

# Maximum Credit Line (MaCL)

Setup/Increase/Decrease via U2A/A2A - Test Principles and Screen Tutorial for ECMS

| Version | Date       | Amendments                                  |
|---------|------------|---|
| 1.0     | 31.07.2023 | Initial Version                             |
| 1.1     | 23.10.2023 | Smaller additions to chapter 1, 2.1 and 2.3 |
|         |            |   |

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# 1. Test Principles

## Scenarios and Preconditions

**Test Scenarios:** Setup/Increase/Decrease of the credit line for payments in T2/CLM

## Required roles:

- The 4-Eyes-Principle is **not yet available** in ECMS. Therefore, the instruction is entered using the **2-Eyes-Principle**. Please check whether your user has the required “Super Validator“ role.
- U2A User: ECMS ENTITY - U2A CREDIT LINE EXECUTION - #70
- ECMS ENTITY - U2A POOL POSITION EXECUTION - #72
- A2A User: ECMS ENTITY - A2A CASH COLLATERAL AND MAXIMUM CREDIT LINE EXECUTION

**CLM MCA:** An existing main cash account in T2/CLM PreProd/UTEST is required and must be linked to the counterparty collateral pool in ECMS. The linkage was done by Bundesbank during migration activities before the start of the counterparty testing phase.

During **CPT2b** there will be no communication with CLM. The CLM-simulator does only support an ECMS-internal processing.

# 1. Test Principles

## Check link between MCA and Pool:

Collateral and Credit >> Pool overview >> Pool overview >> Search >> Select pool >> View

Pool Overview

Display : Counterparty Pool

List Pools Overview > View : Pool

**POOL GENERAL DETAILS**

|                                       |  |   |                                     |
|---------------------------------------|--|---|-------------------------------------|
| Pool Identifier<br>DEPOOL000010040001 | Pool Reference<br>EUCODES0090-5000099090 | Counterparty<br>DES0090                     | RTGS ACCESS<br>No                   |
| CLM MCA<br>ZYRMDEFFXXX                | CLM CB Account<br>MARKDEFFCMS            | Contingency Cash Account<br>----            | CB Contingency Cash Account<br>---- |
| Absolute Credit Limit                 | NCB MaCL<br>0                            | Counterparty Maximum Credit Line Value<br>0 |                                     |

**LAST MODIFICATION DETAILS**

|  |   |   |   |
|--|---|---|---|
| Update Date<br>19/10/2023 04:32:26:634 | Modification Reason<br>ValuationEvent     | Last Movement Details<br>DEPM23101957701001 | Amount<br>0                               |
| Pool Variation Amount<br>-271,961.75   | MCL Online<br>0                           | CP Online<br>0                              | Last Pool Position ID<br>DEPLP01023045001 |
| Position Date<br>19/10/2023            | Last Cash Collateral Interest Calcul Date | Last Cash Collateral Mobilization Date      |   |

**POOL POSITIONS**

## **2. Setting up the MaCL**

### **Screen Tutorial and Monitoring**

## 2. Setting up the MaCL

### 2.1 U2A - Instruction

**Modul:** Collateral and Credit

Collateral and Credit >> Payment And Credit Line Instruction >> MaCL Instructions >> **Input MaCL Instruction**

The screenshot shows the 'Input MaCL Instruction' form with the following data:

| Field  | Value            |
|--|------------------|
| Transaction reference number                   | MACL202206220917 |
| Party's Instruction Reference                  |                  |
| Pool Identifier                                |                  |
| Counterparty                                   |                  |
| NCB Identifier                                 |                  |
| Intended Settlement Date                       | 22/06/2022       |
| Amount   |                  |
| Currency                                       | EUR              |
| Amount of maximum credit line fixed by the NCB | 0                |
| Compulsory Event                               | No               |
| Last Update Reason                             |                  |

**Transaction Reference Number:** assigned automatically

**Party's Instruction Reference:** unique reference (max. 35 characters)

**Pool Identifier:** select via dropdown

**Amount:** desired credit line amount ( between 0 and 99,999,999,999 [floating credit line])

**Last update reason:** not mandatory

**Compulsory event:** „no“

The remaining fields, which are highlighted in gray, are automatically filled in after selecting the pool identifier.



