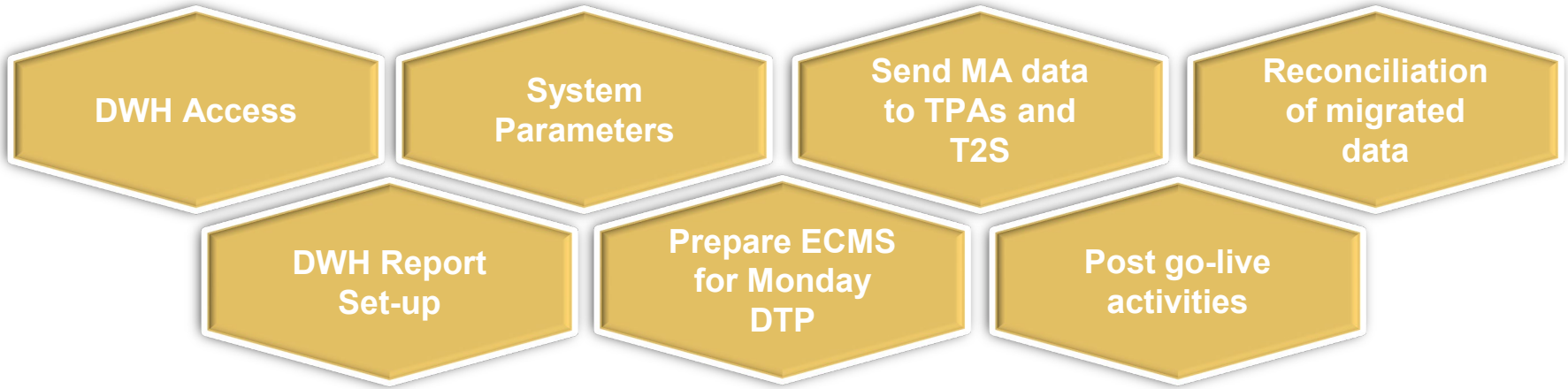
Transactional Data (3 to 7 July)



