ECMS – training Module I:

Reference data and connectivity

March 2023

DeNederlandscheBank

EUROSYSTEEM

Agenda

1. **ECMS introduction**
2. **Connectivity**
3. **Access management**
4. **Reference data**

Training sessions - planning

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

(1) Reference data and connectivity (today's session)

(2) Access management and migration activities

(3) Collateral management marketable assets

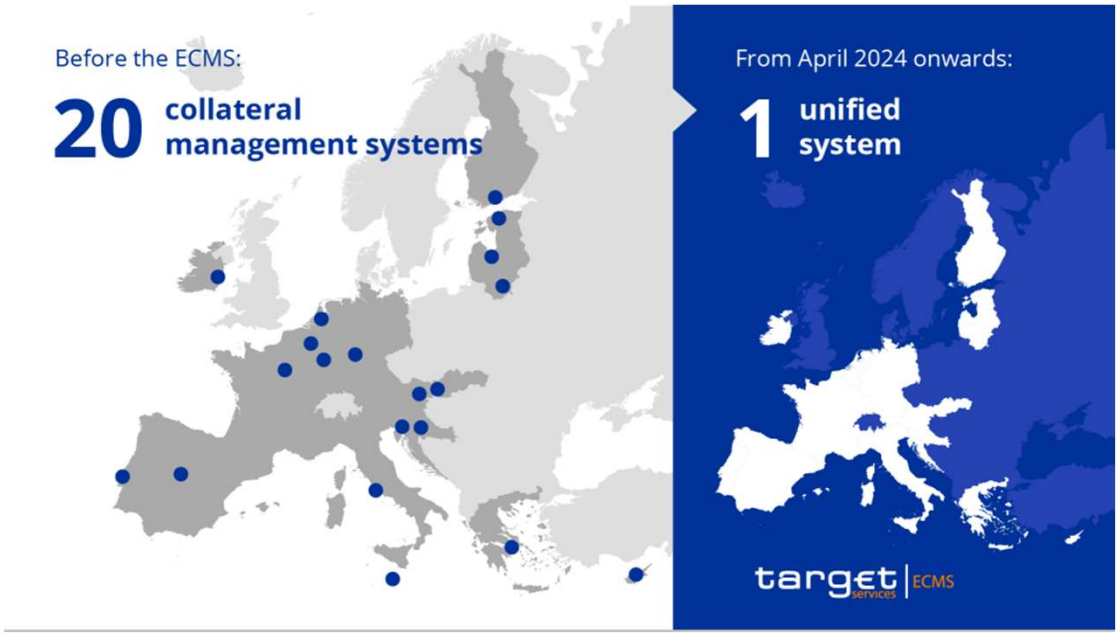
(4) Collateral management non-marketable assets

(5) Reporting and contingency

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

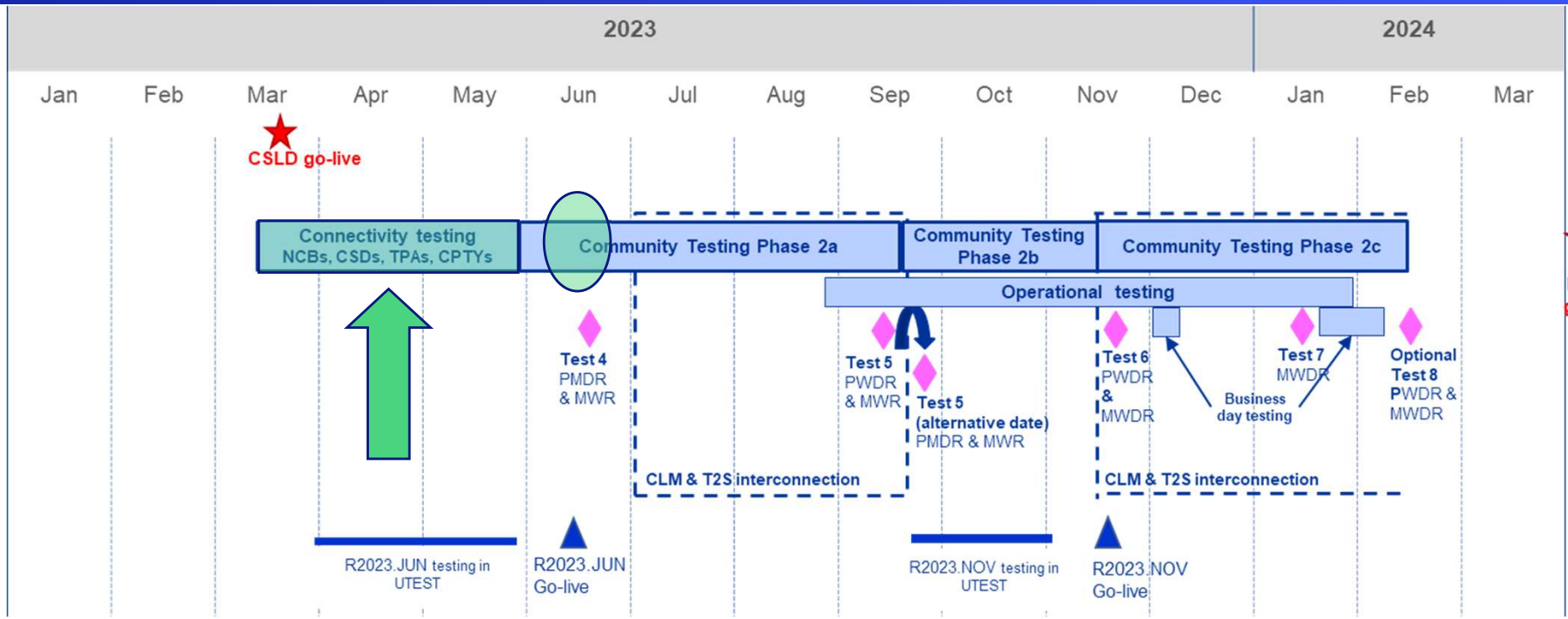
ECMS introduction

ECMS – Eurosystem Collateral Management System



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

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



ECMS PREPROD — Community/Business day and Operational testing

CLM & T2S interconnection

ECMS Training

Training module: Connectivity

Connectivity : Network Service Providers (NSPs)

- **SWIFT and SIA Colt**, as licensed NSPs, will provide client specific solutions for the connection between ECMS external actors' interface and ESMIG.
- NSPs manage the **registration process** for an external actor, the assignment of **digital certificates,** and the **ECMS Closed group of users (CGU)** for the connection to the ECMS.
- Individual users can log on to all TARGET Services with a **single sign-on and a single digital certificate.**
- If an ECMS actor uses multiple connectivity providers to connect to the ECMS, then it has to assign a digital certificate to each user and application for each connectivity provider. Then the NSPs manage the Technical sender authentication for the real-time connection to the ECMS.
- Counterparties that don't have an NSP can in principle use the NSP of a 3rd party.