## 2. Setting up the MaCL

### 2.2 A2A - Instruction

**Only relevant for A2A-counterparties!**

#### Application Header:

```
<AppHdr xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.01">
  <Fr>
    <FIId>
      <FinInstnId>
        <BICFI>INSTITUTS-BIC</BICFI> ←
        <ClrSysMmbId>
          <ClrSysId>
            <Prtry>ECMS</Prtry>
          </ClrSysId>
          <MmbId>A2A-USER-REFERENZ</MmbId> ←
        </ClrSysMmbId>
        <Othr>
          <Id>MARKDEFFXXX</Id>
        </Othr>
      </FinInstnId>
    </FIId>
  </Fr>
  <To>
    <FIId>
      <FinInstnId>
        <BICFI>TRGTXTETECM</BICFI>
        <Othr>
          <Id>MARKDEFFXXX</Id>
        </Othr>
      </FinInstnId>
    </FIId>
  </To>
  <BizMsgIdr>202303050002</BizMsgIdr> ←
  <MsgDefIdr>admi.005.001.01</MsgDefIdr> ←
  <CreDt>2023-05-03T06:41:24Z</CreDt>
</AppHdr>
```

Please check your A2A user in the reference data module.

1. User reference
2. Are the necessary roles assigned?
3. Is the DN\* of the signature certificate stored?

\*DN: Distinguished Name

<BizMsgIdr> must correspond to an individual one-off value

<MsgDefIdr> corresponds to the value "camt.011.001.07" for MaCL instructions

## 2. Setting up the MaCL

### 2.2 A2A - Instruction

Only relevant for A2A-counterparties!

#### Message: Example

```
<Document xmlns="urn:iso:std:iso:20022:tech:xsd:camt.011.001.07">
  <ModifyLmt>
    <MsgHdr>
      <MsgId>NONREF</MsgId>
      <CreDtTm>2021-06-24T11:49:26Z</CreDtTm>
    </MsgHdr>
    <LmtDtls>
      <LmtId>
        <Cur>
          <SysId>
            <MktInfrstrctrId>
              <Prtry>MARKDEFFXXX</Prtry>
            </MktInfrstrctrId>
          </SysId>
          <BillMtCtrPtyId>
            <FinInstnId>
              <BICFI>INSTITUTS-BIC</BICFI>
            </FinInstnId>
          </BillMtCtrPtyId>
          <Tp>
            <Cd>ACOL</Cd>
          </Tp>
          <AcctId>
            <Othr>
              <Id>INTERNAL POOL ID IHRES POOLS</Id>
            </Othr>
          </AcctId>
        </Cur>
      </LmtId>
      <NewLmtValSet>
        <StartDtTm>
          <Dt>2023-07-31</Dt>
        </StartDtTm>
        <Amt>
          <AmtWthCcy Ccy="EUR">100000000.00</AmtWthCcy>
        </Amt>
      </NewLmtValSet>
    </LmtDtls>
  </ModifyLmt>
</Document>
```

Adjust the mandatory fields.

Information on how to fill in the message area for each common ECMS message type, can also be found in the published catalogue of messages.

[ECMS catalogue of messages and credit claim files \(europa.eu\)](https://ecms.europa.eu)

<Amt> an amount between 0 and 99,999,999,999 [floating credit line]

## 2. Setting up the MaCL

### 2.3 U2A/A2A - Monitoring

ECMS distinguishes between received customer instructions (U2A/A2A) and credit line instructions that are created as a result. If the credit line needs to be amended, ECMS sends a modify credit line instruction to CLM. As soon as the instruction sent to CLM reaches the status „settled“, the customer instruction is also set to this status.

