NL ECMS Market Consultation Group

6 November 2023

DeNederlandscheBank
EUROSYSTEEM

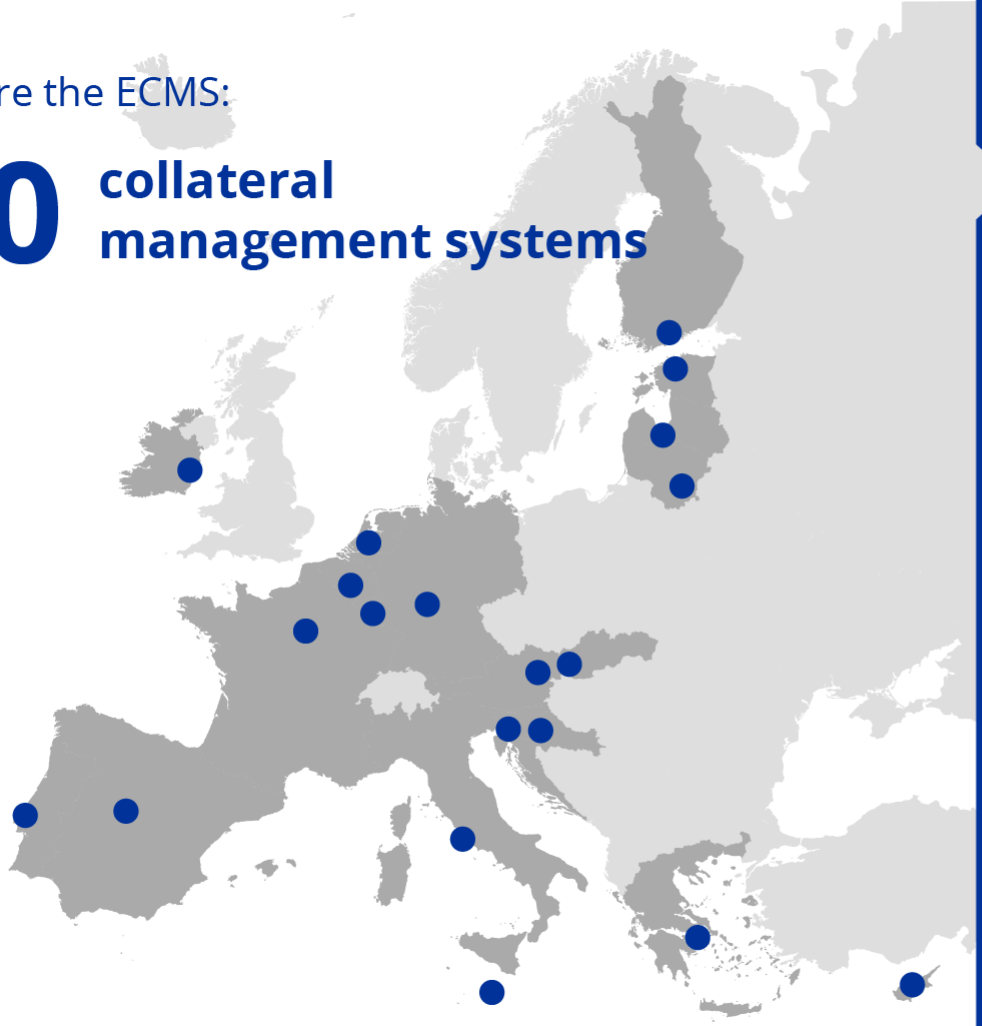
Agenda

1. **Introduction**
2. **ECMS project – Eurosystem update**
3. **ECMS project – status update Dutch market, incl. DNB**
4. **ECMS Demo**
5. **Euroclear Bank update**
6. **Questions from MCG participants**
7. **AOB**
   - **Next NL ECMS MCG meeting: 14 December 2023**

ECMS project – Eurosystem update

Before the ECMS:

