ECMS – training Module IV:

Domestic Credit Claims – U2A, registration and update

8 January 2024

DeNederlandscheBank

EUROSYSTEEM

HAPPY NEW YEAR!

Agenda

1. **Important prerequisite / Reference data**
   - **DNB setup**
   - **Counterparty setup**
2. **U2A credit claim registration and update**
   - **Credit Claim Registration (CCR)**
   - **Credit Claim Update (CCU)**
   - **Credit Claim Outstanding Amount Update (CCOAU)**
3. **Checks in the ECMS**
4. **Live demo**

Important prerequisite / Reference data

Setup by DNB

- Create you as a creditor in ECMS and link you – as a counterparty - to this creditor.
- Add Eligibility type: Credit claim Domestic or CrossBorder.
- Credit Assessment Source preference (ICAS, ECAI, PSE).
- Create debtors and Guarantors in RIAD (Register of Institutions and Affiliates Database)

Setup by counterparty

Assign the necessary user roles in the ECMS:

- U2A: Role counterparty U2A credit claim management.
- A2A: Role counterparty A2A credit claims.

Important prerequisite / Reference data

CREDITOR

- The creditor of the credit claim does not always have to be the counterparty
- The code of the creditor should be indicated when the counterparty makes the registration

DEBTOR

- The debtor code and code type used (8-digit KvK-nummer).
- The debtor name

GUARANTOR

- The guarantor code and code type used (8-digit KvK-nummer).
- The guarantor name
- The guarantee's reference

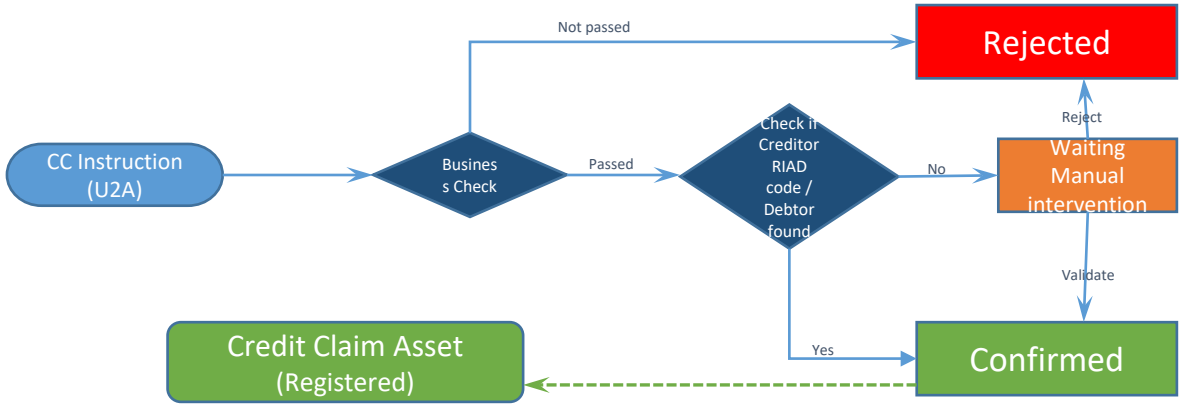
Credit claim data

- Counterparty's credit claim reference
- Eurosystem's credit claim reference
- Contract number as known by the debtor
- Credit claim governing law
- Loan type (ECMS code list)
- Subordination indicator
- Set-off risk indicator
- Outstanding amount
- Currency
- Origination date
- Maturity date
- Interest rate type (fixed or variable)
- Changing interest rate indicator
- Resetting period < 1 year indicator
- Changing interest rate date
- Negative cashflow indicator
- Cap indicator
- Agent bank
- Referenced Eurosystem index (ECMS Code list)
- Update date

U2A CC registration

Credit Claim Registration

- The counterparty has to register its credit claims via U2A mode.
- The credit claim registration instruction with operation type **CCR** can be saved in ECMS with status « Confirmed » when all the **business checks** are validated successfully.
- Once the credit claims instruction is created with status « Confirmed », the credit claim asset (Non-Marketable) is created with status « Registered » and with Eurosystem Credit Claim Id automatically filled.



Business validations for Credit Claim Registration

- **Instruction Reference**: Must be unique; not already used by the Counterparty.
- **Creditor Riad Code**: Creditor must be eligible for CC
- **Credit Claim Ref**: Must be unique; not already used by the Counterparty.
- **Outstanding Amount**: Must be equal or higher than EUR 200.000,-
- **Currency**: Must be an accepted value.
- **Origination Date**: Must be before or equal the current ECMS business date
- **Debtor Code Type**: KVK-nummer (code: NL_KVK_CD)
- **Guarantor Code Type**: KVK-nummer (code: NL_KVK_CD)
- **Credit Claim Governing Law**: must be from a Eurozone Country.
- **Loan Type***: Must be an accepted value
- **Set Off Risk Indicator**: must be an accepted value (Y or N)
- **Subordination**: Must be “N” else rejected.

Business validations for Credit Claim Registration

- **Changing Interest Rate Indicator**: Must be an accepted value (Y or N)
- **Changing Interest Rate Indicator Date**: Must be after the intended settlement date and before the maturity date.
- **Interest Rate Type**: Must be an accepted value (FIX or VAR)
- **Reference Index***: Mandatoy if Interest RateType is VAR; must be an accepted value.
- **Cap Indicator**: Mandatoy if Interest RateType is VAR; must be an accepted value
- **Resetting Period More Than One Year**: Must be filled in in case of a variable rate.

*ECMS credit claim files - exchange information (europa.eu)

