NL ECMS Market Consultation Group

25th April 2023

DeNederlandscheBank

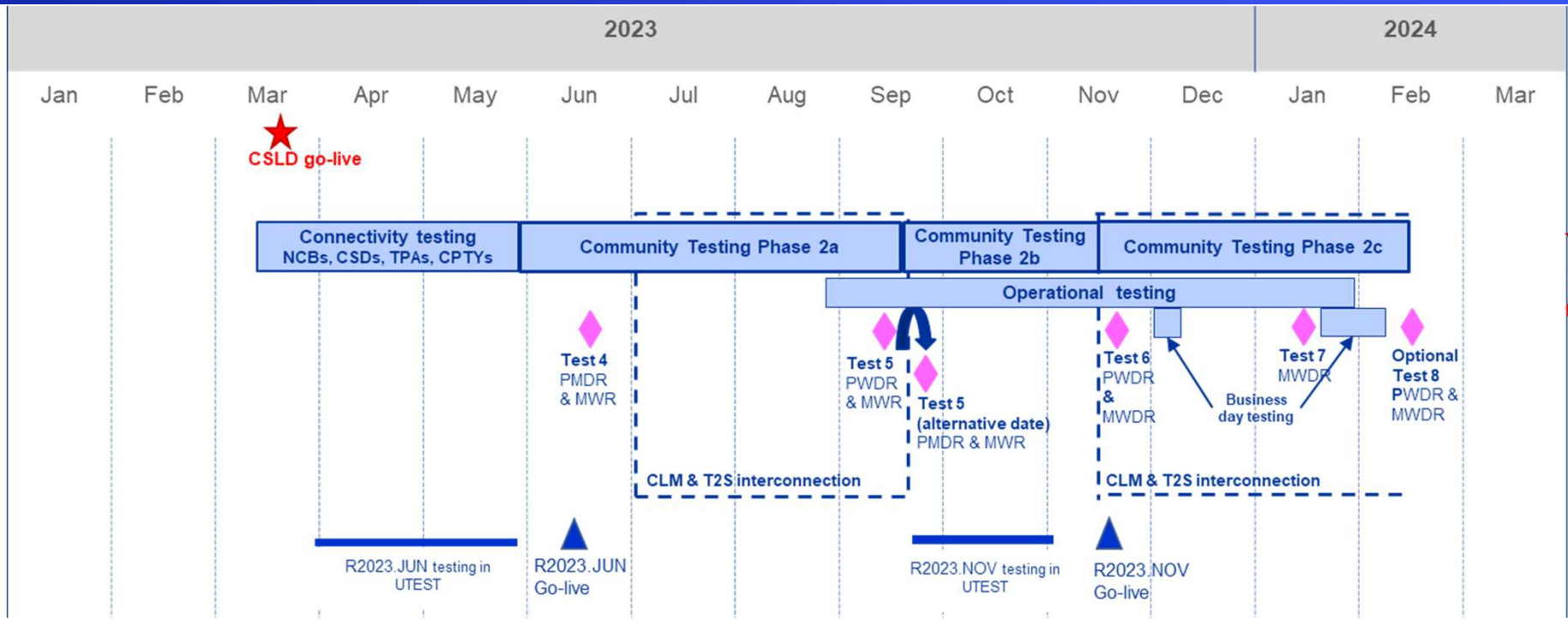
EUROSYSTEEM

Agenda

1. **Introduction**
1. **ECMS project planning and upcoming milestones**
2. **Start of connectivity test by market participants – progress made**
3. **Project Progress and input from market participants**
4. **Euroclear service offering post ECMS**
5. **AOB**