Connectivity: Authentication and authorisation

Each ECMS user needs a unique login name and a certificate to access the ECMS.

which includes the Distinguished Name (DN) defined by the NSP

assigned by ECMS actors to their users (persons or applications)

The technical sender is the ECMS Actor submitting request to the ECMS.

- Each technical sender is identified by means of a certificate issued by the NSP.
- The NSP authenticates the technical sender on the basis of its certificate.
- The certificate DN of the technical sender represents the technical address used by the technical sender to connect to the ECMS.

- Once ESMIG has authenticated the user and checked that the user is authorised to address the ECMS, the ECMS checks the rights of the user to carry out a specific function in the ECMS.
- Authorisation is granted based on the user's privileges which are stored in the ECMS reference data.

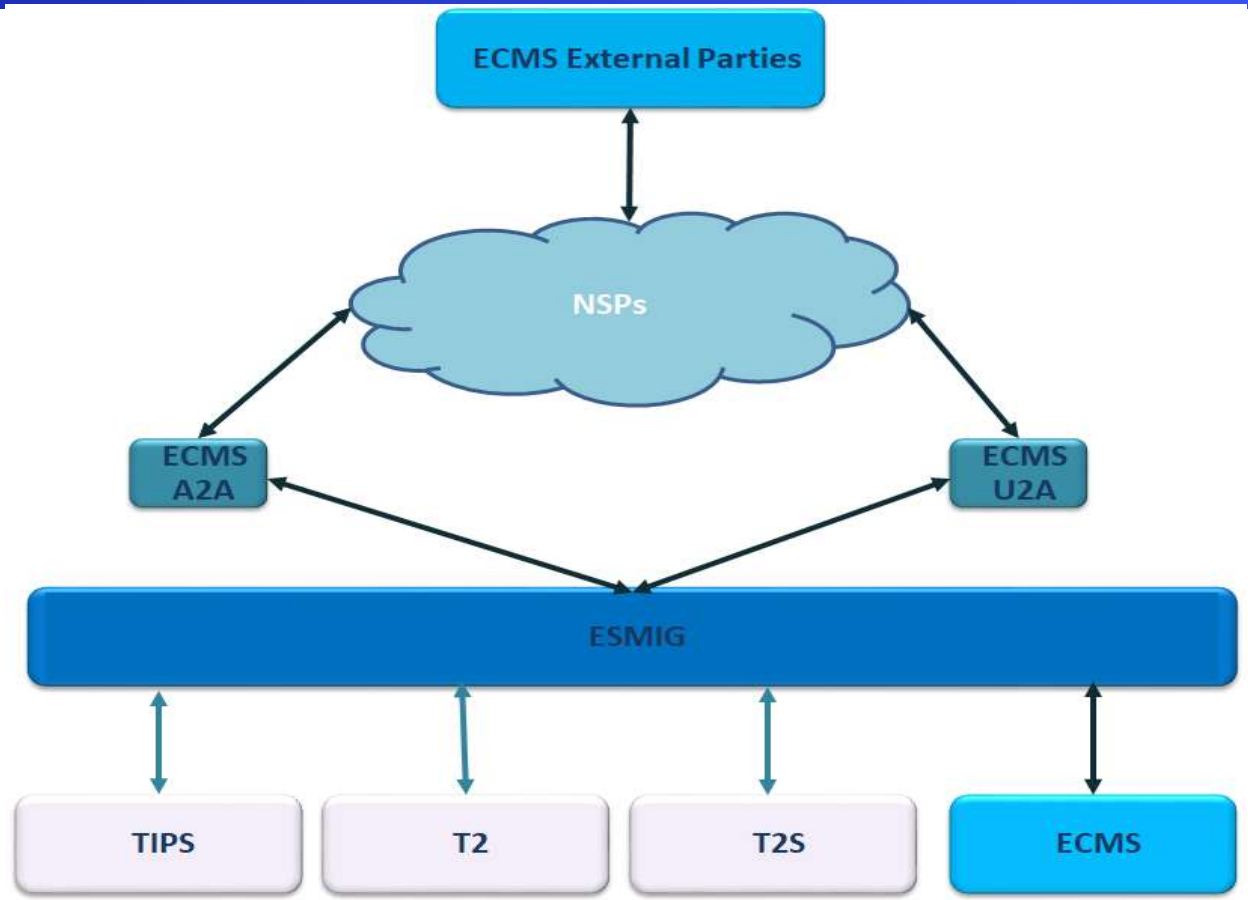
Registration form: Data for connectivity

Technical Addresses*		
Field	**Description**	**Value**
Party RIAD code*	RIAD Code that uniquely identifies your Counterparty. Required format is: Max. 30 characters.	*NLxxx*
Technical Address*	Unique technical address to identify your Counterparty. ECMS uses this address to send outgoing messages to your Counterparty. Enter the technical address for the purpose and network selected. Required format is: Max. 256 characters	*ou=testnl2a,ou=swift*
Network*	Select the network service provider.	SWIFT
Purpose	Select the purpose of the Technical Address from the possible values.	

Registration form: Data for connectivity

Counterparty Administrator User*			
Field	Description	Value	
ECMS System User Reference*	Enter the ECMS System User Reference of the user. Required format is: Max. 35 characters.	NL-dummy1	NL-dummy2
Name*	Enter the name of the user. Required format is: Free text.	Tester 1	Tester 2
User DN*	Enter the DN of the user.	CN=dummy1, OU=t2s, O=testnl2a, O=swift	CN=dummy2, OU=t2s, O=testnl2a, O=swift
Role ID*	Select the roles to be attributed to the user.	*Counterparty U2A Party Administrator (Execution and Read Only)*	*Counterparty U2A Party Administrator (Execution and Read Only)*
Party RIAD Code*	RIAD Code that uniquely identifies your Counterparty. Required format is: Max. 30 characters.	*NLxxx*	*NLxxx*
isActive*	Select if user is active by selecting True or inactive by choosing false.	*TRUE*	*TRUE*

Connectivity : Eurosystem Single Market Infrastructure Gateway (ESMIG)



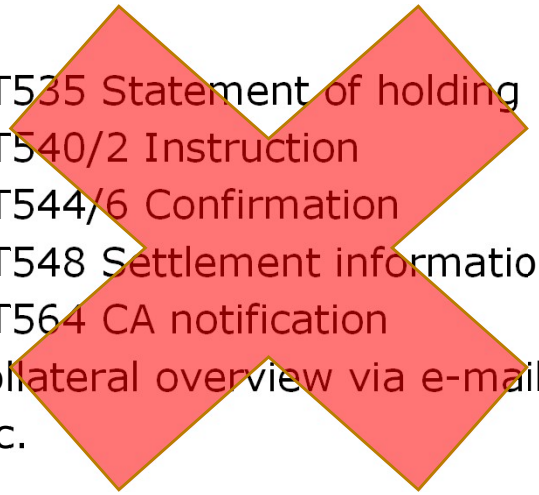
Connectivity

The ECMS supports the connectivity of ECMS parties in U2A and A2A mode

- U2A (User-to-Application): Online screen-based activities performed by ECMS parties
- A2A (Application-to-Application): Communication between software applications via XML messages or files using ISO 20022 messages or compliant with the ISO 20022 format. A file contains one or several messages.