U2A CC registration
Input ECMS

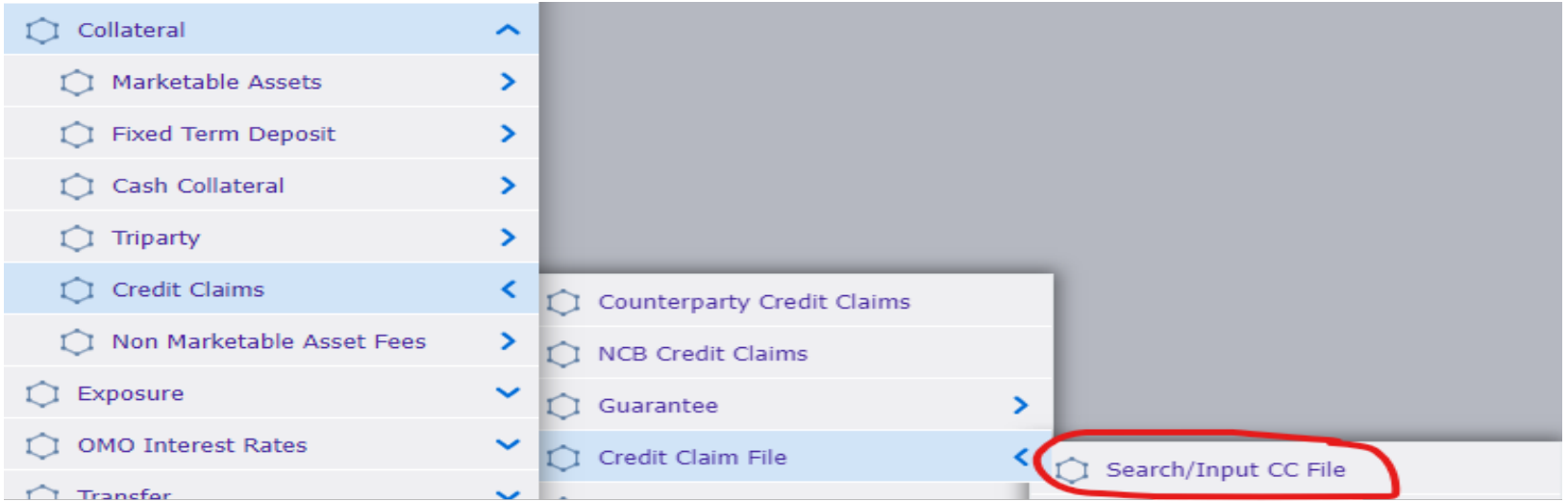
U2A CC registration steps

1. Create Credit Claim file
2. Choose CC instruction type(s)
3. Add the necessary information

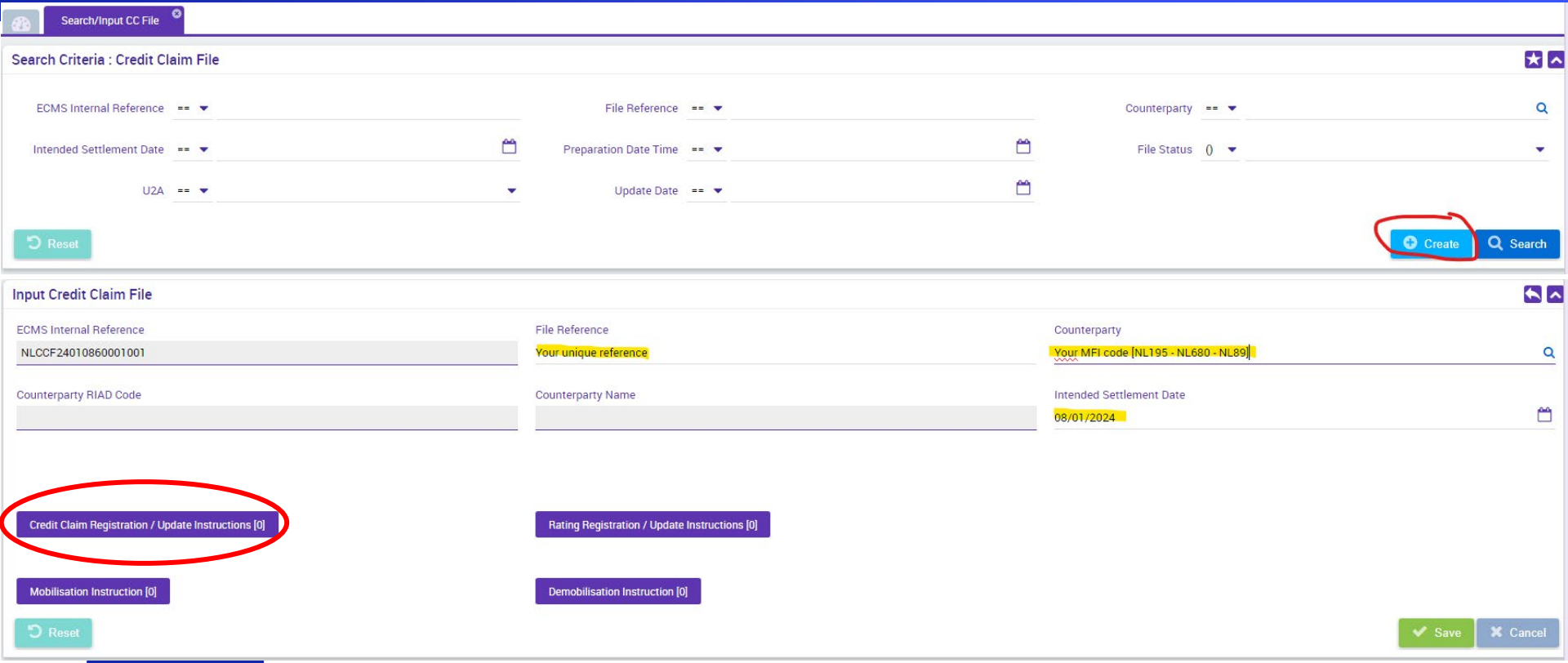
U2A CC registration - Create CC-file

1. Create credit claim file

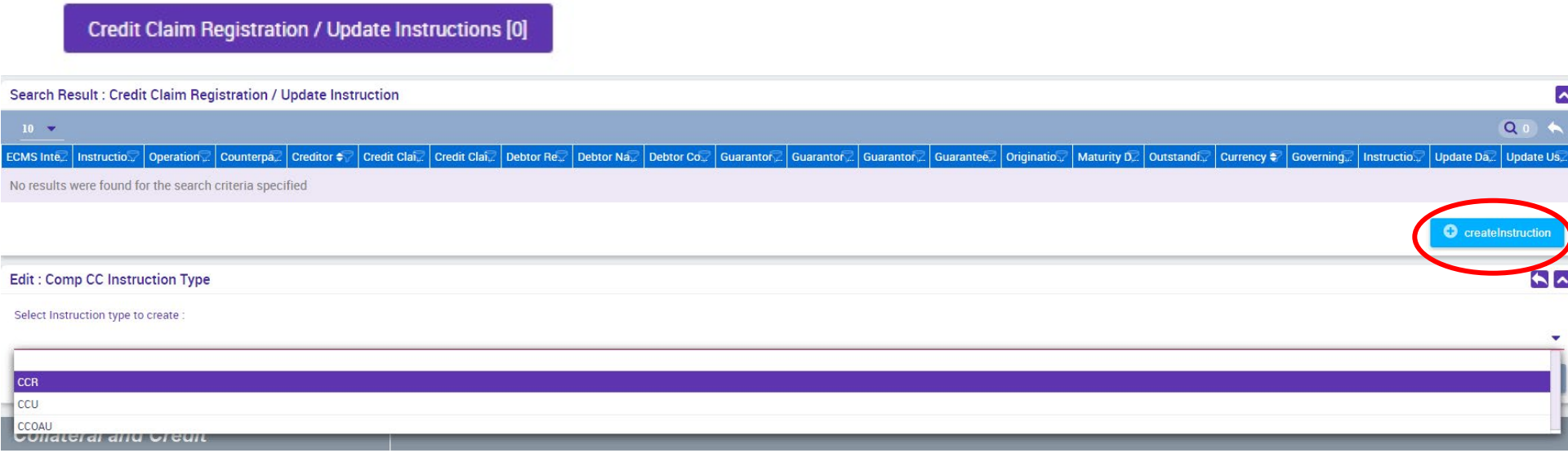
Main menu (MegaLend): collateral => Credit Claims => Credit Claim File => Search/Input CC file