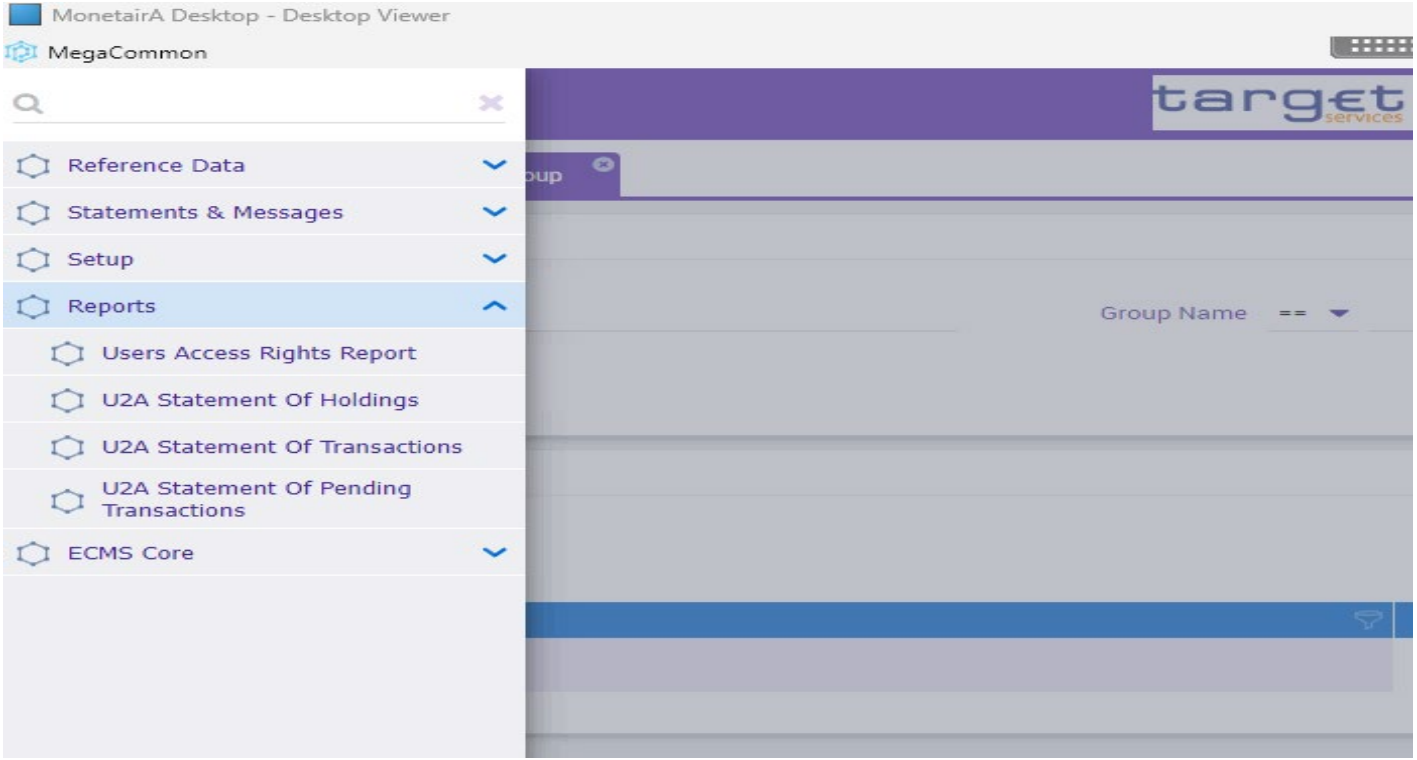
Transactional Data

Migration of credit and collateral positions			
What	The CTPY collateral and credit positions are migrated to the ECMS pools	*Pre-requisites*	• CTPY accounts have been set-up • NCB accounts have been set-up • CTPY pools have been parametrised • Reference data for marketable assets are up to date in the ECMS. • T2S securities accounts are properly set up in the ECMS • T2S settlement window of the day prior to the migration weekend has been closed (i.e. Friday EOD) • NCBs have performed a reconciliation of the positions hold on their T2S securities accounts and have a list of positions to migrate
When	Migration Weekend	*Steps*	• Marketable Asset Positions, Credit Claim Positions, Fixed-term deposits and cash as collateral positions hold on behalf of the CTPY at Friday End of Business day will have to be recorded (in ECMS) as the positions valid in the ECMS for Monday Start of Business Day • Open Market Operation (OMO) positions (in scope of the ECMS) for the CTPY at the Friday End of Business day will be recorded in ECMS
Who	NCB		
Note	• The counterparties do not perform any active role in the migration/recording of the positions in the ECMS. • Only ongoing OMO shall be migrated into the ECMS – i.e. matured or totally repaid operations shall not be migrated. • Marginal Lending positions (either form automatic or request) will not be migrated to ECMS, and their management is handled by CLM until Monday.		

Other Activities (from 10/7)



Transactional Data



- AOB
- Opportunity for questions

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Documentation and tools

SWIFT MyStandards

- ECMS actors that interact with the ECMS via A2A can request access to the ECMS group in the MyStandards web application.
- CPTYs can verify/test the compliance of message versions in the Readiness Portal, with specifications provided in MyStandards.

  The portal is a web application built on top of MyStandards.

  - Tests with the MyStandards Readiness Portal neither require nor verify the connectivity via ESMIG.
  - MyStandards Readiness Portal neither allows to reach nor test the ECMS.

Links to useful documents for connectivity testing

On the ECB website ECMS - Professional use

- ECMS info pack - user testing and migration
- TARGET Service Connectivity Guide v2.0
- ECMS user testing - terms of reference for pre-production environment (to be updated)
- ECMS catalogue of messages and credit claim files (europa.eu)

Training sessions - planning

There will be training sessions, with the following focus points:

(1) Reference data, connectivity and access management

(2) Collateral management marketable assets

(3) Collateral management non-marketable assets

(4) Reporting and contingency

A detailed planning of underlying topics and dates will be communicated soon.