Messages

Current messages



MT535 Statement of holding
MT540/2 Instruction
MT544/6 Confirmation
MT548 Settlement information
MT564 CA notification
Collateral overview via e-mail
Etc.

ECMS

U2A mode
- **No exchange of messages**
- Possibility to export reports (pdf, xlsx, csv and txt)

A2A mode
- Messages via ISO 20022 standard

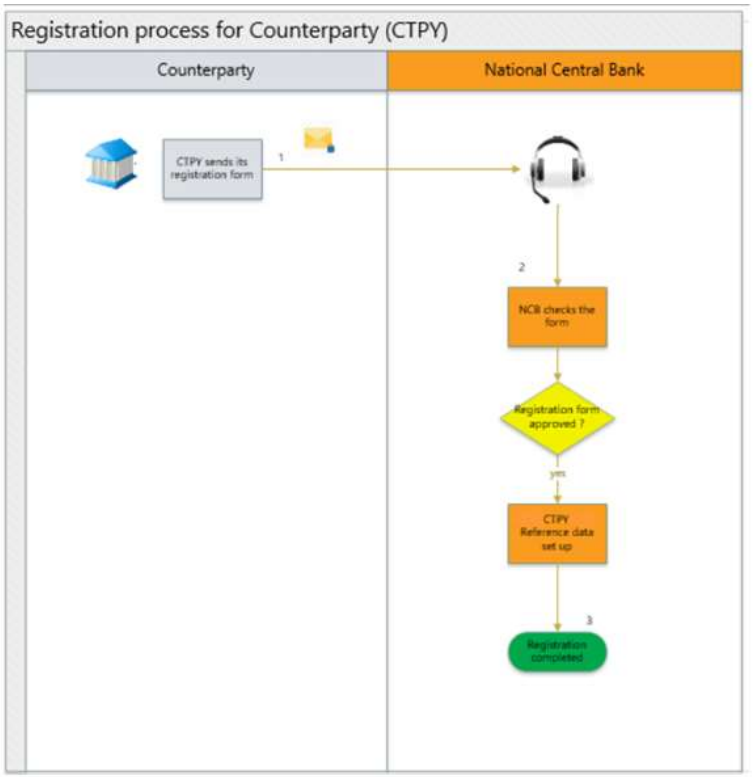
Connectivity testing: Procedure to get access to ECMS

- Summary connectivity action:
  - CPTY completes e-ordering process with NSP
  - 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 connectivity successful**.

If also connected to ECMS via 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] -> **A2A connectivity successful**

Connectivity: Access to ECMS (registration)



1 - The counterparty sends the registration form to DNB.

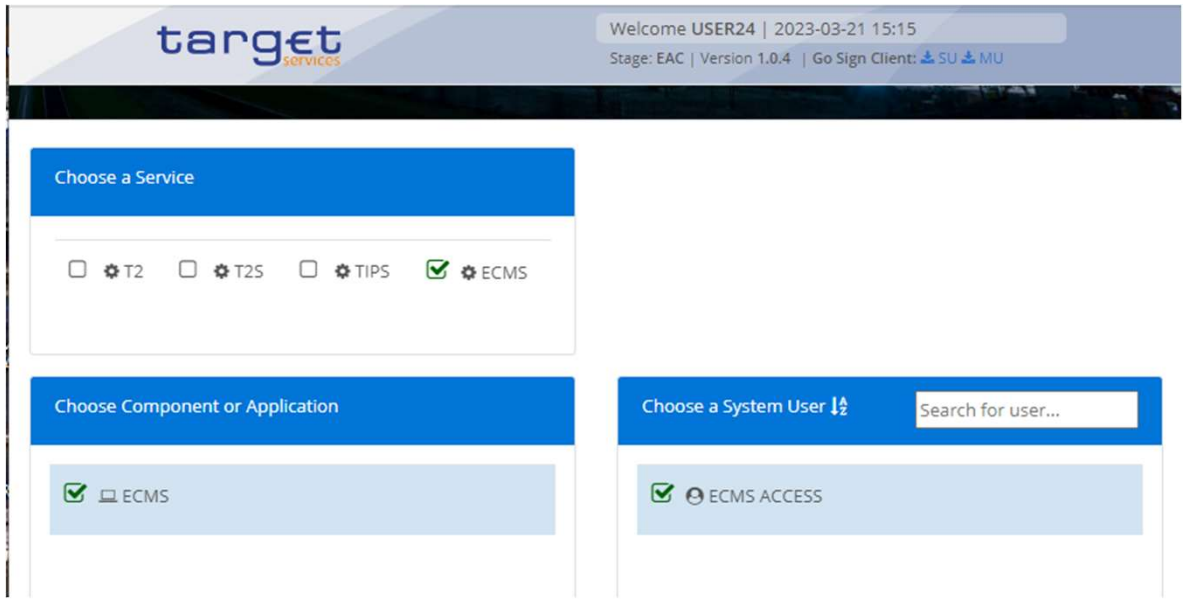
2 - The NCB checks the completeness and correctness of the form as described in its internal procedure.

2a - If the form is approved, DNB proceeds with the capturing of the reference data in the ECMS.