#### Monitoring of customer instructions issued:

Collateral and Credit >> Payment And Credit Line Instruction >> MaCL Instructions >> **Display MaCL Instruction**

→ **Please check your instruction status here. Shortly after inputting your instruction it should be in status “sent for settlement” and after a maximum of 15 minutes it should change to status “settled”.**

#### Monitoring of Credit Lines instructions sent to CLM:

Collateral and Credit >> Payment And Credit Line Instruction >> **Display Instructions**

→ Here you can view the entire communication with CLM, including the status of individual instructions. If it is not necessary to adjust the credit line in CLM, **the instruction is only created but not sent.** In this case, the “credit line amount variation” column shows the value "0".

→ Instructions that trigger an increase of the credit line are stored for 10-15 minutes. In case there are several instructions triggering a credit line increase, they're bundled by ECMS before they are sent to CLM.

→ The delta change, for both increases and decreases, is shown as an absolute number in the instruction after the instruction reached status “settled”.

Search Result : Payment and Credit Line Instruction

| Transaction Reference Numbe. | Pool Identifier  | Payment Type | New Credit Line Amount | Credit Line Amount Variation | Currency | Value Date | Event Description | Instruction Status | Update Date             |
|------------------------------|------------------|--------------|------------------------|------------------------------|----------|------------|-------------------|--------------------|-------------------------|
| CLIDE01070687001             | POOL000000000424 |              | 3,000,000              | 0                            | EUR      | 28/07/2023 | Max Credit Line   | Settled            | 28/07/2023 09:01:28.884 |

## 2. Setting up the MaCL

### 2.3 U2A/A2A - Monitoring

Here is an example that illustrates the case when an update in CLM is necessary.

If the difference between the newly instructed MaCL and the current MaCL value is negative:

- ECMS reduces the value of maximum credit line,
- if necessary, ECMS sends a modify credit line (MCL) to CLM to update the credit line,
- ECMS reduces (or creates) the limit on the expected credit line value, used to determine the amount of the credit line available to the counterparty in CLM.