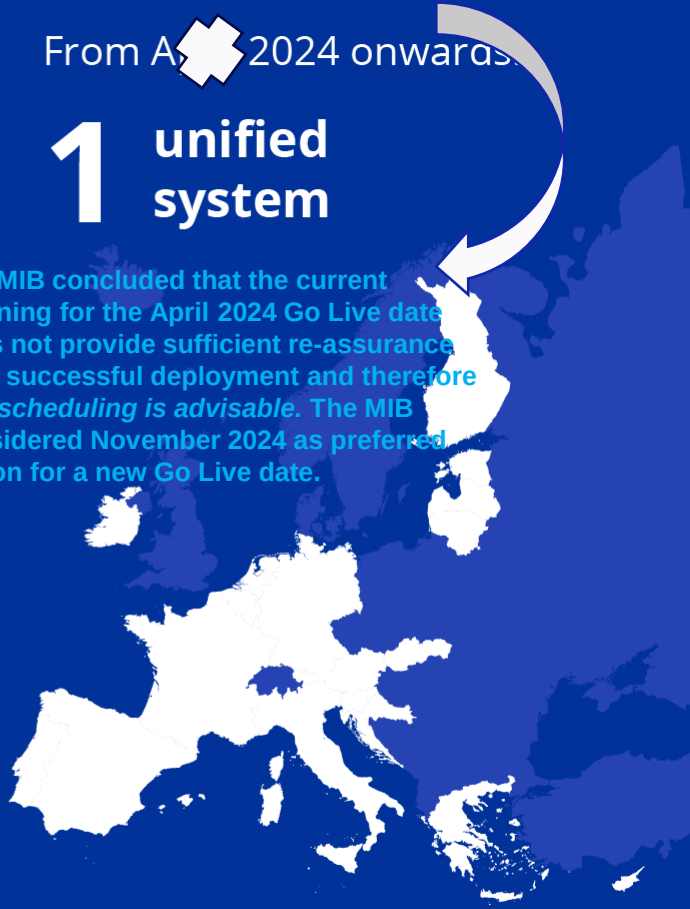
20 **collateral management systems**



From April 2024 onwards:

1 **unified system**

The MIB concluded that the current planning for the April 2024 Go Live date does not provide sufficient re-assurance for a successful deployment and therefore *a re-scheduling is advisable.* The MIB considered November 2024 as preferred option for a new Go Live date.



target services | ECMS

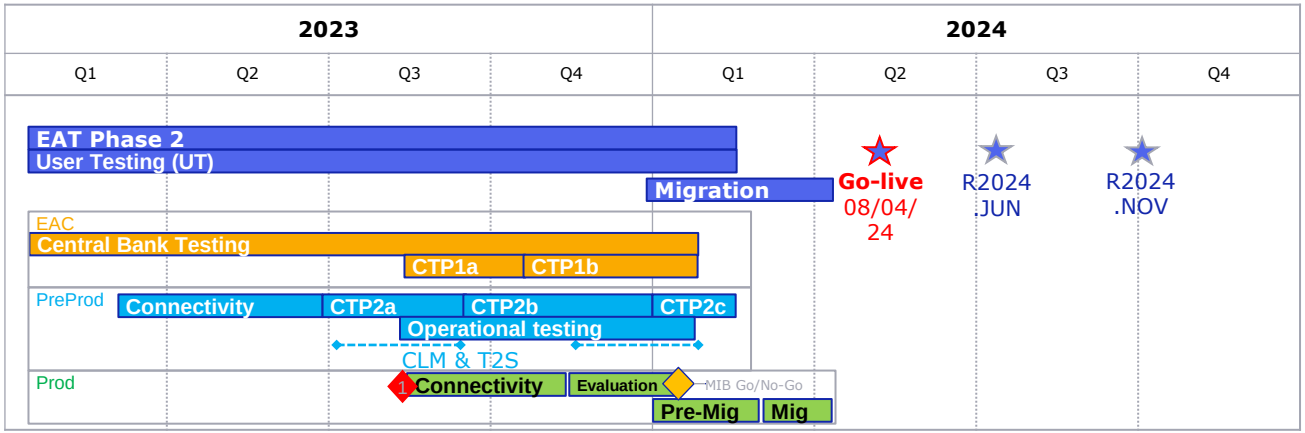
ECMS project planning: Eurosystem update

Official communication, still valid at this moment:

- A decision of the ECB Governing Council on the new go live date, including a more detailed replanning, is expected by mid-November.
- The MIB assessed and confirmed a number of measures to effectively solve the identified issues and improve testing conditions to ensure a successful and smooth deployment by the new Go Live date.
- Counterparties/CSDs/TPAs, as part of the ECMS testing actors, are encouraged to continue the testing effort in those functionalities that are available in the UT phase.