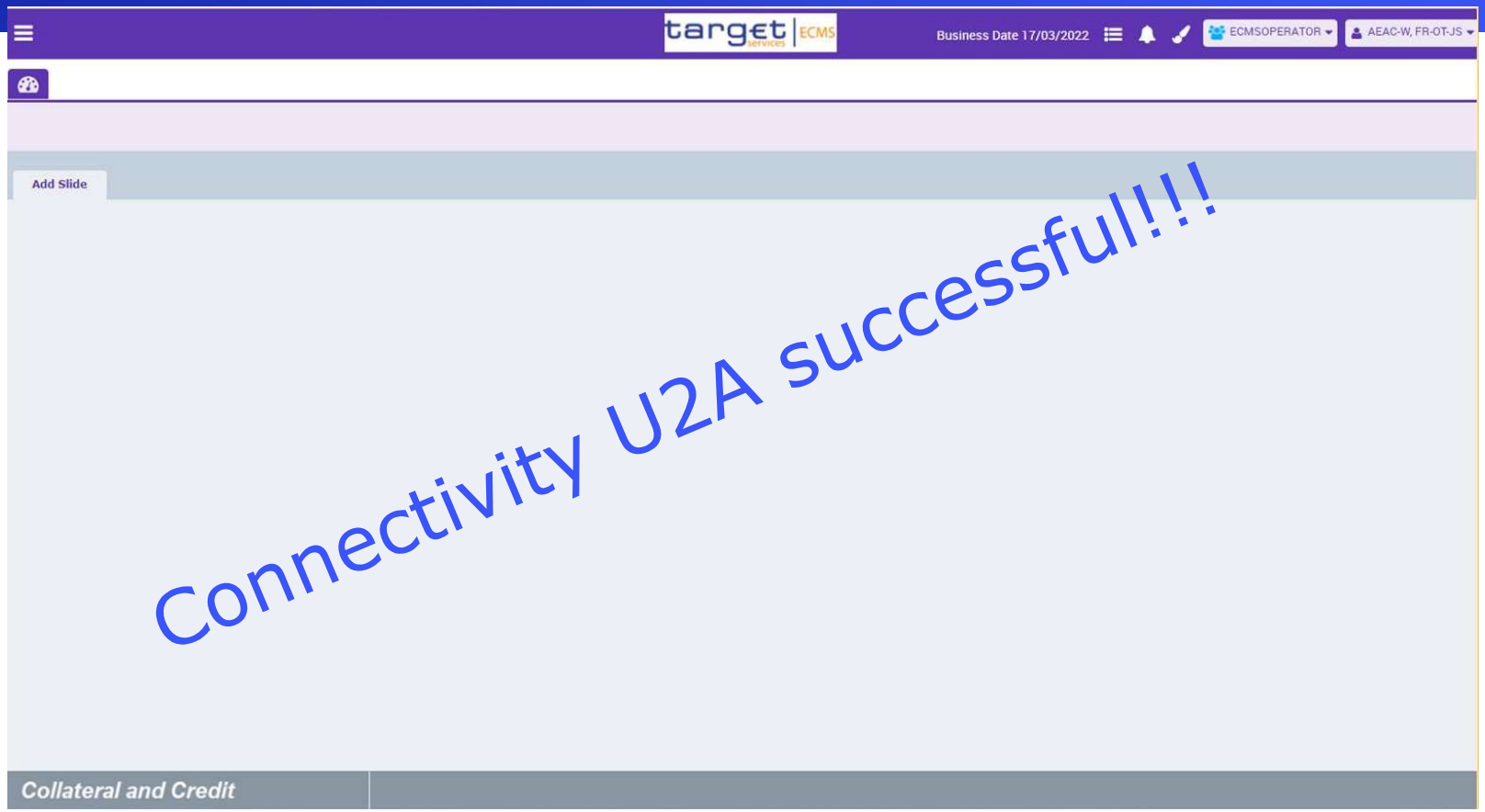
2b - If the form is not approved, DNB asks the counterparty to review and resubmit the form.

3 - Registration completed.

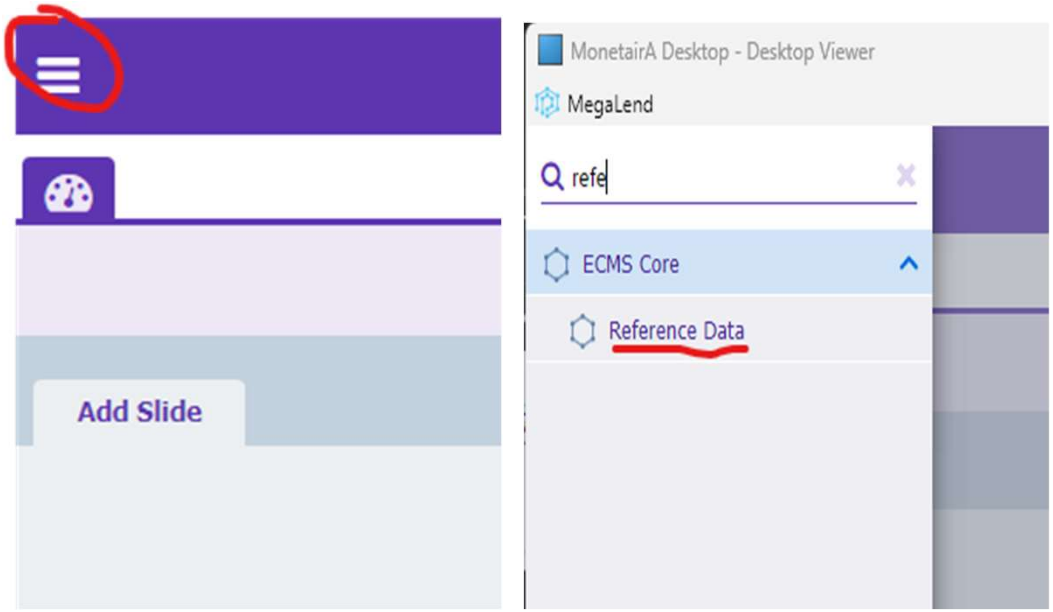
Connectivity: Access to ECMS U2A via ESMIG



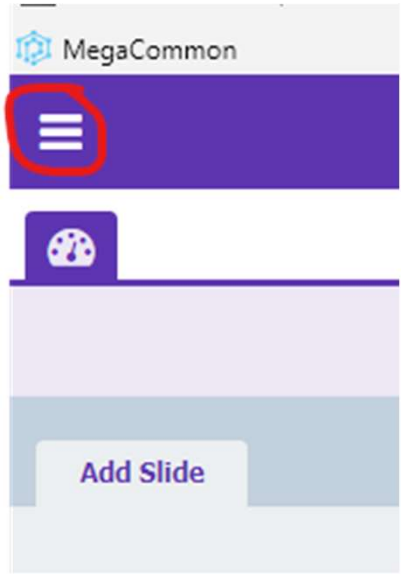
Connectivity: Access to ECMS U2A via ESMIG



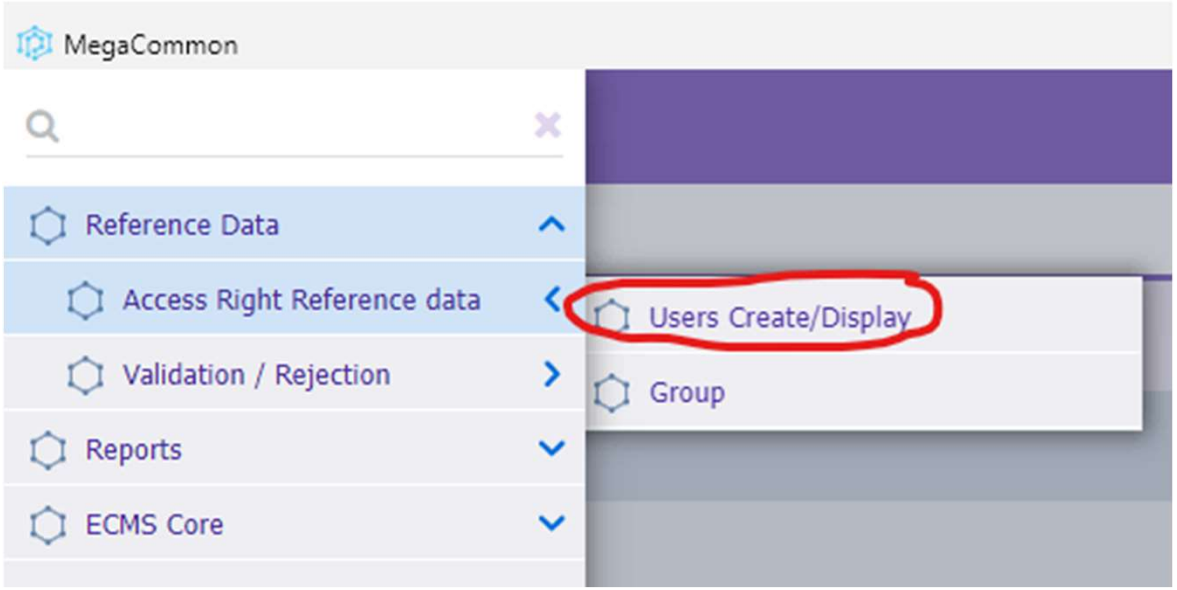
Connectivity: Access to ECMS A2A via ESMIG