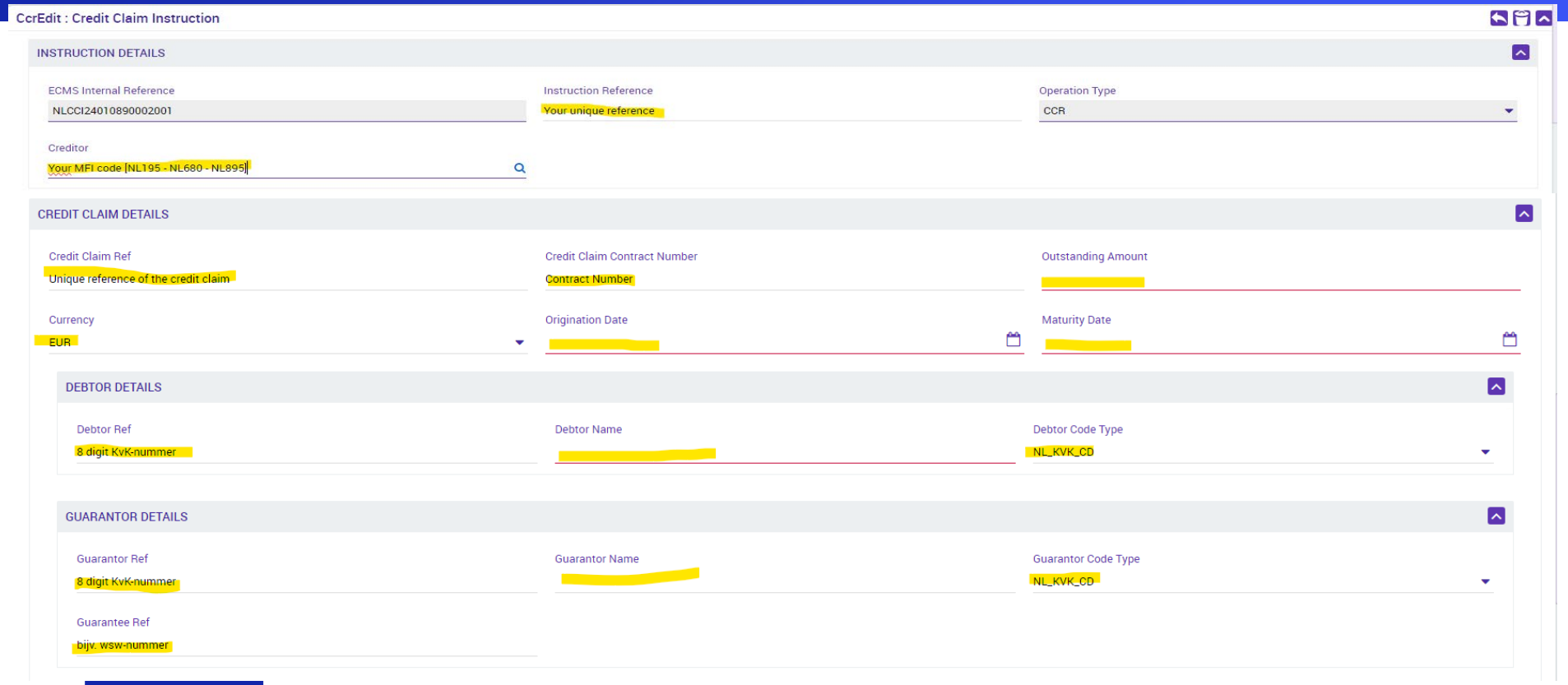
U2A CC registration - Create CC-file



U2A CC registration – choose instruction type



U2A CC registration – add instruction information



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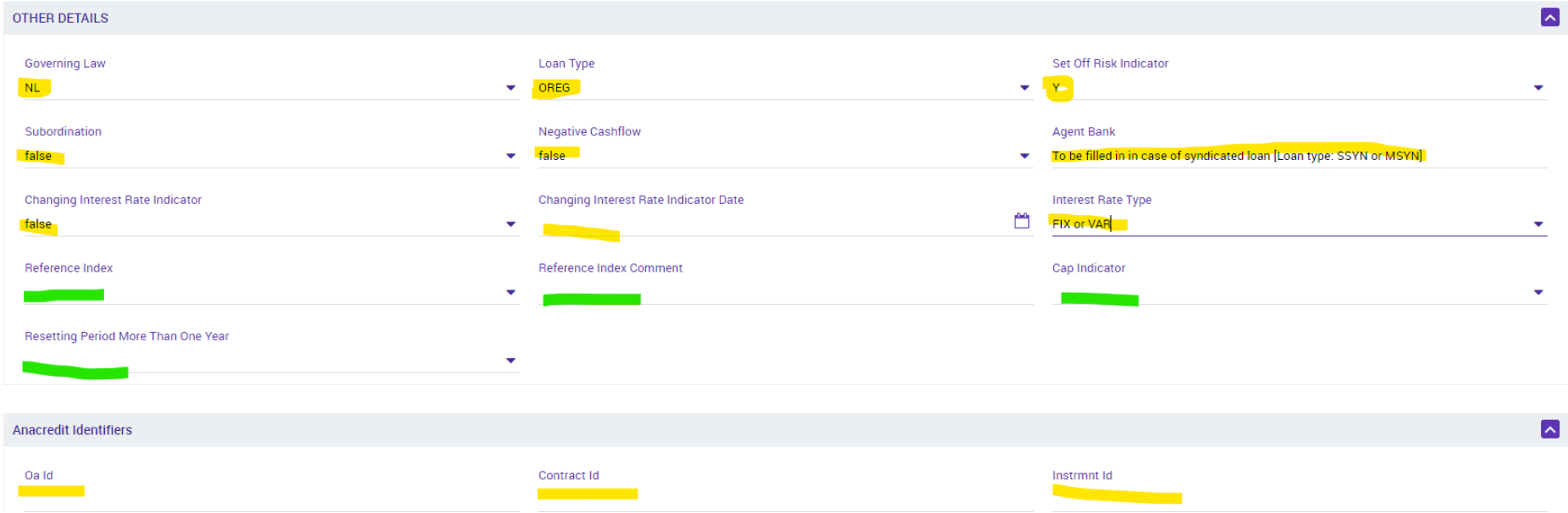

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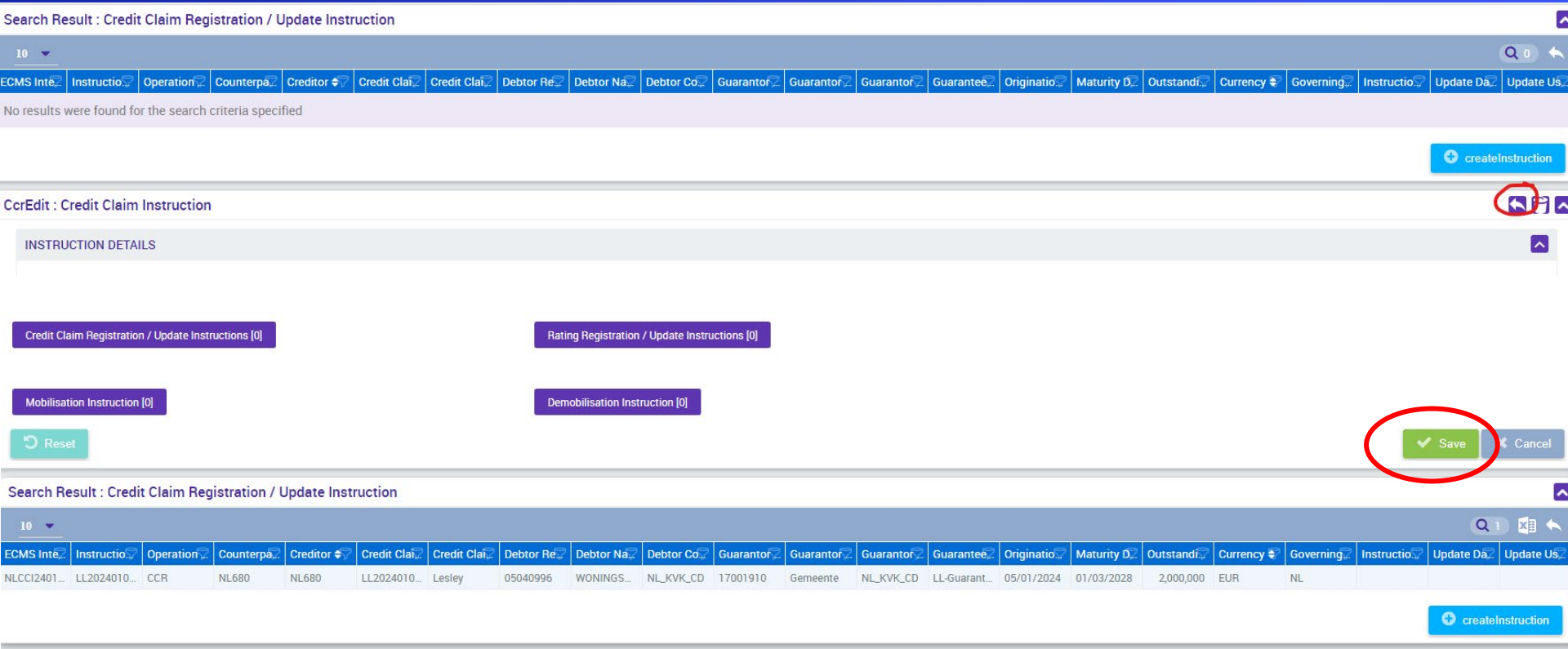

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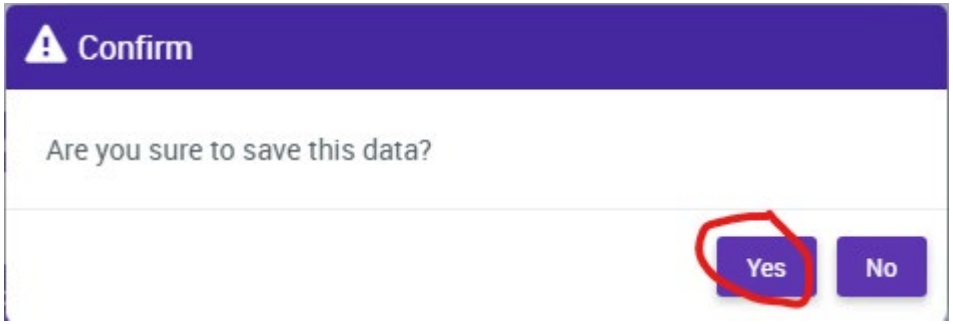
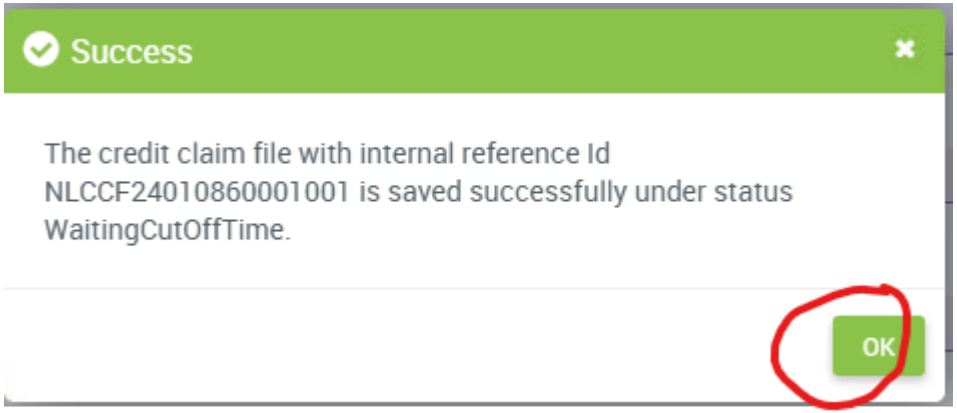
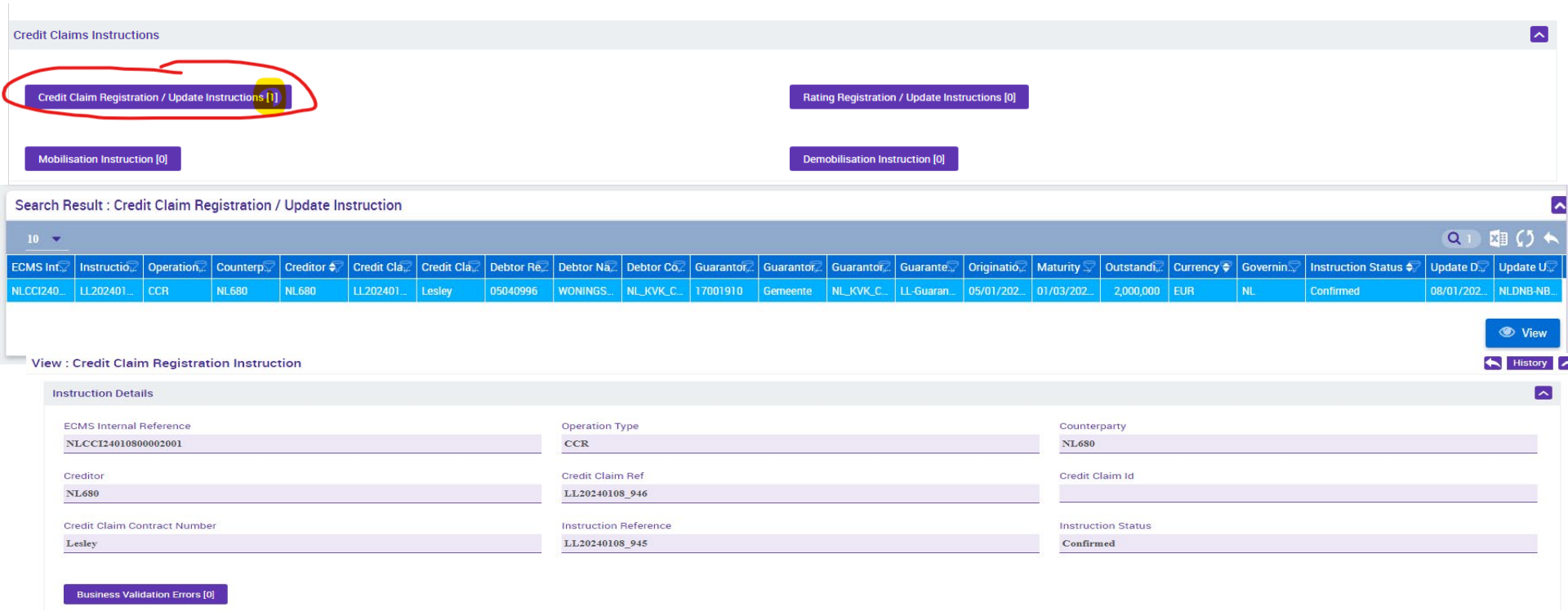