ECMS project planning and upcoming milestones

ECMS project planning and upcoming milestones

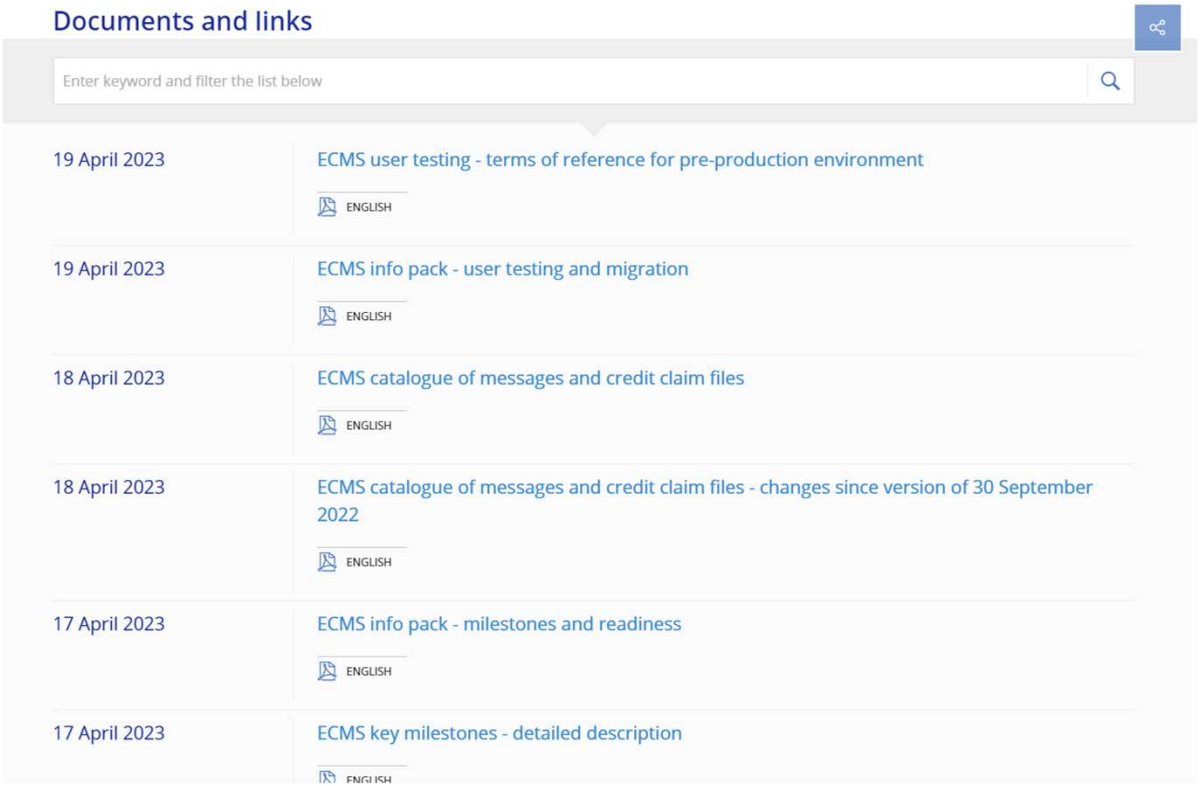


ECMS PREPROD — Community/Business day and Operational testng

CLM & T2S interconnection

NL ECMS MCG: question

[ECMS - Professional use (europa.eu)]



NL ECMS MCG: question

Organisation CTP2A

- Several options under investigation
- ‘phased approach’

NL ECMS MCG: upcoming Readiness Reporting Cycle

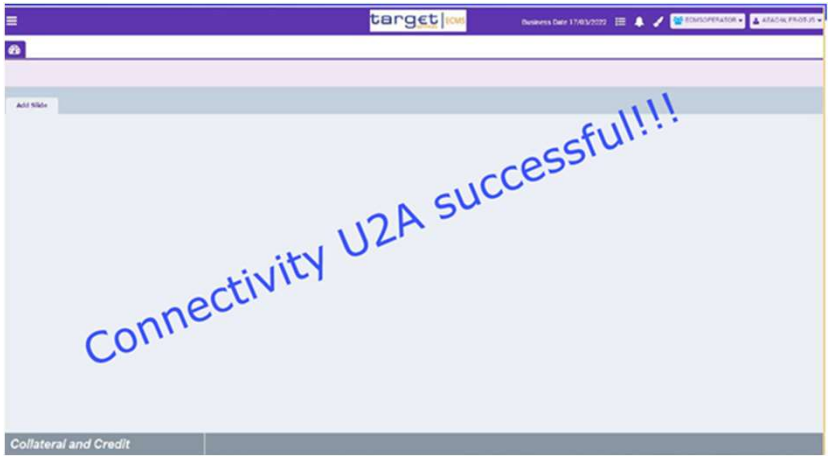
Early May, market participants will receive a questionnaire for the 10th ECMS readiness reporting cycle. The current milestones for the 10th cycle, with cut-off 29 May 2023, are IAD8, NCOPP1, IST2, UTAE1, NCOPP2, UTAPP1.

