NL ECMS Market Consultation Group

25 January 2024

DeNederlandscheBank

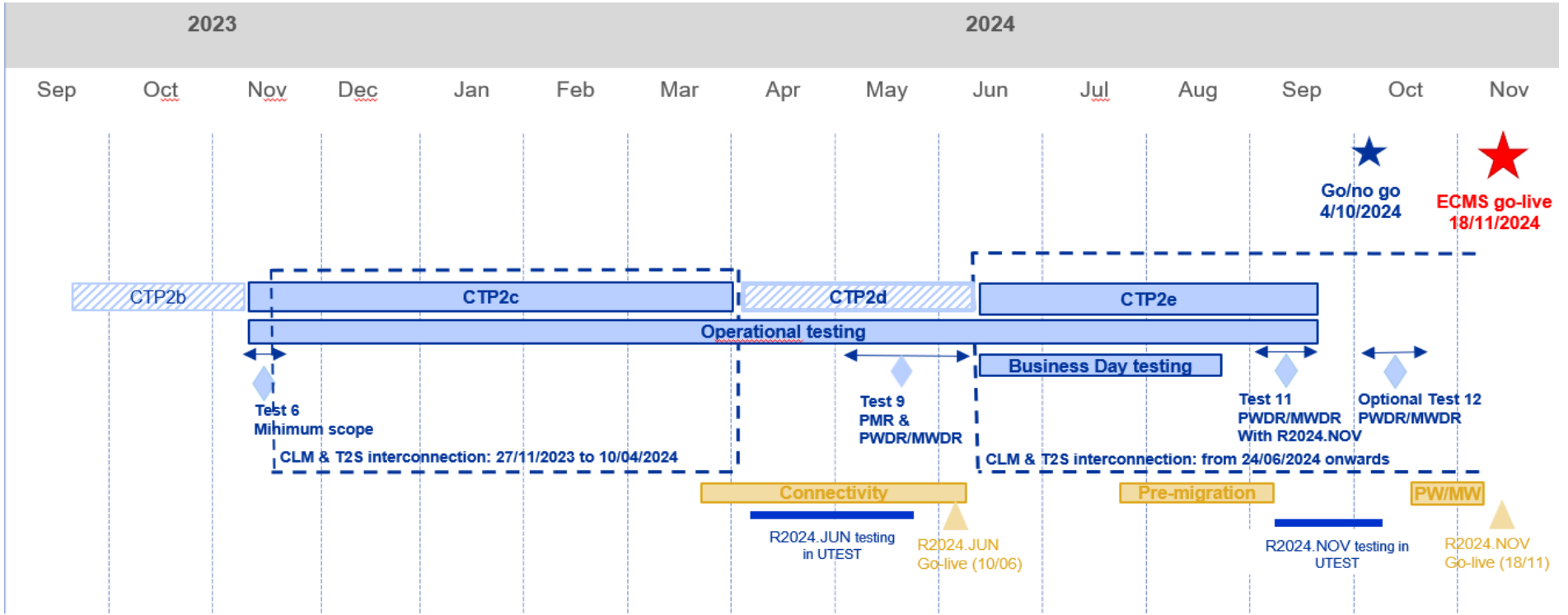
EUROSYSTEEM

Agenda

1. **Introduction**
    a. **Maria Vemer (new Head of Payments & Collateral Services)**
    b. **Angeli Verduin-Kokkes (new member of the project team)**
2. **ECMS project planning – Eurosystem update**
3. **ECMS project – status update Dutch market, incl. DNB**
4. **Outstanding PBI – update**
5. **Questions from MCG participants**
6. **AOB**

ECMS project planning– Eurosystem update

ECMS project planning: Eurosystem update



ECMS project planning: Eurosystem update

Name of ECMS UT Phase	Start Date	End Date
Central Bank Testing	16 January 2023	09 February 2024
Community Testing Phase 2c	20 November 2023	10 April 2024
Community Testing Phase 2d	11 April 2024	23 June 2024
Community Testing Phase 2e	24 June 2024	22 September 2024
Business Day Testing (4 weeks, during CTP 2e)	24 June 2024	23 August 2024
Operational Day Testing	20 November 2023	22 September 2024

ECMS project – status
Dutch market, incl. DNB

ECMS project: availability of functionalities for testing

Functionality	CBT status
Marketable assets (MA)	Practically finished (except for FTC 10 - Relocation of Collateral)
Cash as Collateral	Finished for CBT
Standing facilities (AML & MLOR)	Finished for CBT
Pool position & projection	Pool position is fully tested; pool projection needs to be tested
Statements & Reporting	Testing is ongoing: - Pool position report (FTC 21) - Statement of Holdings request (FTC 22) - Statement of transactions request (FTC 23) - Processing of CSD invoice (relevant for CSDs only) (FTC 24)
Open Market Operations	An additional "testing campaign" is scheduled for the week of 29th January.
Credit Claims (CC)	Domestic registration successful, but other functionalities still to be tested. Issue with connection to RIAD database limits progress in (de)mobilisation tests.
Corporate Actions	Testing ongoing in close cooperation with Euroclear NL and Euroclear Bank.