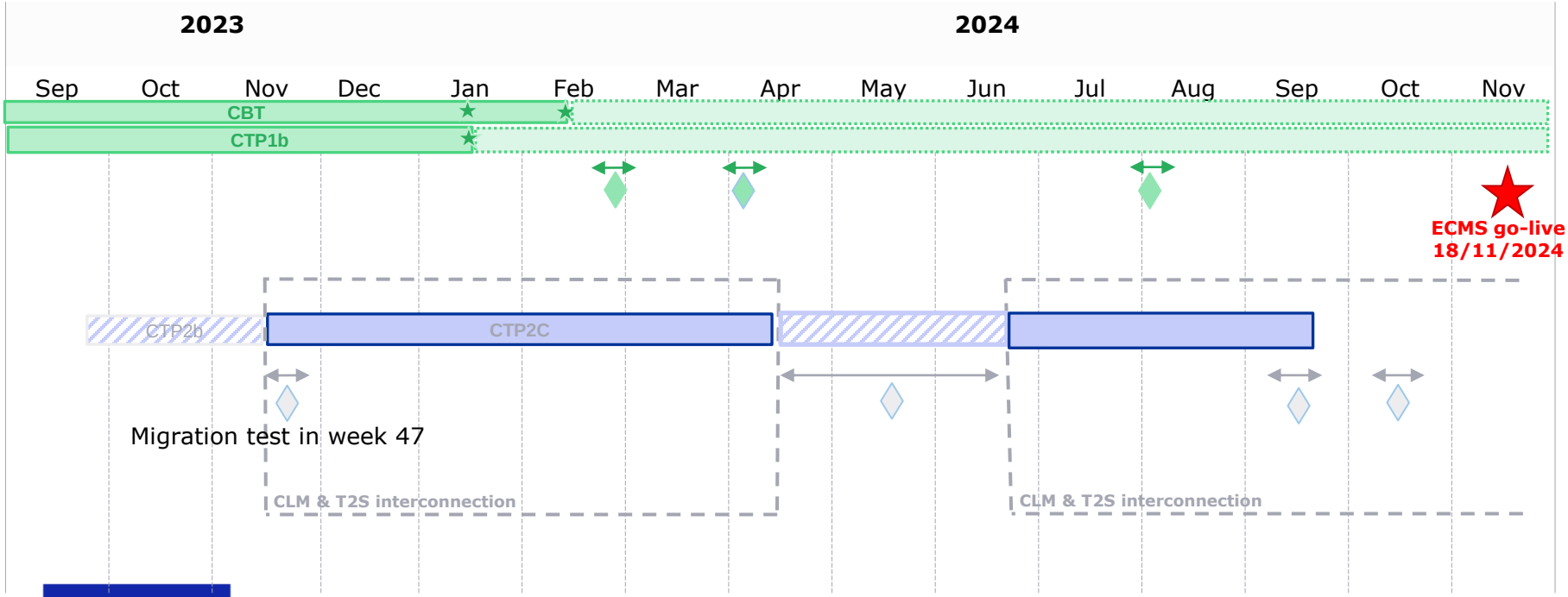
ECMS project planning : Eurosystem update

This was the planning:



ECMS project planning: Eurosystem update

This could be the new planning, but is still 'under construction':



ECMS project planning: Eurosystem update

Issues to be solved:

- **Number of outstanding issues / tickets**
- **ECMS go-live date parallel to TARGET Services release NOV. 2024 and the SWIFT release**
- **Interaction with other Eurosystem services (e.g. C2D; RIAD; ..)**
- **SCoRE implementation date**

ECMS project planning: Eurosystem update

Timeline

Action	Due date
MIB review	Tuesday 7.11.2023
Governing Council meeting	Wednesday, 29.11.2023
Communication to the market	Soon after GovC decision
Discussion in NL ECMS MCG	Thursday 14.12.2023

ECMS project – status
Dutch market, incl. DNB

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 (domestic and some CCBM flows), U2A and A2A
- Most CPTYs have started testing Marketable Assets
- CTP2b – testing with "simulator" (no interconnections with T2S and CLM) is ongoing
- CTP2c – from November 27 – end-to-end testing

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

- Partial scope released by DNB to CPTYs for testing
- Released: freezing for CLM contingency, at this moment only relevant for CPTYs with Contingency agreement (ECONS contract).
- Not yet released: SEPA DD and CCP Guarantee (Freezing for NCB purpose) are still being configured.