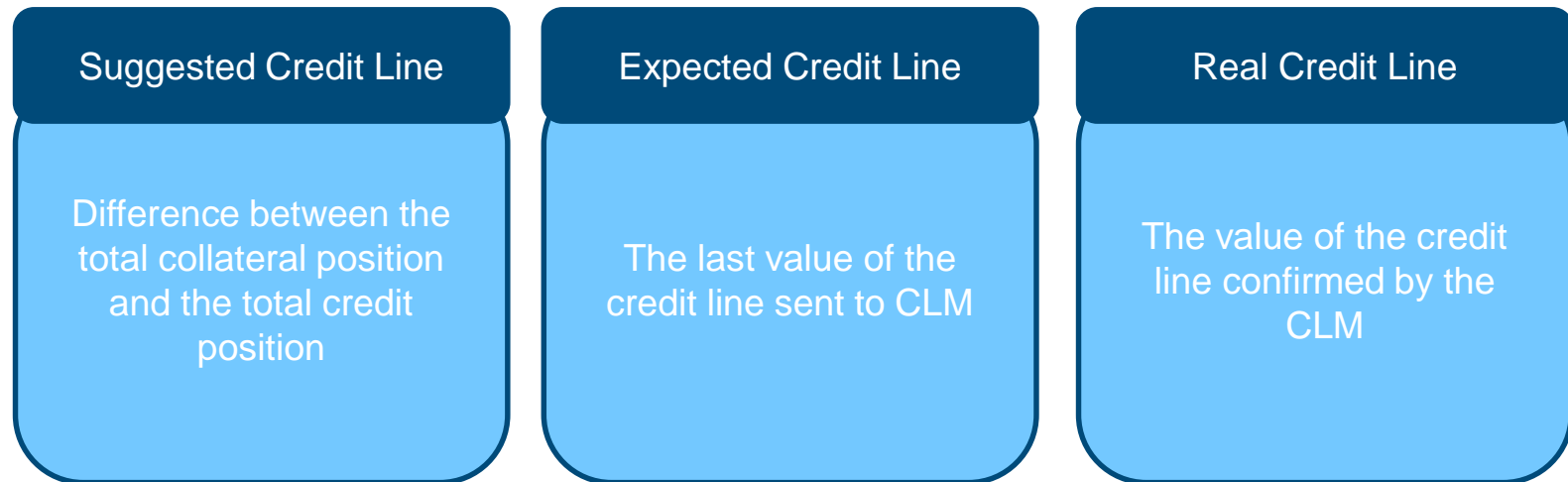
### 3. Further Information on the MaCL

## 3. Further information on the MaCL

### 3.1 SCL, ECL and RCL

ECMS distinguishes between **three types of credit lines**:

**Suggested Credit Line / SCL, Expected Credit Line / ECL and Real Credit Line / RCL**



# 3. Further information on the MaCL

## 3.2 Examples for SCL, ECL and RCL

### Example of a MaCL reduction or creation causing an update in CLM:

SCL = 100 and the floating credit line is changed to MaCL = 80

#### Starting point:

| SCL | MaCL | ECL | RCL |
|-----|------|-----|-----|
| 100 | NA   | 100 | 100 |

#### End result:

A MaCL instruction is received in order to activate the MaCL → ECL, RCL are reduced

| SCL | MaCL | ECL | RCL (after confirmation by CLM) |
|-----|------|-----|---------------------------------|
| 100 | 80   | 80  | 80                              |

### Example of a MaCL reduction or creation without causing an update in CLM:

SCL = 100 and the floating credit line is changed to MaCL = 120

#### Starting point:

| SCL | MaCL | ECL | RCL |
|-----|------|-----|-----|
| 100 | NA   | 100 | 100 |

#### End result:

A MaCL instruction is received in order to activate the MaCL → ECL, RCL remain unchanged

| SCL | MaCL | ECL | RCL (without confirmation by CLM) |
|-----|------|-----|-----------------------------------|
| 100 | 120  | 100 | 100                               |

## 3. Further information on the MaCL

### 3.2 Examples for SCL, ECL and RCL

#### Example of a MaCL increase causing an update in CLM :

SCL = 100 and MaCL increases from 60 to 80

##### Starting point:

| SCL | MaCL | ECL | RCL |
|-----|------|-----|-----|
| 100 | 60   | 60  | 60  |

##### End result:

A MaCL instruction is received in order to increase the MaCL → ECL, RCL are increased

| SCL | MaCL | ECL | RCL (after confirmation by CLM) |
|-----|------|-----|---------------------------------|
| 100 | 80   | 80  | 80                              |

#### Example of a MaCL increase without causing an update in CLM:

SCL = 100 and MaCL increases from 300 to 500

##### Starting point:

| SCL | MaCL | ECL | RCL |
|-----|------|-----|-----|
| 100 | 300  | 100 | 100 |

##### End result:

A MaCL instruction is received in order to increase the MaCL → ECL, RCL remain unchanged

| SCL | MaCL | ECL | RCL (without confirmation by CLM) |
|-----|------|-----|-----------------------------------|
| 100 | 500  | 100 | 100                               |



## 4. Annex Operational Day Schedules (UTEST)

The table below provides the details of the ECMS operational day schedules

| ECMS Process/event                                | ECMS Standard Day<br>(cutt-off time/start of<br>process in CET) | ECMS Release Day<br>(cutt-off time/start of process<br>in CET) |
|---|---|--|
| Credit Freezing                                   | 15:15   | 13:15  |
| Max Credit Line                                   | 15:15   | 13:15  |
| Mobilisation and Demobilisation                   | 15:15   | 13:15  |
| CC registration (U2A and A2A)                     | 16:00   | 14:15  |
| NCB Rating Flow                                   | 17:30   | 17:30  |
| Triparty reports and request of<br>demobilisation | 15:15   | 13:15  |
| CLM   | 16:15   | 14:15  |
| <b>Change of business day</b>                     | <b>16:15</b>  | <b>14:15</b>   |