ECMS project – User Testing Status Update (1/3)

- All NCBs report testing progress to ECB on a fortnightly basis: the so-called User Testing Status Update (UTSU). The UTSU consists of 2 overviews:
  - UTSU testing progress
  - UTSU functionality progress
- The ECB project team presents the consolidated results of the NCBs to, amongst others, the MIB.
- Each NCB reports:
  - a colour code reflecting their testing status for Central Bank Testing and CTP2 testing (Green, Yellow, Red)
  - CSD colour code
  - Figures regarding testing by the community, e.g.:
    - number of CPTYs reporting Green, Yellow, Red
    - average % of CTPYs progress made in the Fundamental Test Cases

ECMS project – User Testing Status Update (2/3)

DNBs most recent UTSU reporting:

- "Yellow" for **CBT,** because:
  - Worries about the fact that the full scope has still not been delivered in EAC
  - Credit Claims – issues with (de)mobilisations (probably due to issue with connection to RIAD database)
  - Corporate Actions – many (small) issues in configuration and setup (in ECMS-, CSD- and DNB testing environments) and a few blocking issues making testing progress too low
  - Issues with last OMO (tenders) testing campaign due to issues with latest release
- "Yellow" for **Community testing**, because:
  - Some counterparties cannot connect A2A due the "Many certificate DN to one ECMS system user" issue.
  - Worries about available testing time for counterparties and the delay with the OMO and CA functionalities, especially because of CTP2D, when counterparties cannot test "production like" (i.e. no connection to CLM and T2S).
- "Red" for **CSD testing** – fully linked to backlogs in testing CA functionality.

ECMS project – User Testing Status Update (3/3)

Consolidated conclusions shared by the ECB on 18/01/2024:

- Overall sentiment of the NCBs is "between Yellow and Red"
- Overall testing progress is limited compared to last month. NCBs report issues with stability of the system:
  - Synchronization issues with CLM
  - Outstanding PBIs and incidents
- The ECB team recognises the worries but has positive expectations about the next few months.

> > > Call to counterparties to test as much as possible, as quick as possible

ECMS project – status

Reference data

Create/Update/Delete U2A and A2A Counterparty users and the corresponding access rights setup.

- Released by DNB to CPTYs for testing
- Most CPTYs have successfully created their users and assigned the relevant roles in UTEST

Marketable Assets

(De)mobilisation and cancelation of Marketable Assets

- Released by DNB to CPTYs for testing, both U2A and A2A
- Quite a few CPTYs have been able to create (successful) end-to-end transactions for settlements flows for ENL and EB. CCBM transactions seems to be a challenge.
- *We advise you to finish your MA tests rather sooner than later due to other functionalities coming up soon.*

ECMS project – status

Global Credit and Collateral position

Credit freezing, Credit line updates, Global credit position management and monitoring position updates due to change of business date

- Update of maximum credit line value can be tested, is mandatory for all CPTYs.
- Freezing for CLM contingency is only relevant for CPTYs with Contingency agreement (ECONS contract).
- EWL and LCH will contact the CPTYs directly to perform some tests. DNB will monitor those tests as well.

Cash as Collateral (Margin call)

U2A and A2A cash collateral mobilisation and demobilisation

- Released to CPTYs for testing, almost all CPTYs have tested this topic successfully
- Can only be tested with help of DNB (creation of a margin call)
- "Automatic" CaC can be tested as well, this needs to be initiated by DNB.

ECMS project – status

Monetary Policy Operations – Standing Facilities

Marginal Lending on Request (MLOR), Automatic Marginal Lending (AML)

- This topic was introduced this week for CPTYs to test.
- AML tests need to be initiated by DNB; we will contact the CPTYs to perform this test.

Monetary Policy Operations – LPO & LAO

Liquidity providing & absorbing operations, management of interest

- Central Bank Testing not yet fully finished; ECB team aims for partial release to CPTYs as of February 19.
- DNB is in the process of preparing a pilot with some CPTYs. More information will follow soon via e-mail.