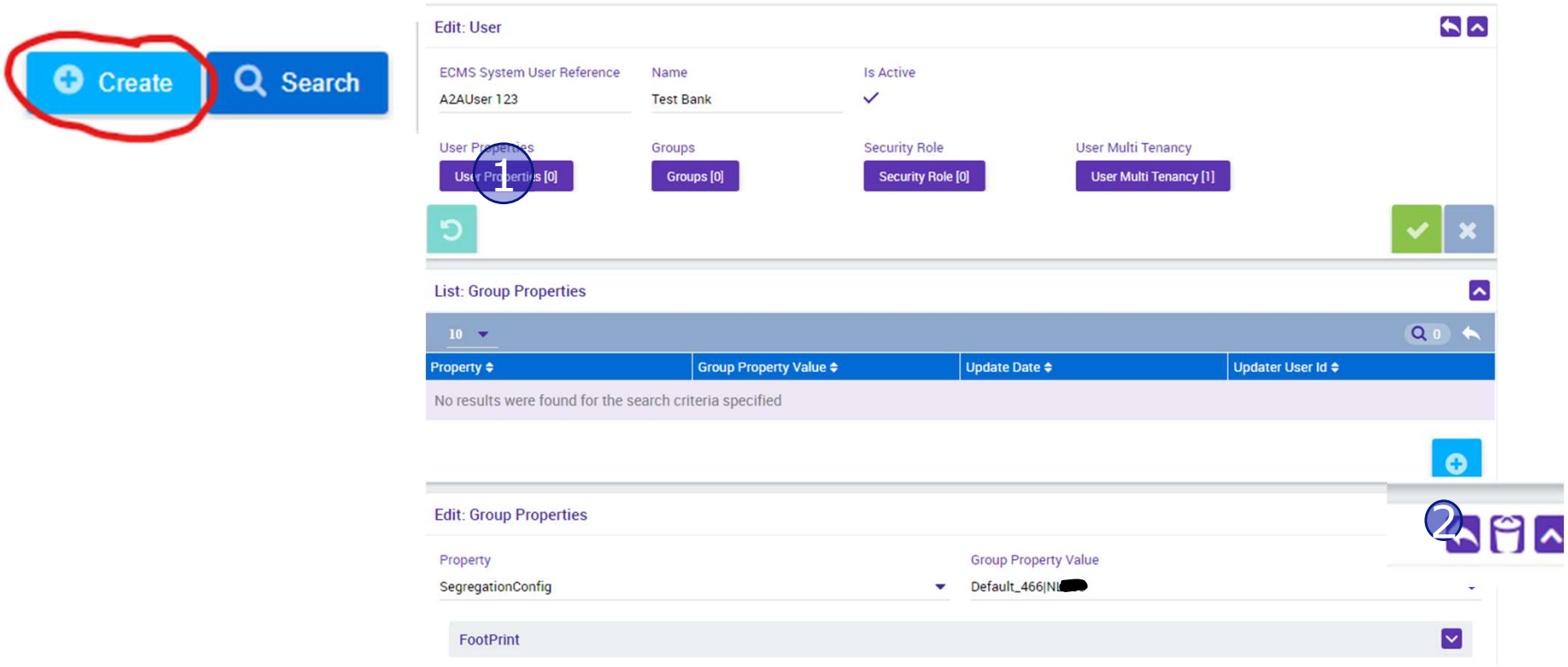
New window opens



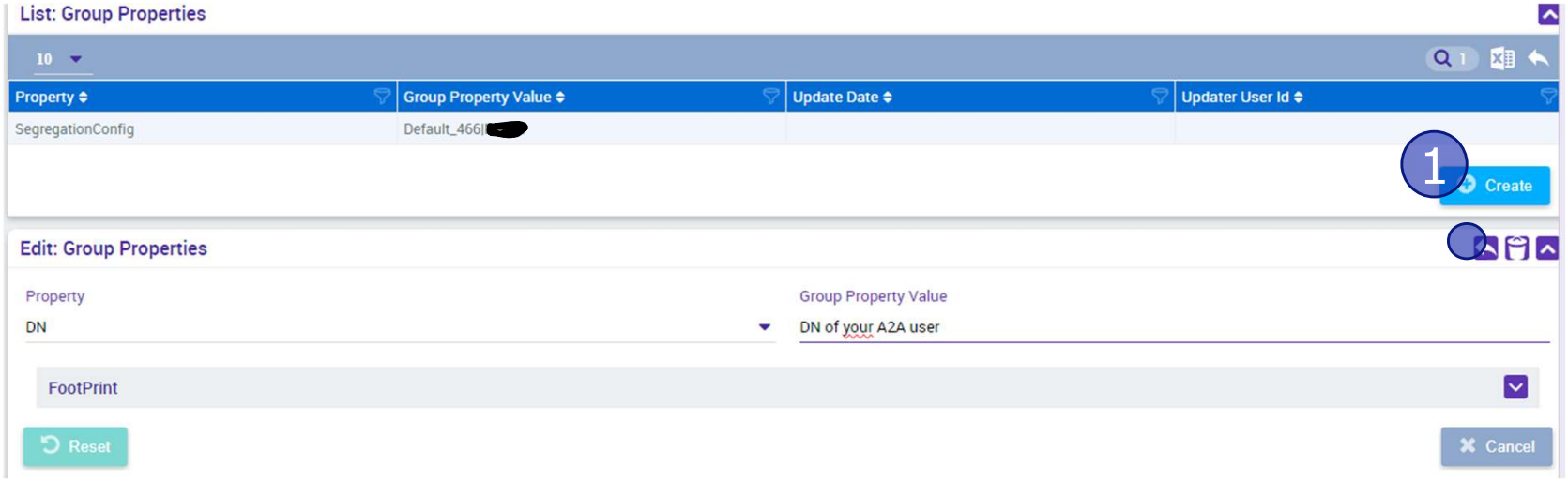
Connectivity: Access to ECMS A2A via ESMIG