Cash as Collateral (Margin call)

U2A and A2A cash collateral mobilisation and demobilisation

- Released by DNB to CPTYs for testing
- Can only be tested with help of DNB (creation of a margin call)
- Incident related to 4-eyes validation (INC105489) is solved and can be retested
- CPTYs who have not yet tested this successfully should (re)test this in CTP2C.

ECMS project – status

Monetary Policy Operations – marginal lending

Marginal Lending on Request, Automatic Marginal Lending

- Released by ECB for CPTY testing
- DNB team is preparing the introduction of this functionality to CPTYs
- We expect CPTYs can test this functionality with the start of CTP2C.

Monetary Policy Operations – LPO & LAO

Liquidity providing & absorbing operations, management of interest

- Only Central Bank Testing at this stage
- Next week – CBT "testing campaign" (end-to-end with connected ESCB systems), another testing campaign in December.
- Planned to be released by ECB to CPTYs for testing by end February 2024.

ECMS project – status

Credit Claims – registration and update (domestic)

- Released by ECB for testing to CPTYs, but not yet released by DNB
- Currently much effort on CBT side. Challenges in the area of connections to RIAD (Register of Institutions and Affiliates Database).
- We strive to release this functionality still in 2023, but this depends on our own test progress and results.

Credit Claims – other functionalities

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

- Only issue solving and Central Bank Testing at this stage
- Complete functionality available to NCBs by end November 2023
- 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, including incident solving
- Intensive testing on a day-to-day basis together with Euroclear NL and Euroclear Bank
- Planned to be released by ECB to CPTYs for testing by end February 2024.

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.

ECMS project – bilateral sessions

General remarks

- Most of the sessions were held in week 42 and week 43
- Overall, the initiative for those sessions was appreciated, probably a follow up will take place in Q1 2024.
- Several points of interest that were raised during the sessions will be taken into account in our project scope or approach.

Test accounts for the CSDs/ Correspondent

- For most CPTYs it is not entirely clear whether their test account by the CSD/ Correspondent is fully operational, and they will check this with the CSD. Our advice is to make this a priority to avoid delays at the start of CTP2c.

Test resources

- A few CPTYs indicate that there is a shortage of test resources.
- In several cases, colleagues from the Operations department will be involved in the testing activities.

ECMS project – bilateral sessions

Reference data

- Most CPTYs have finished the user setup. For a few CPTYs the setup is still ongoing.

Marketable assets

- Most (but not all) CPTYs started testing the Marketable assets. For testing the second leg most CPTYs are waiting for the CSDs. By the end of November CTP2c will start, it is then possible to test the CSD leg as well.

Cash as Collateral

- A few counterparties have not completed the Cash as Collateral testcases and will complete this in CTP2c.

Global Credit and Collateral Positions

- Some CPTYs do not have a DNB Contingency agreement, for those CPTYs Fundamental Testcase 11 is not applicable.
- Many counterparties do not have completed the GCCP testcases and will do this in CTP2c.

ECMS project – status

Testing of MA in CTP2C

- Scope: End-to-end testing of (de-)mobilisation of marketable assets as collateral for Eurosystem monetary policy operations.
- All relevant 'settlement flows' will be accessible and therefore included in the tests:
  - CPTY can deliver marketable assets to the available accounts of DNB: ENL, EB Brussels and via CCBM.
  - CPTY can do this from their own securities account(s), or via a correspondent bank.
- Testing will be coordinated and accompanied with documentation.