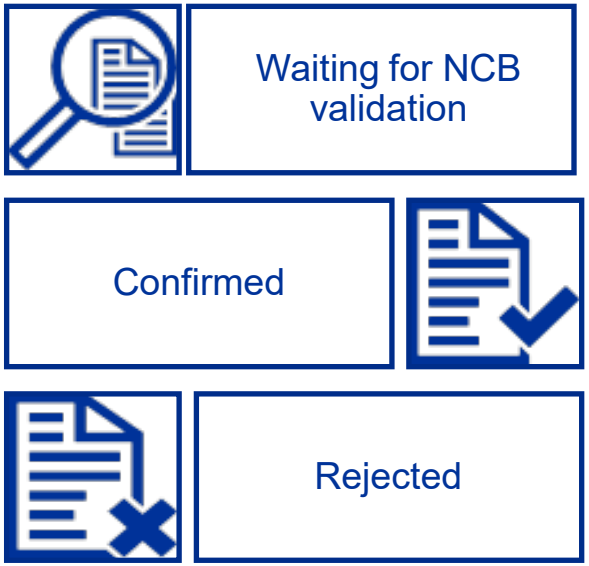


U2A CC registration – Check instruction



Instruction and Credit claim status

Status of an instruction

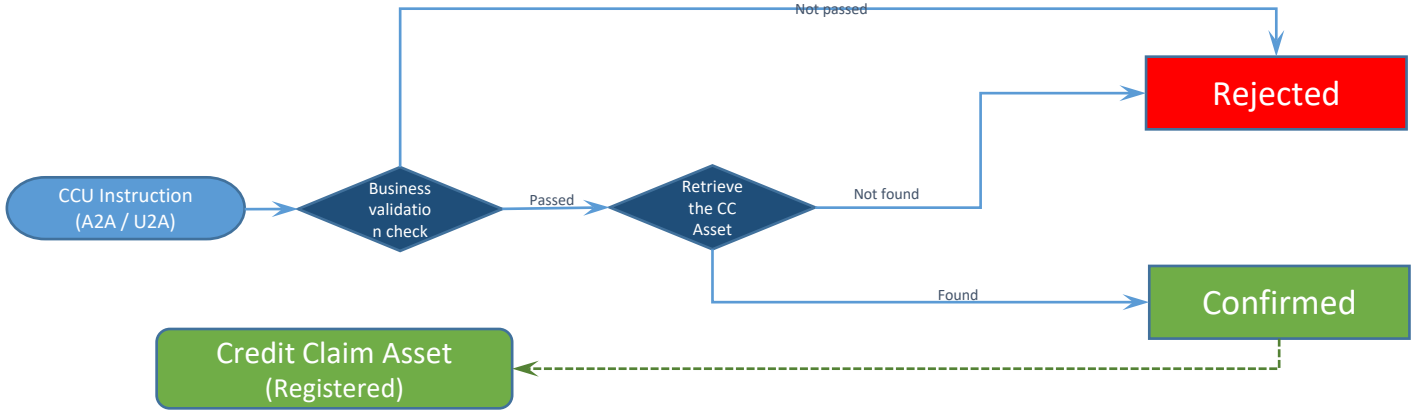


U2A CC Update

Credit Claim (Outstanding Amount) Update

Credit Claim Update

- The counterparty is able to update its credit claims by A2A or U2A mode.
- There are two kind of updates (Credit Claims update & Credit Claims outstanding amount update).
- When receiving an update instruction, ECMS tries to find the Credit Claim asset to be updated. Once found, the system proceeds to the update process depending on the credit claim status and the eligibility status.
- **Update of a Registered Credit Claim**



Business validations for Credit Claim Updates (CCU)

- **Instruction Reference**: Must be unique; not already used by the Counterparty
- **ECMSCCId**: If the identifier does not exist, the instruction is “Rejected”.
- **Update Date**: must be before or equal the current ECMS business date.

Business validations for Credit Claim Outstanding Amount Updates (CCOAU)

- **Instruction Reference**: Must be unique; not already used by the Counterparty
- **Eurosystem Credit Claim Id**: Must exist in the ECMS.
- **New Outstanding Amount**: Rejected if equal to the previous value.
- **UpdateDate**: must be before or equal the current ECMS business date.