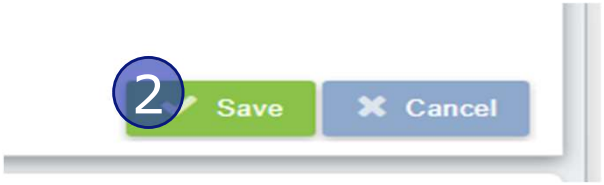


Connectivity: Access to ECMS A2A via ESMIG

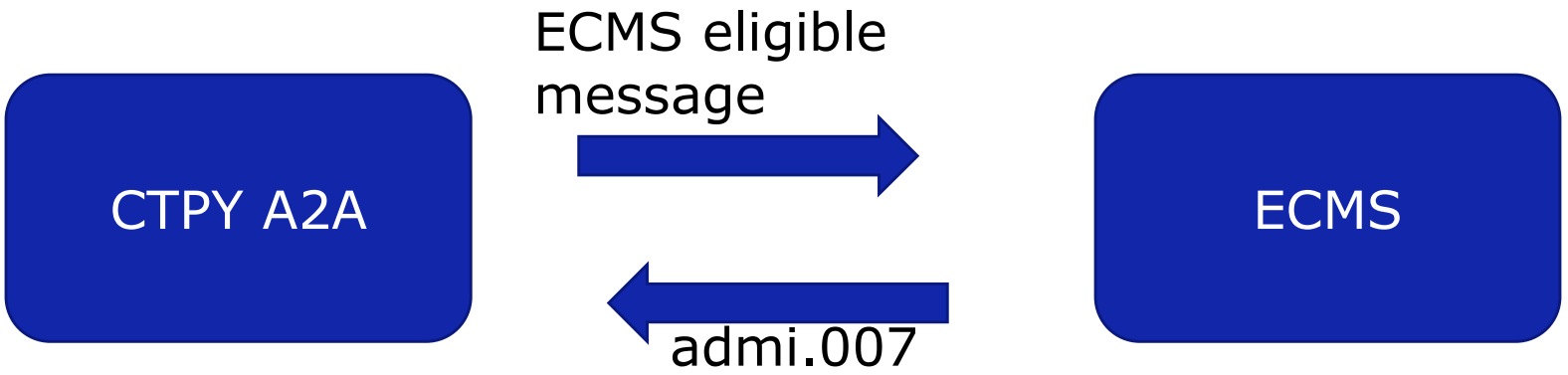


Connectivity: Access to ECMS A2A via ESMIG





Connectivity message test



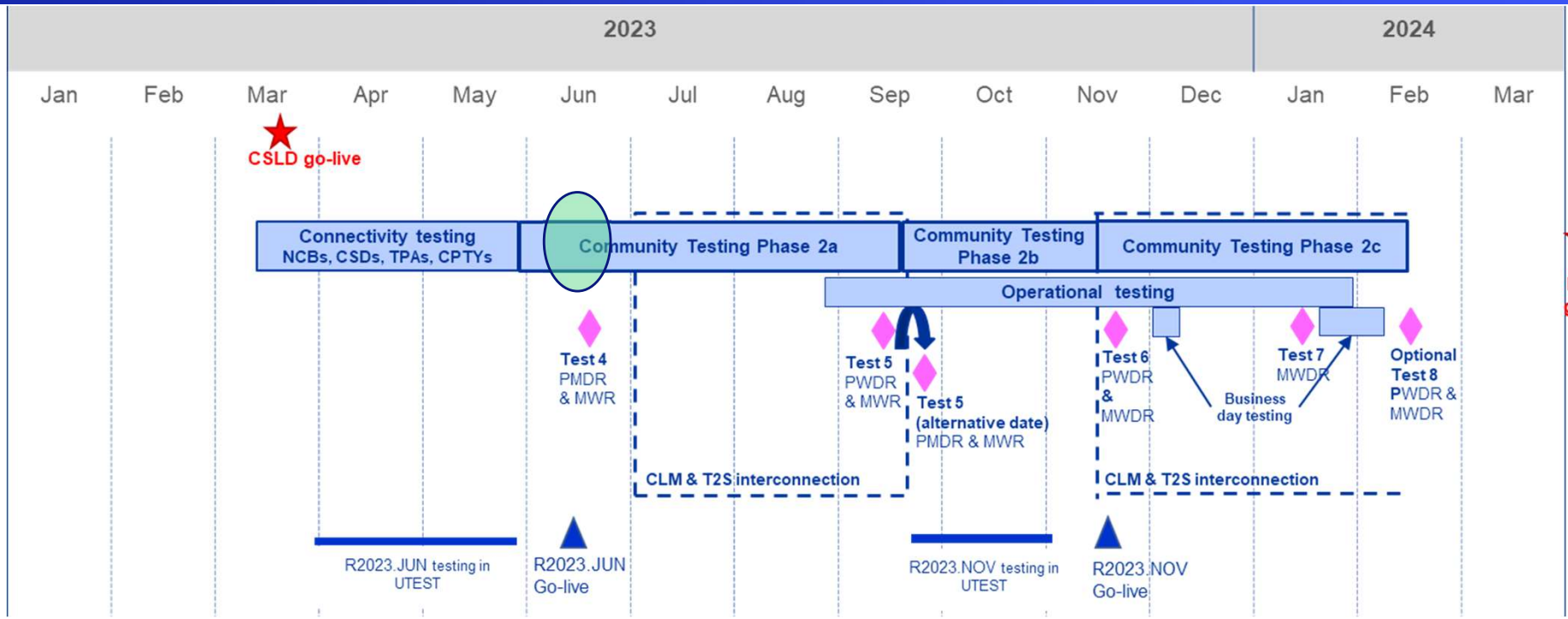
admi.005
camt.998
sese.023

Connectivity A2A successful!