Current milestone	Stakeholder involved	Deadline for milestone completion
IAD8 (Testing of internal applications completed)	CPTY	08/03/2023
NCOPP1 (Network Connectivity tests on the Pre-Production environment are started)	NCB, CSD/TPA CPTY	13/03/2023 17/04/2023
IST2 (Internal Staff Training prior to Testing is completed)	CSD/TPA	17/05/2023
UTAE1 (User testing activities (for NCB & CSD) on EAC test environment are started)	NCB, CSD/TPA	22/05/2023
NCOPP2 (Network Connectivity tests on Pre-Production environment are completed)	Community (NCB, CSD/TPA, CPTY)	26/05/2023
UTAPP1 (User testing activities (NCB, CSD) on Pre-Production test environment are started)	NCB, CSD	29/05/2023

Start of connectivity test by market participants – progress made

Start of connectivity test by market participants

All parties have been setup and can start their connectivity test in UTEST via U2A
Reminder: the test is successful if you reach this page



A2A is being tested by one counterparty.
Once successful, other counterparties, intending to connect to ECMS via A2A may start A2A connectivity test.

Project Progress and input from market participants

Project Progress and input from market participants

- Problems with the Pre-Prod UTEST environment – solved
- After submit, no landing page (Incident 4CB)
- No ECMS tile, please check DN’s provided

Euroclear service offering post ECMS

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ECMS

EB service offering

April 2023

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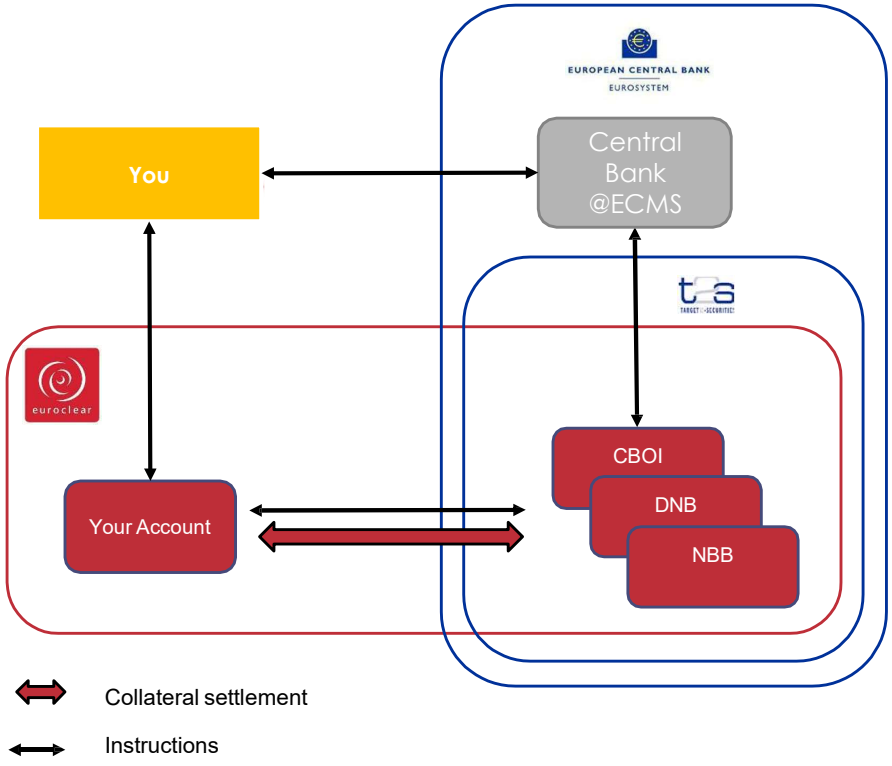
Monetary policy operations– bilateral settlement