ECMS project – status

Credit Claims – registration and update (domestic U2A)

- This topic with limited scope (only domestic CC) can be tested by applicable CPTYs.
- Challenges in connections to RIAD (Register of Institutions and Affiliates Database).
- Issue related to 4-eyes principle is registered, expected delivery date is February 9.
- Technical issue with file upload (A2A) is under investigation.

Credit Claims – other functionalities

(De)mobilisations, both U2A and A2A mode, both cross border and domestic

- Issue solving and Central Bank Testing at this stage
- Planned to be released by ECB to CPTYs for testing by end February 2024.

ECMS project – status

Corporate Actions

Announcements and confirmations related to coupon events and (partial) redemptions

- Only Central Bank Testing at this stage, together with ENL and EB
- For ENL, a pilot will start in UTEST on February 19, with two CPTYs and with limited scope (5 "mandatory" Corporate Actions events).
- Preparations for this pilot are ongoing. After finishing the pilot, the functionality will be released to other CPTYs as well.
- Planning for a pilot with EB is to be determined

ECMS project – status

Other functionalities not yet released for testing

- Statements and Reports
- Pool Positions & Projections
- Multi pooling Marketable Assets
- Multi pooling Credit Claims
- Contingency
- Billing

- Planned to be released by ECB to CPTYs for testing by end February 2024.

Outstanding topics - update

ECB update - NRO

NRO (Non-Repudiation of Origin)

- CPTYs are advised to install Ascertia Go-Sign Desktop (GSD) if not completed yet. As part of the rollout of new version 6.9.0.20, the new client is available for download in the certification environment.
- Testing of NRO is expected to start 2nd half of March.

Outstanding PBI – Many certificate DN to one ECMS system user

- **Multiple DNs – recap of the issue:**

  In ECMS the U2A and A2A user link to Distinguished Name (DN) is limited to a *one-to-many* relationship.

  Goal is to change that to a *many-to-many* relationship (thereby aligning ECMS with the other Eurosystem TARGET Services).

- **Status:**

  CR awaiting MIB approval for implementation > approval by end January

- **Expected delivery for CBT:**

  8 March 2024 (and in UTEST later in the month of March)

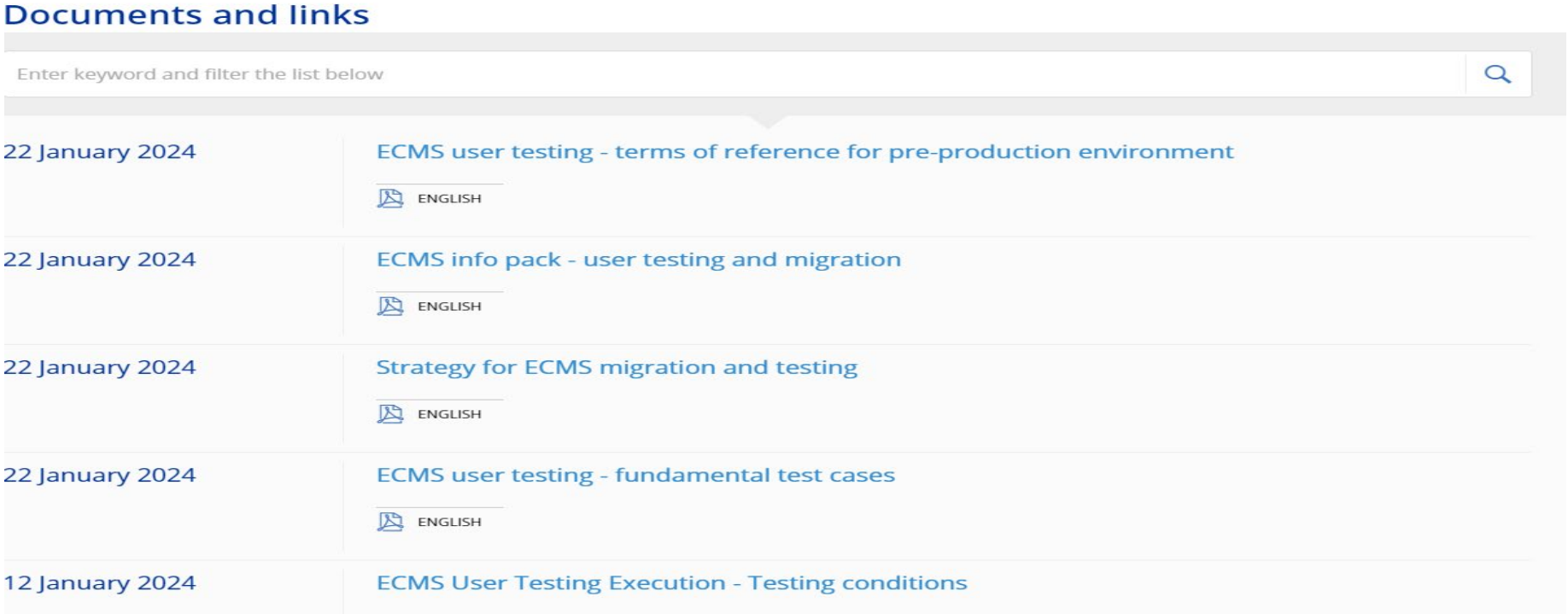
- Next meeting: Thursday 29th of February 2024, 15.00h (via Teams)