ECMS Training

Training module: Reference data

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



ECMS PREPROD — Community/Business day and Operational testing

CLM & T2S interconnection

Reference data

Content

- Reference Data Management
  - Accounts
  - ECMS Pools

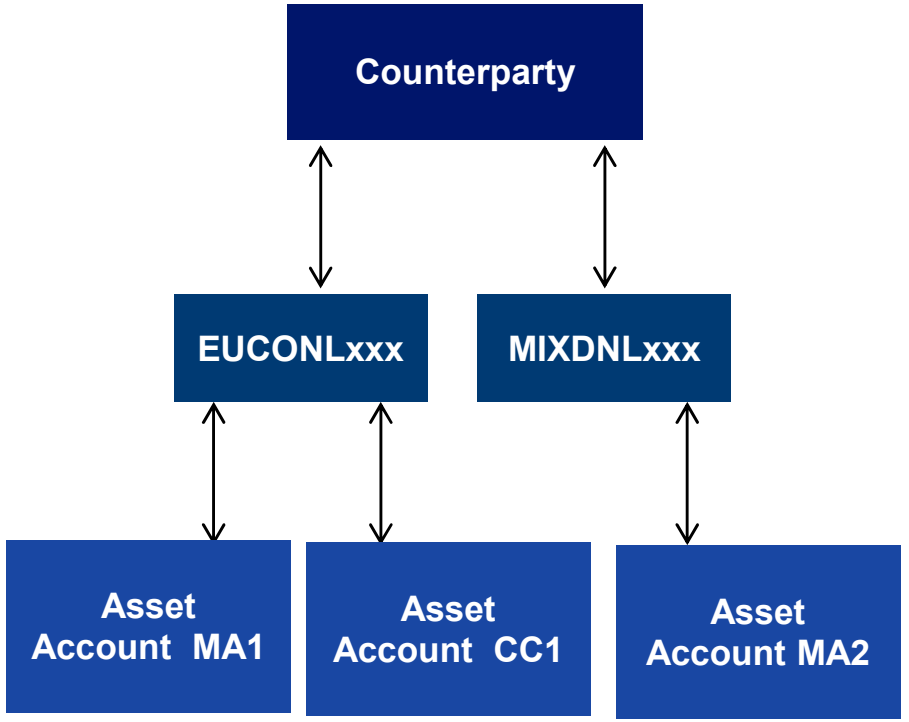
Reference data: accounts and pools

Each ECMS counterparty asset account will be linked to one (and only one) collateral pool.

Separate asset accounts for marketable assets (MA) and non-marketable assets (credit claims = CC).

Counterparties can link only **one** pool to a main cash account (MCA) for the purpose of credit line and monetary operations.

Harmonised account naming conventions for collateral accounts and pools



Reference data: ECMS Pool – Concept

EUCONLxxx

The Monetary Pool: Used for Eurosystem credit operations like MRO, LTRO, Intraday Credit, Marginal Lending, etc.

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 (see below) + RIAD Code of the Counterparty

EUCO NL001

- EUCO – for the main pool dedicated to the collateralisation of Eurosystem Credit Operations
  - **EUCONLxxx**
- MIXD – if a second (or more) pool is used for multiple purposes (other than Eurosystem credit operations)
  - **MIXDNLxxx**

Reference data: ECMS Accounts – Concept

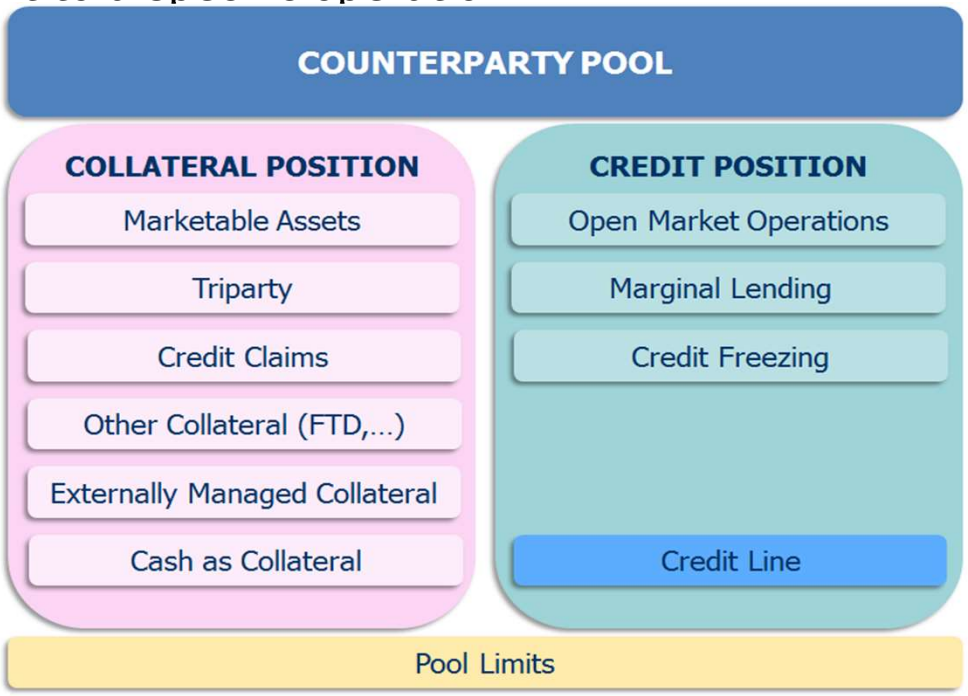
- **Asset account**: RIAD Code of the Counterparty + Asset Identifier (MA/CC) + 1 or 2 (for the pool)

NL001MA1

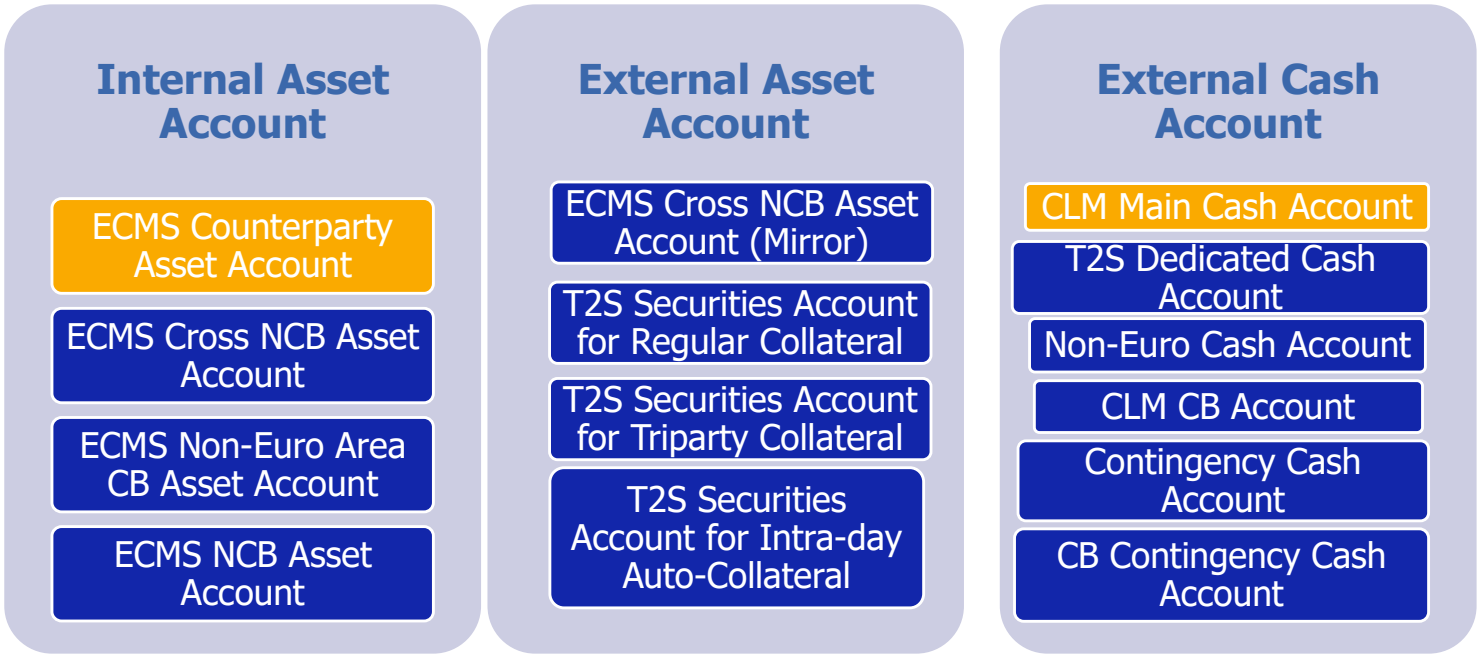
- 4xxx monetary pool account → NLxxxMA1 for Marketable assets and NLxxxCC1 for Credit Claims
- 6xxx secondary pool account → NLxxxMA**2** for Marketable assets and NLxxxCC**2** for Credit Claims

Reference data: the concept of pools

- The ECMS uses collateral pooling enabling a Counterparty to make collateral available without allocating it to a specific operation.