U2A CC Update

Input ECMS: Credit Claim Update

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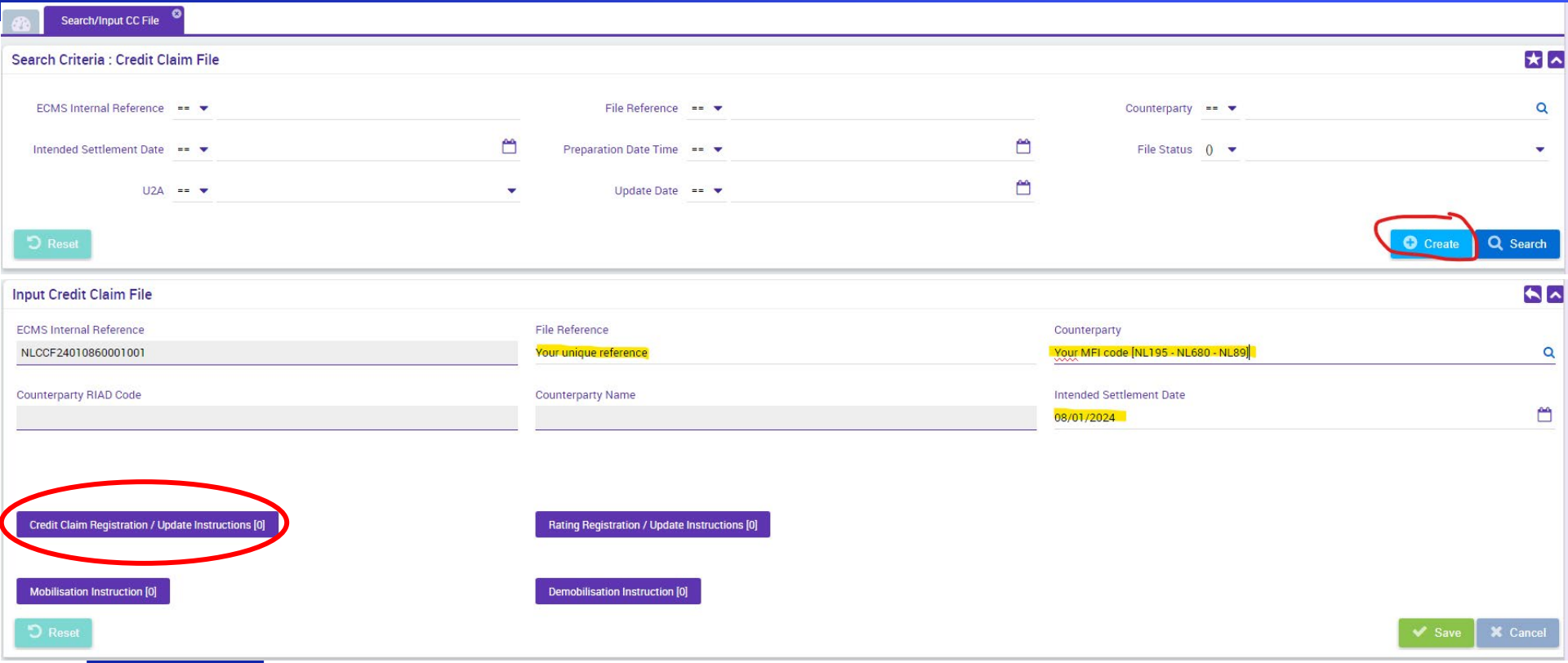
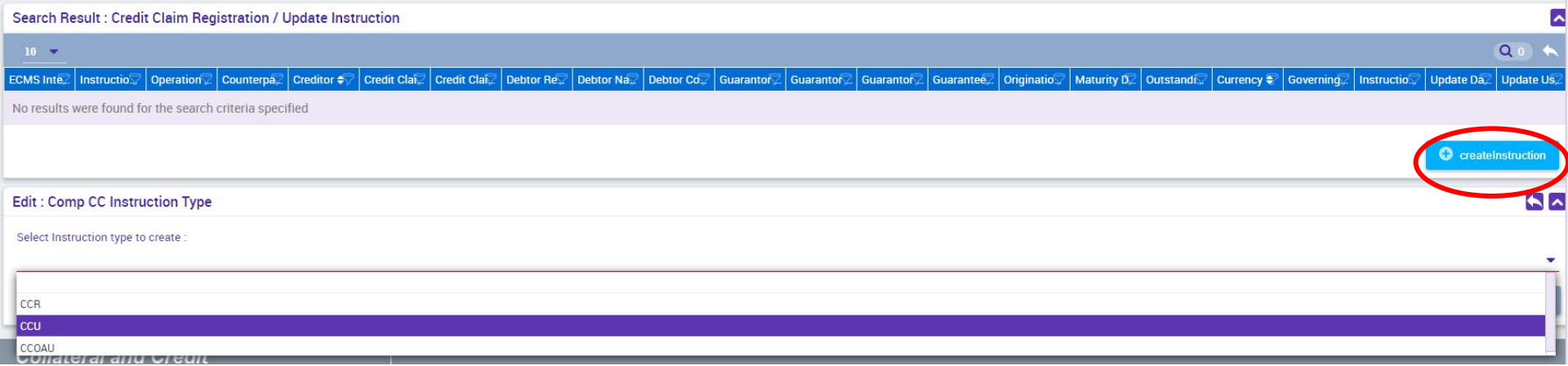
1. Create Credit Claim file
2. Choose CC instruction type(s)
3. Add the necessary information

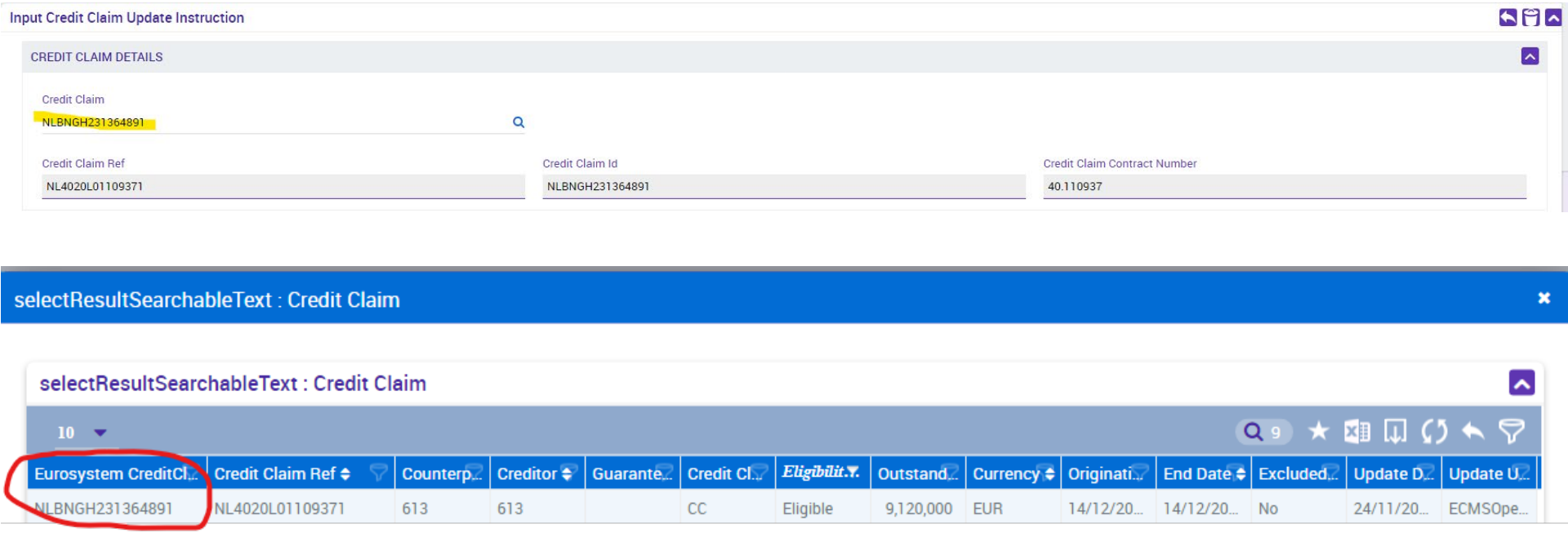
Input ECMS: Credit Claim Update – create file



Input ECMS: Credit Claim Update – choose Instr. type



Input ECMS: Credit Claim Update – add information



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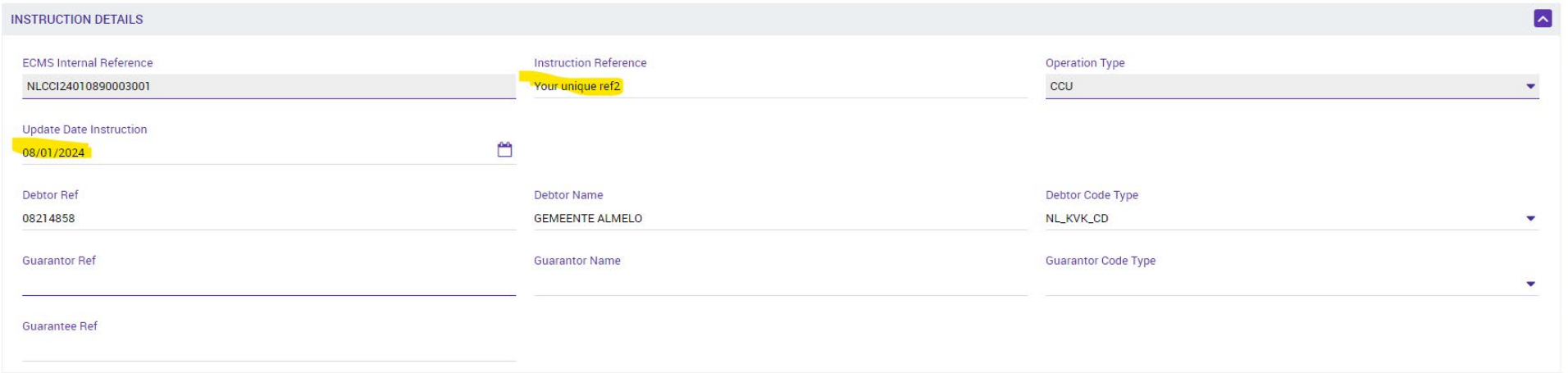