- Opportunity for questions
- AOB

DeNederlandscheBank
EUROSYSTEEM

Documentation and tools

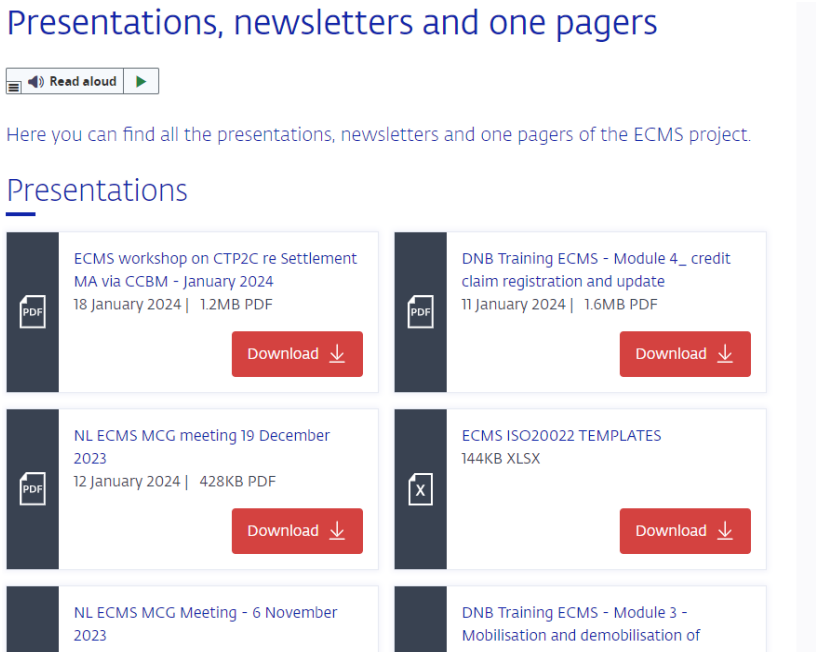
NL ECMS MCG: ECMS - Professional use (europa.eu)



NL ECMS MCG: Presentations, newsletters and one pagers (dnb.nl)

Above link to DNB website:

- For presentations, newsletters, one pagers, message templates, etc. on ECMS.
- Recently published documents:
  - ECMS workshop Settlement MA via CCBM
  - DNB Training ECMS - Module 4 - credit claim registration and update
  - NL ECMS MCG meeting 19 December 2024
  - ECMS ISO20022 Templates
  - NL ECMS MCG meeting 6 November 2023 (in-person meeting)
  - ECMS Training – Module 3 – Mobilisation and demobilisation of collateral



Links to useful documents for connectivity testing

On the ECB website ECMS - Professional use

- ECMS info pack - user testing and migration (europa.eu)
- TARGET Services Connectivity Guide v2.2 - with revisions (europa.eu)
- ECMS user testing - terms of reference for pre-production environment (europa.eu)
- ECMS catalogue of messages and credit claim files - changes since version of 22 June 2023 (europa.eu)

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.

Connectivity testing: Procedure to get access

The objective is to ensure full end-to-end connectivity to the ECMS via the Eurosystem Single Market Infrastructure Gateway (ESMIG)

Preparation:

- Registration form "data for connectivity"
- Complete the e-ordering process with the chosen Network Service Provider

- 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 Nexi-COLT) related documentation.

Connectivity testing: Procedure to get access

- Summary connectivity steps:

  - DNB will setup counterparty: based on registration form
  - DNB will create CPTY admin user(s)
  - CPTY Admin(s) connect to the ECMS GUI landing page U2A

  If also A2A:

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