ECMS Demo

Euroclear Bank update

Euroclear Bank Participant Acceptance Testing (EB PAT) - update

Pre-requisites

- Your Euroclear Bank (EB) account is configured in our pre-production environment (*)
- Your profile and accesses are set up in ECMS
- You have successfully completed your connectivity tests with ECMS

(*) you can contact eb.testing@euroclear.com for checking your Euroclear Bank account configuration status in pre-production environment, including your readiness to use communication channels (SWIFTFIN ISO15022 and/or EasyWay) for exchanging test messages

email: eb.ecms@euroclear.com

DeNederlandscheBank
EUROSYSTEEM

Euroclear Bank Participant Acceptance Testing (EB PAT) - update

EB Client testing guide

- Target: publication mid-November 2023
- Testing registration form will be issued once we have more clarity on ECMS go-live plan
- Test cases will cover:
  - (de)mobilisations of collateral with DNB's accounts in EB and in ENL
  - CCBM transactions with 7 correspondent central banks *(Banque de France, National Bank of Belgium, Central Bank of Ireland, Bank of Finland, Deutsche Bundesbank, Banque Centrale du Luxembourg, Oesterreichische Nationalbank)*
  - corporate actions on mobilised positions with DNB's account in EB

email: eb.ecms@euroclear.com

DeNederlandscheBank
EUROSYSTEEM

- Opportunity for questions
- AOB

DeNederlandscheBank
EUROSYSTEEM

- Next meeting: Thursday 14th of December 2023, 14.00h; via Teams

Documentation and tools

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

Documents and links

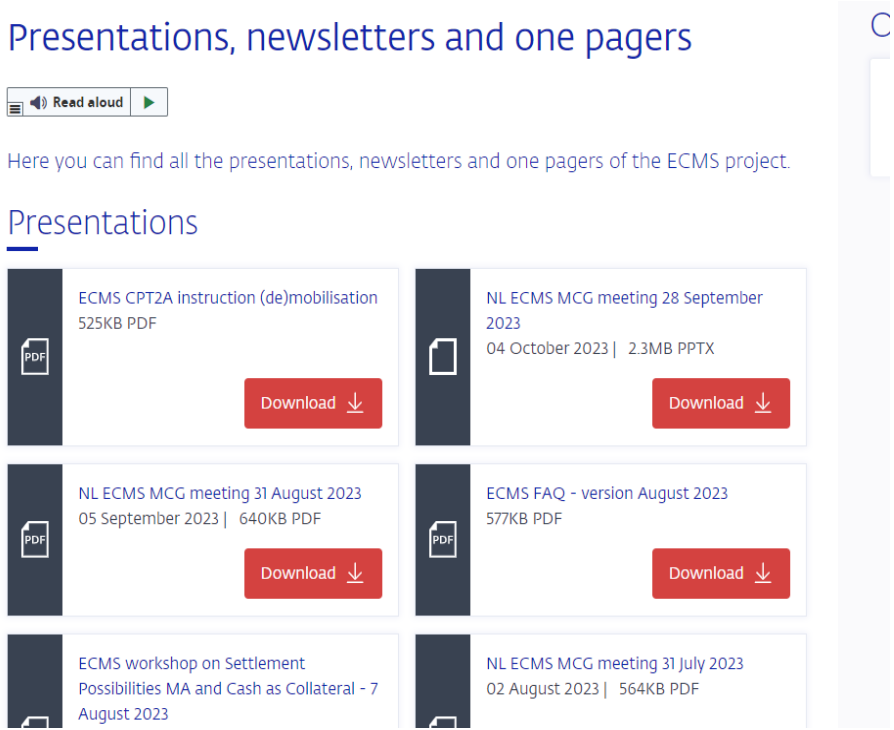
Enter keyword and filter the list below

11 October 2023	ECMS user testing execution - testing conditions document	ENGLISH
4 September 2023	ECMS catalogue of messages and credit claim files - changes since version of 22 June 2023	ENGLISH
4 September 2023	ECMS catalogue of messages and credit claim files	ENGLISH
3 July 2023	ECMS access rights matrix	ENGLISH
3 July 2023	U2A and A2A roles in the ECMS	ENGLISH

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:
  - NL ECMS MCG meeting 28 September 2023
  - NL ECMS MCG meeting 31 August 2023
  - ECMS FAQ – version August 2023
  - ECMS workshop on Settlement Possibilities MA & Cash as Collateral
  - NL ECMS MCG meeting 31 July 2023 (published on 2 August)



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)

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 SIA-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]