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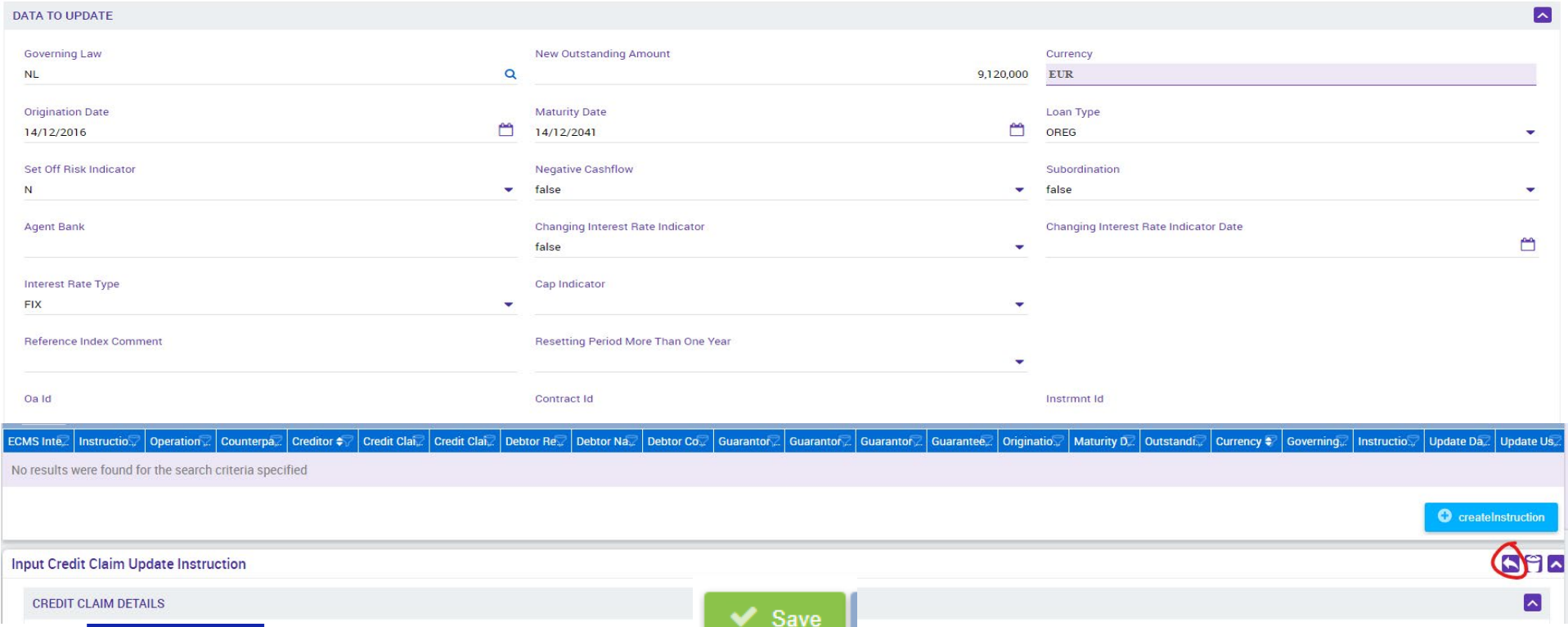
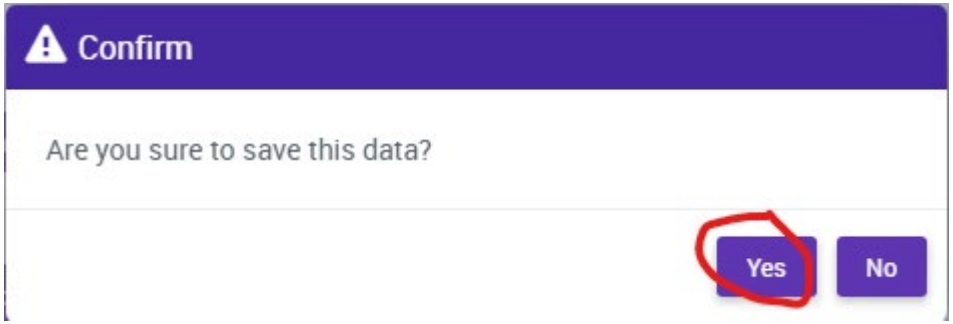
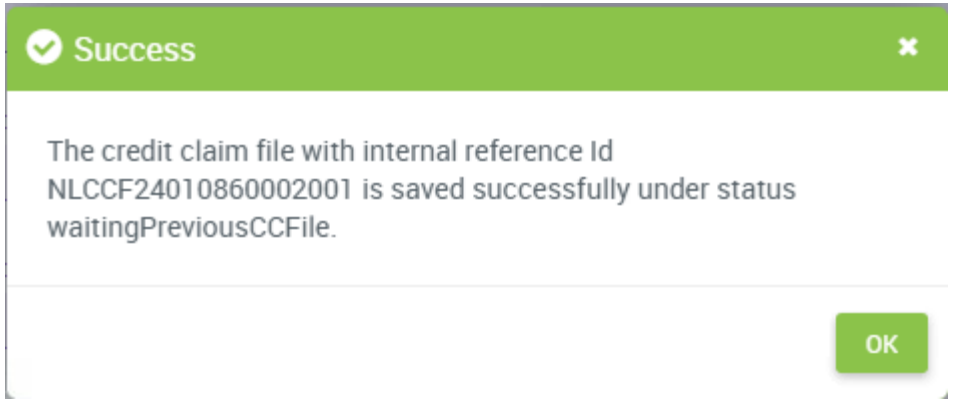


Input ECMS: Credit Claim Update - Check





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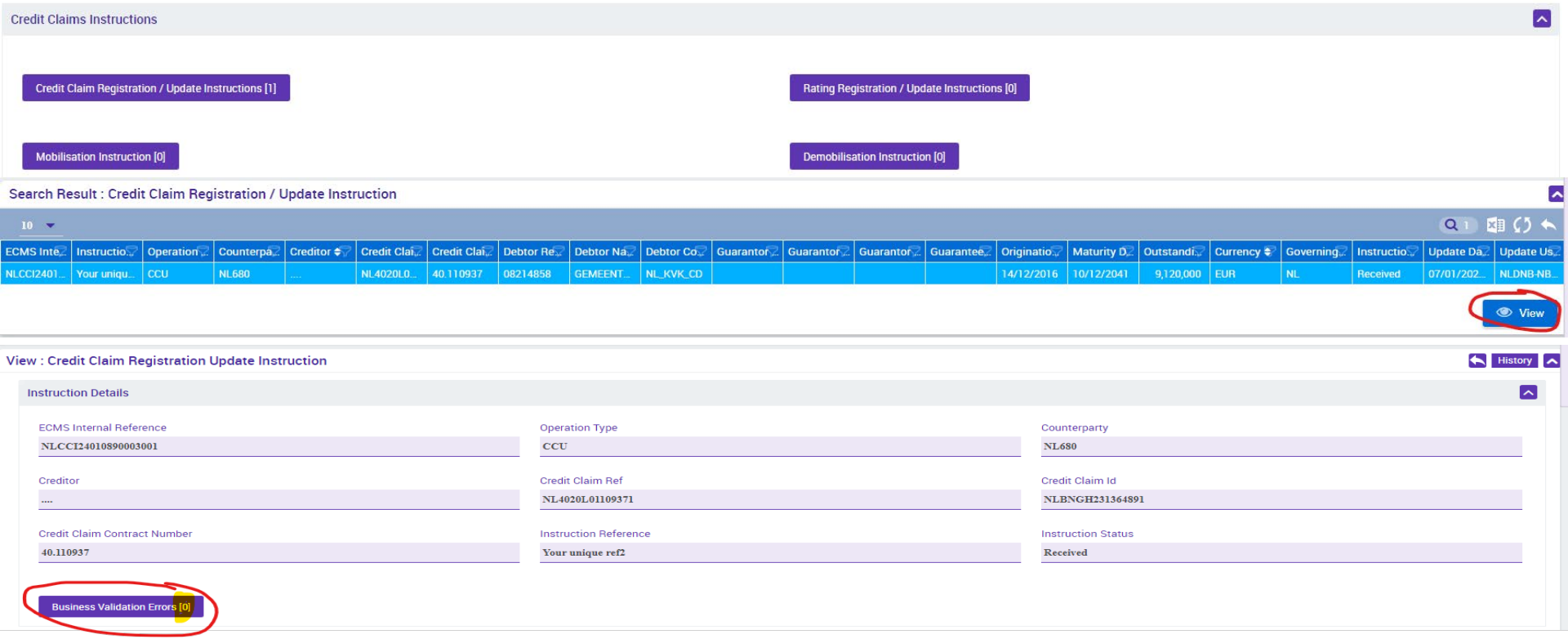