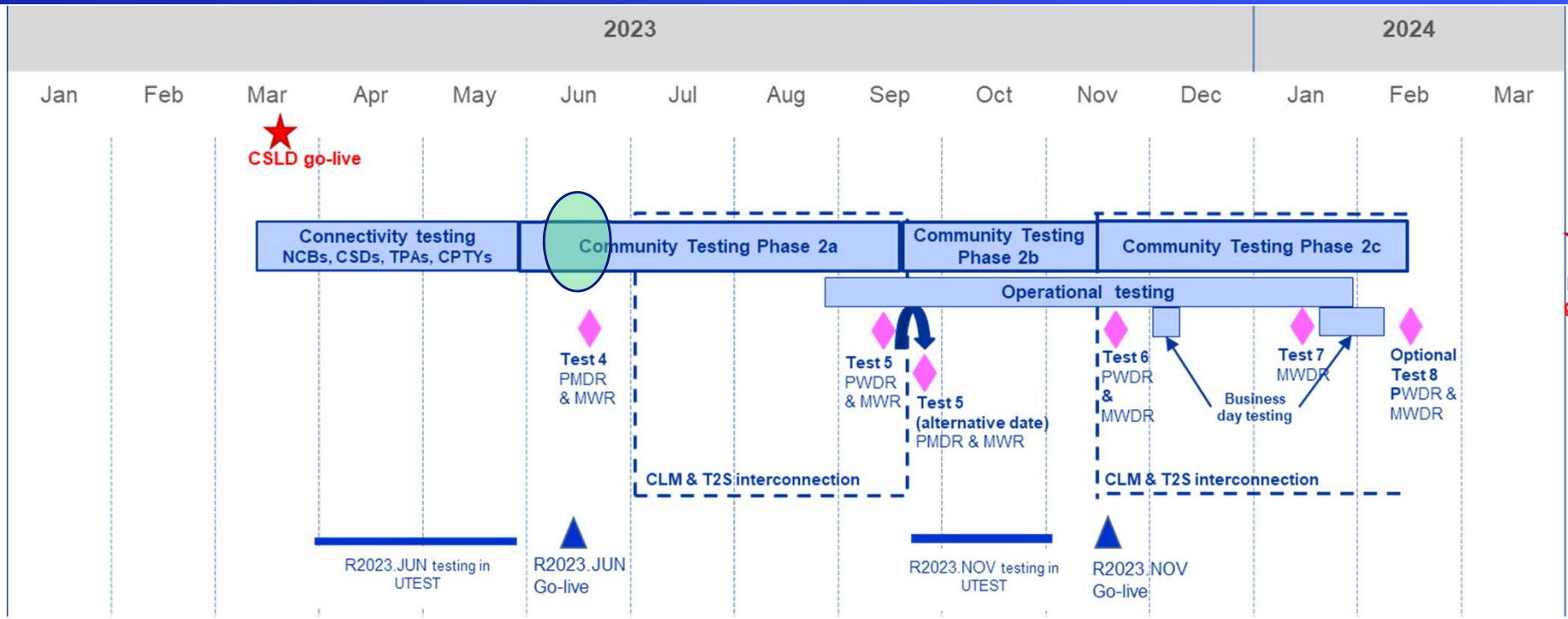
Reference data: ECMS Accounts – Concept



ECMS Training

Training module: Access Management

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



ECMS PREPROD — Community/Business day and Operational testing

CLM & T2S interconnection

Access management: Setup considerations

The creation of users and the assignment of roles is done in **U2A** in the **Reference Data module**

1. **Creation of the Admin user by DNB:**
   - Each party is set up with at least one party administrator
   - If a new entity is to be administered in 4-eyes, it will be created with two administrators

2. **Creation of the user by CPTY- Admin**
   - Each new user is linked to the same ECMS Party to which the creator user belongs

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

Access management: predefined Roles

- There can be two types of **Predefined roles**

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.

- Predefined roles available in ECMS:

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

- AOB
- Opportunity for questions

(see next slides for Q&A)

DeNederlandscheBank
EUROSYSTEEM

Q&A: answers to the questions posed during the session (1/2)

Q1: The login in the webtool is done with SecurID, Microsoft Auth?
A1: As this can be different for each counterparty, we advise you to contact your SWIFT expert, or your colleagues involved in the T2/T2S-Consolidation project.

Q2: If we haven't heard anything in response to the registration form, can we assume it is approved?
A2: Yes, but DNB will also draft a general overview of the registered entities by way of confirming the completing of this process.

Q3: Is co-management possible in ECMS? What does this mean for the registration (process)?
A3: We advise counterparties to contact DNB on this to discuss and analyze their exact intentions regarding co-management and the technical requirements and feasibility. Please be advised that:

- The ECMS provides a functionality whereby counterparties may designate another entity to interact with the ECMS on their behalf.
- The ECMS also provides a dedicated functionality for banking groups (defined as groups of counterparties), which grants an entity designated as the manager of the banking group access to aggregated information on the whole group and detailed information on the pool position of each member of its group. Counterparties wishing to use this functionality can indicated that in the registration form.

Q&A: answers to the questions posed during the session (2/2)

Q4: According to one of the participants the need to populate ECMS with reference data contradicts the statement in the Business Description Document on CRDM being the reference data layer for all TARGET Services.
A3: Looking at the Business Description Document for ECMS the following is stated: *'ESMIG authenticates users, checks that they are authorised to address or use the ECMS and manages access rights. The allocation of users to predefined roles is managed within the ECMS'.* Therefore, the need remains to populate ECMS with reference data.

Q5: Could DNB provide the participants with a template on how to fill in the sese.023 message (e.g., which BIC address to use, which fields to populate, etc.) for the NL market?
A5: Our test team is testing the sese.023 and other messages and we expect to provide the NL market with templates beginning of May.

Q6: ENL en EB won't participate in the Community Testing Phase 2a. Are there alternatives?
A6: DNB is investigating possibilities to test with other CSDs/NCBs (in the CCBM context) and will communicate on this before start of Community Testing Phase 2a.