Continuity of service level and scope of collateral



- The National Bank of Belgium, De Nederlandsche Bank and the Central Bank of Ireland collect and hold collateral in EB CeBM either as a Home Central Bank or as a Correspondent Central Bank for the benefit of other NCBs, in the latter case under the Correspondent Central Bank Model.
- Scope of securities
  - ESCB-eligible assets for which Euroclear Bank has a direct Eurosystem-eligible link: OeKB (Austria), NBB-SSS (Belgium), VP Securities (Denmark), Euroclear Finland (Finland), Euroclear France (France), CBF (Germany), BOGS (Greece), Monte Titoli (Italy), LuxCSD (Luxembourg), Euroclear Nederland (the Netherlands), CDCP (Slovakia) and KDD (Slovenia)
  - ESCB-eligible assets for which Euroclear Bank is Issuer CSD: Eurobonds and Irish bonds
- You will have the possibility to test in these flows as from 20 November 2023 in our pre-production environment

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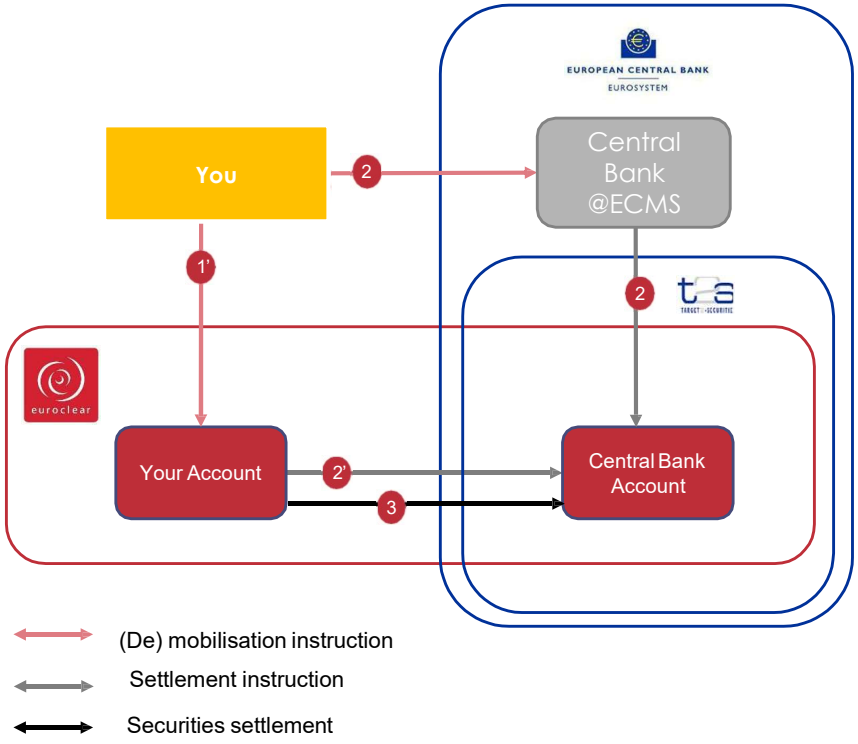
Monetary policy operations – bilateral settlement

How to instruct ?