U2A CC Update

Input ECMS: Credit Claim Outstanding Amount Update

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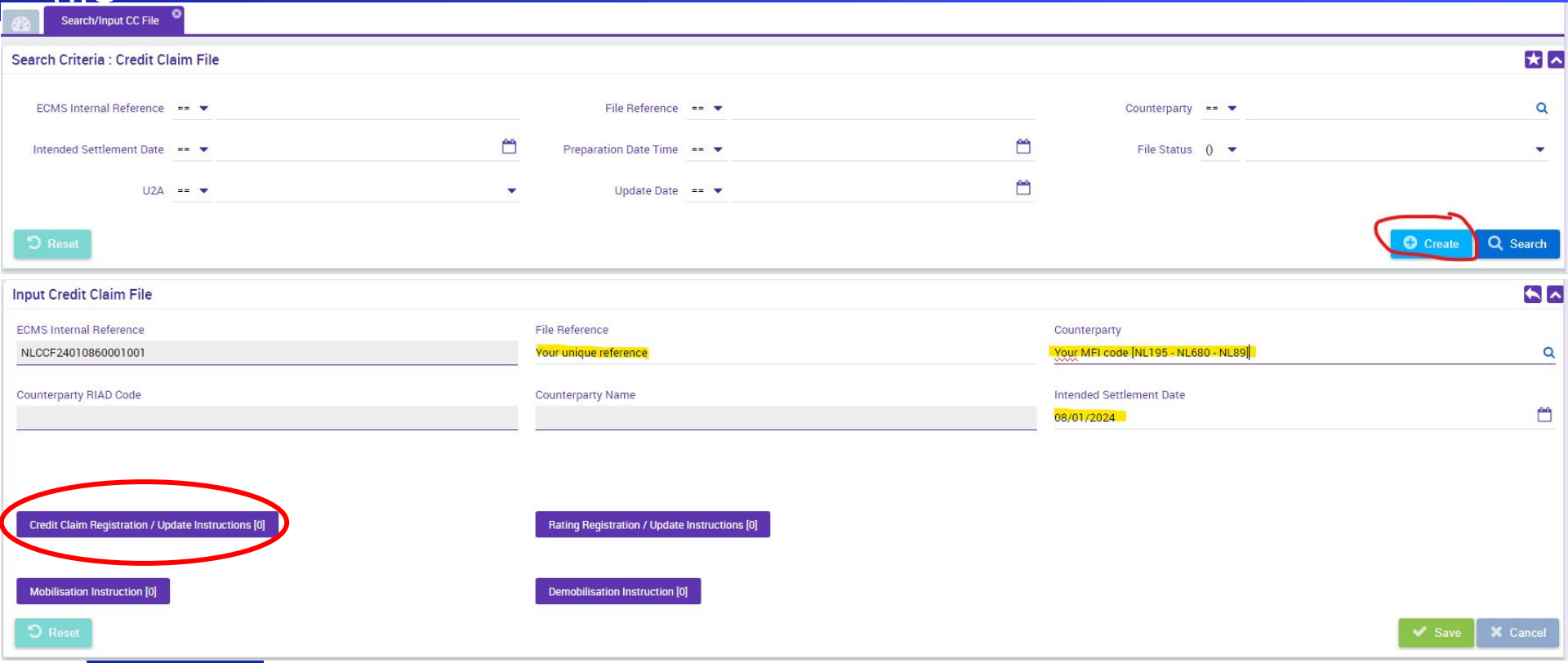

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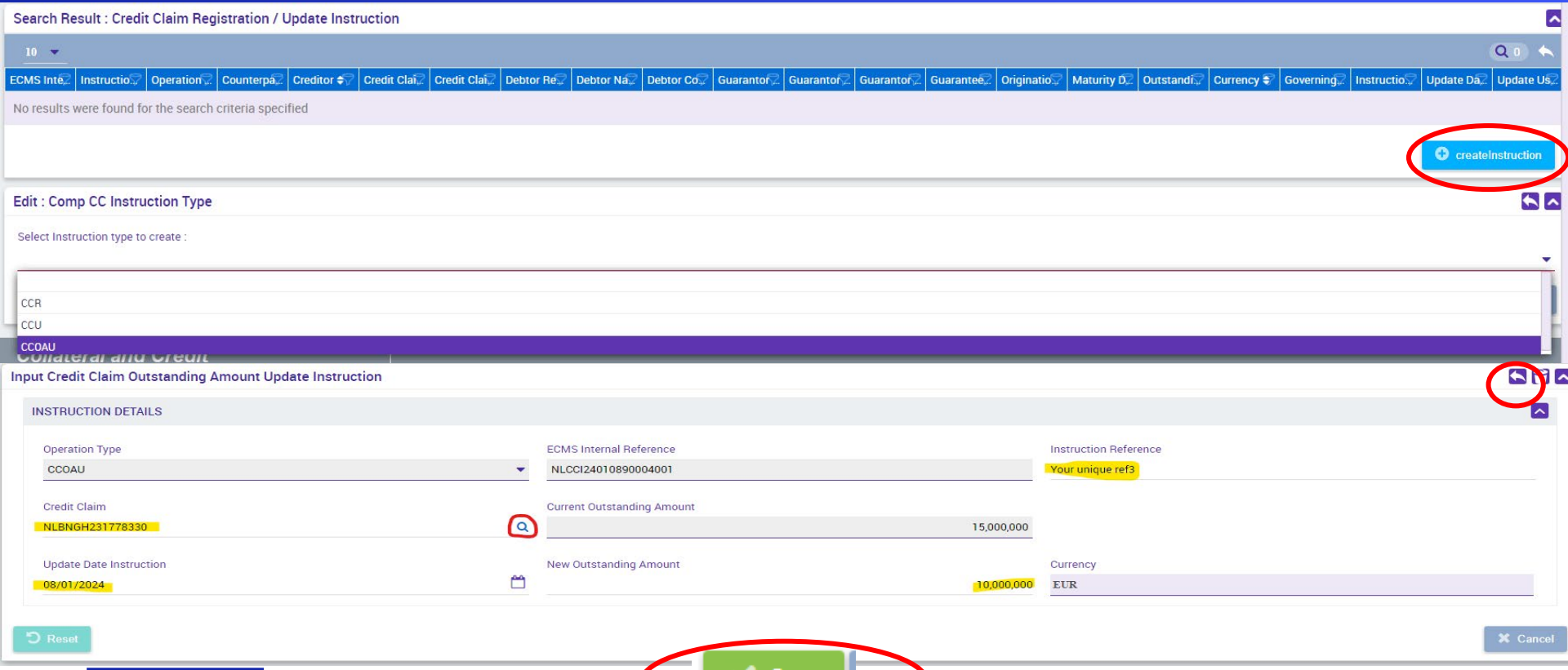

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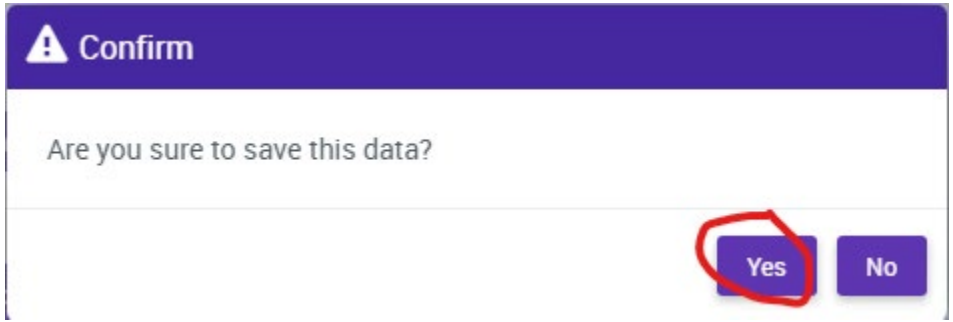

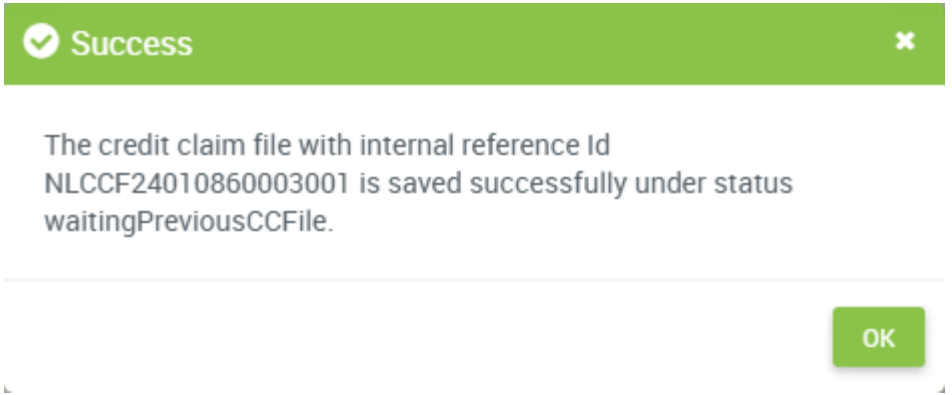

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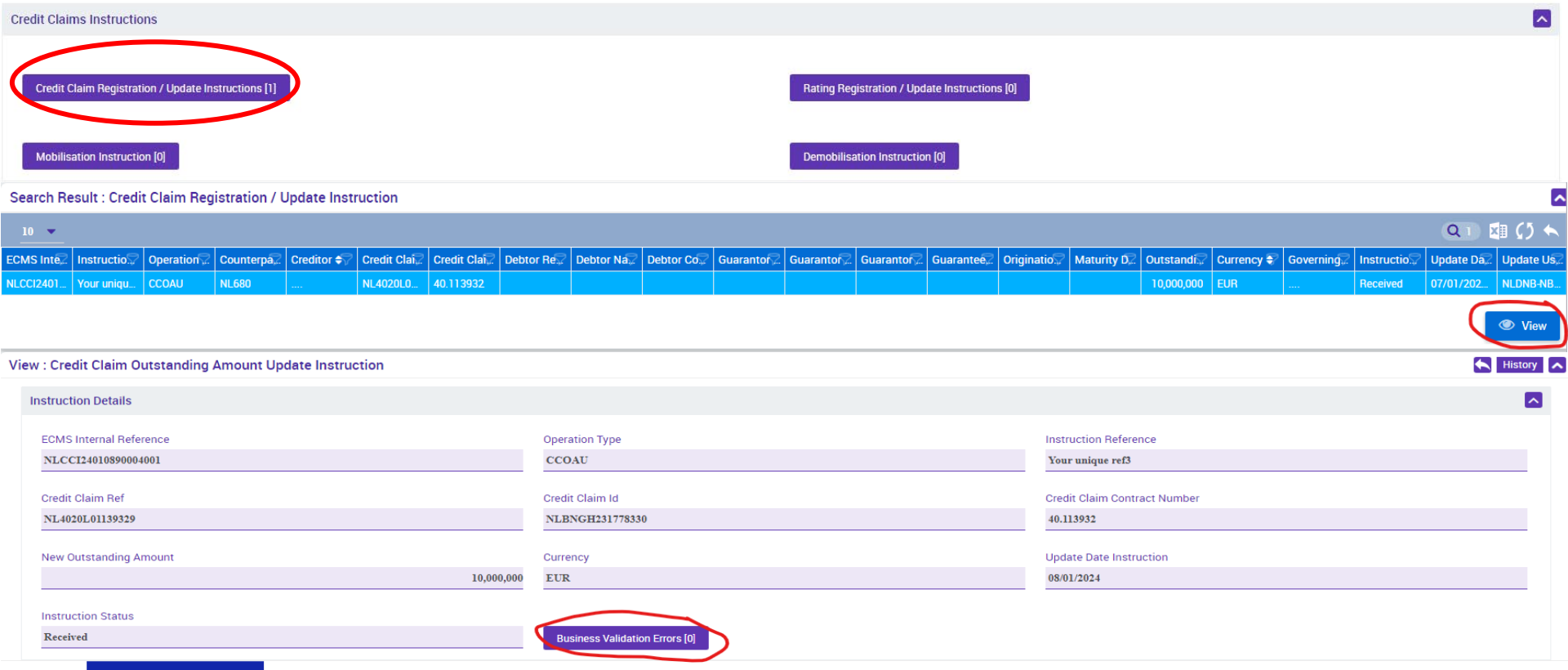
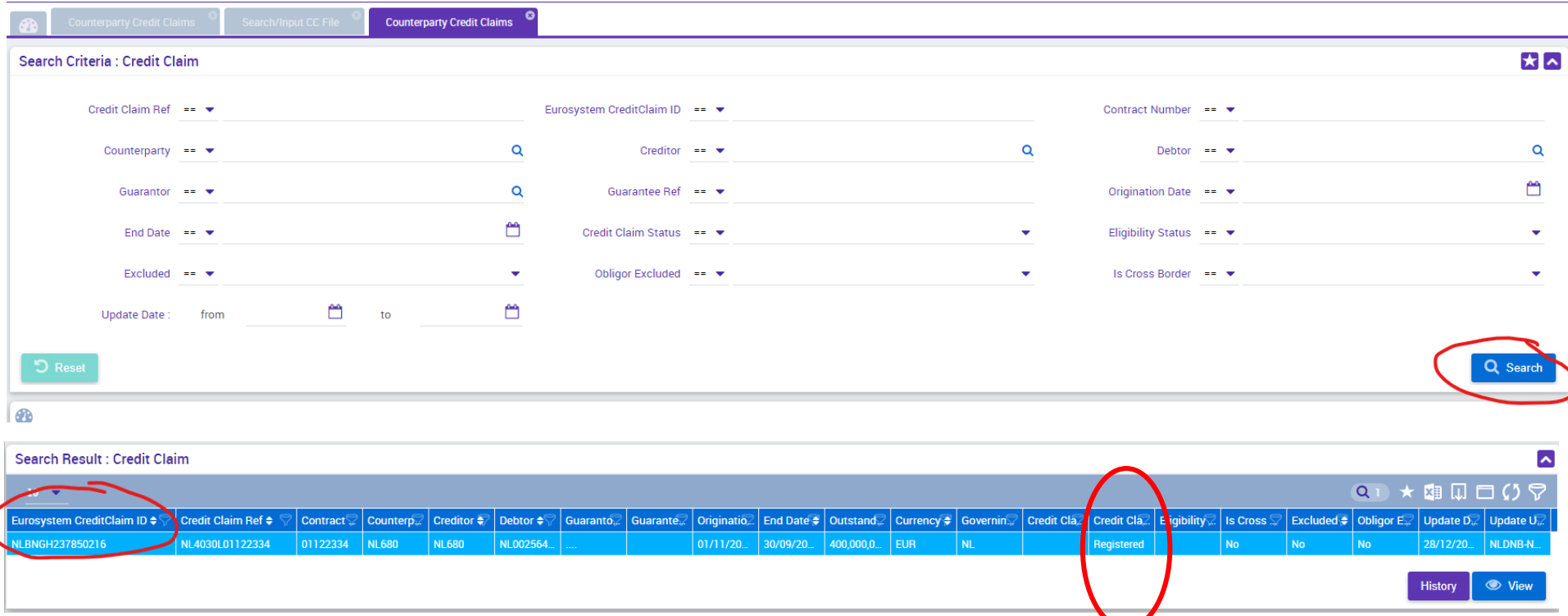


Where to find your CC

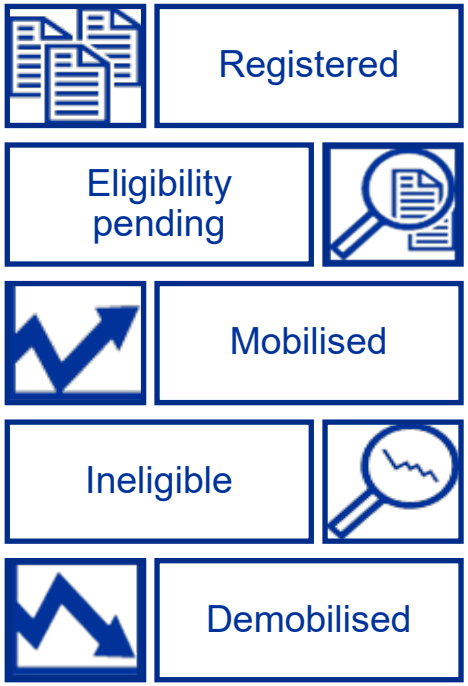
CC in the ECMS

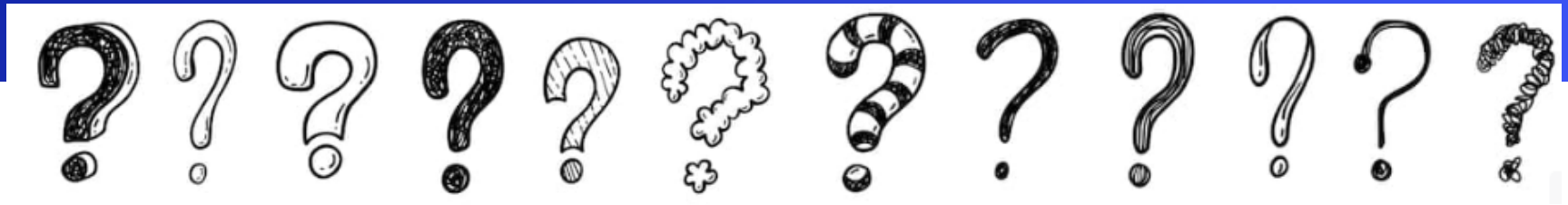
CC in the ECMS



Instruction and Credit claim status

Status of a credit claim





Questions?

All contact: ecms-testsupport@dnb.nl