#	Step for collateral mobilisation (demobilisation) settling in EB
1	You send a mobilisation (or demobilization) instruction to ECMS either through an STP ISO 20022 message or via the ECMS graphical user interface (GUI).
1'	You send a **free of payment external** instruction to Euroclear (ISO 15022 or Easyway), with the BIC code '**MGTCBE2SXXX**' in **Place of Settlement Field,** and, with the 5-digit Euroclear code or the BIC code of the Central Bank in the receiving/delivery agent field
2	ECMS validates the receipt (delivery) instruction and sends a matching receipt (delivery) instruction to T2S
2'	Euroclear transfers your instruction to T2S
3	Collateral is transferred to the Central Bank in EB T2S (Collateral is transferred to your account in EB)

What does this means for you

- All interactions with Euroclear happen **as today**: through Easyway screens or ISO15022 messages
- No need to develop **ISO20022** settlement towards T2S
- Need to send the matching mobilisation or demobilisation request to ECMS (1) either through an STP ISO 20022 message or via the ECMS graphical user interface (GUI).
- The scope of collateral you can use is identical to today's possibilities

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Introducing Central Bank Access

The interaction with Bilateral processes makes **a larger array of central banks accessible** than the use of Triparty. Central Bank Access will enable access to:

National Bank of Belgium	Bank of Ireland (**NEW**!)	De Nederlandsche Bank (NEW!)	Banque de France (**NEW**!)
• Euroclear Bank • Through CCBM, allows access to **all Euro central banks (NEW!)**	• Euroclear Bank • Irish counterparts only	• Euroclear Bank • Dutch counterparts only	• Euroclear France • Through CCB, allows access to **all Euro central banks (NEW!)**

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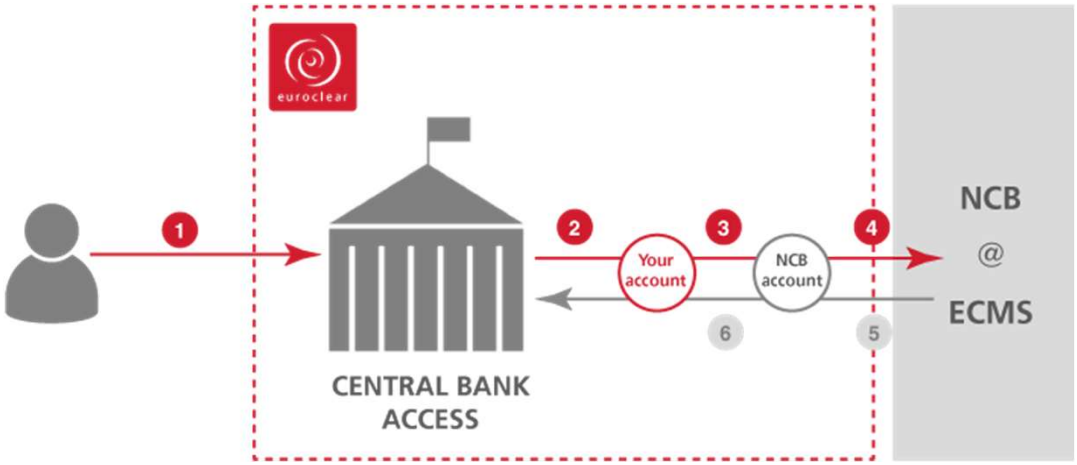
Central Bank Access



#	Step for collateral mobilisation settling in EB/ESES
1	You send a unlilateral Triparty instruction to Euroclear
2	Euroclear selects eligible collateral on the your account
3	Euroclear creates a delivery settlement instruction from your account to the relevant NCB account
4	Euroclear sends the necessary receipt settlement instruction to ECMS, under POA
5	ECMS validates the delivery instruction and sends a matching receipt instruction to T2S
6	Collateral is transferred to the Central Bank

What does this mean for you?

- All interactions with Euroclear happen **as today**: through Triparty instructions and reports
- No need to develop **ISO20022** settlement towards ECMS
- **Increased funding capacity in case of coupons**:
  - Automatic substitution over record date no longer required
  - Any reversals handled by ECMS
- **Triparty reuse** of collateral not available towards the NCB

euroclear

- Next meeting: May 23rd, 2023

- AOB
- Opportunity for questions

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Documentation and tools

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.