Open market operations

Information about the community testing phase for open market operations (credit operations in euro, fixed-term deposits)

Table of contents

1. Testing principles

Test scenarios and general assumptions

1. Testing principles

- Open market operations in euro are conducted by Deutsche Bundesbank in accordance with the test plan.

- Counterparties do not have to take any action to ensure a credit operation's allotment and settlement on its value date.
  - Sufficient collateral will be provided by Deutsche Bundesbank.
  - Allotment amounts are the same for every counterparty in the respective open market operation and will be registered by Deutsche Bundesbank.

1. Testing principles

- Payments in CLM have to be checked on settlement and maturity days.

- **Counterparties have to ensure sufficient liquidity in CLM** for the settlement of fixed-term deposits and the maturing of credit operations in euro.

- Only after the previous credit operation has matured, will the following operation be conducted.

Please send an e-mail to ***ecms-test@bundesbank.de*** in case of questions or if you notice any bugs or abnormalities.

1. Testing principles

General remarks:

Please adhere to the testing restrictions set in the "Testing conditions" by the ECB.

ECMS - Professional use (europa.eu)

The ECB's "Testing conditions" **are updated every two weeks**.

For additional information on the ECMS Community Test, please visit Test and Migration | Deutsche Bundesbank.

This Community Test focuses on the fields relevant to the testing of open market operations. For additional information, please visit ECMS User Handbook for Counterparties (europa.eu).

We require confirmation of the test cases you conducted. Please complete the survey provided for this purpose.

2. Testing period and test cases

19th March – 26th March

Start: 19th March 2024

Ending: 26th March 2024

Tuesday, 19 March	Wednesday, 20 March	Thursday, 21 March	Friday, 22 March
FTD Settlement	LTRO Settlement		

Monday, 25 March	Tuesday, 26 March
	FTD Maturity LTRO Maturity

You can also address your questions at the Community Test Forum on 8th April 2024.

Value Date:	**Tuesday, 19th March**
Maturity Date:	**Tuesday, 26th March**
Duration of Operation:	**7 days**
Allotment amount:	**€1m**
Interest rate:	**2.0 %**

The fixed-term deposit has effects on collateral. The collateral pool position is going to increase daily by 55.56 € (accrued interest).

The booking is made in CLM via pacs 009.

* Allotment amount and interest rate are set by Deutsche Bundesbank and are the same for every counterparty.

Value Date:	**Wednesday, 20th March**
Maturity Date:	**Tuesday, 26th March**
Duration of Operation:	**6 days**
Reference Entity:	**Average MRO rate**
Allotment Amount:	**€2.5m**
Spread:	**50 bp**

The daily accrued interest affects the collateral pool position. Therefore, the amount that has to be collateralised increases with every passing day. The MRO rate is 1.5 % til 21th March and 1.7 % from 22th March onwards. The total amount of accrued interest is 888.89 € at maturity.

The booking is made in CLM via pacs 009.

* Allotment amount and interest rate are set by Deutsche Bundesbank and are the same for every counterparty.

3. Monitoring of operations

Testing activities to check for the fundamental test cases' success:

For 3.1. Pool Overview

- The settled operation is displayed in "Pool Overview", with the correct settlement amount and the calculated interest amount.

For 3.2. Exposure

- The calculated interest amount for outstanding open market operations is displayed in "Exposure".

For 3.3. Reports

- All payments expected in connection with open market operations are included in the report "MPO Expected Payments" and have the appropriate status.

Payments have to be checked in CLM on settlement and maturity days.

For additional information on fundamental test cases, please visit ECMS user testing - fundamental test cases (europa.eu).

3. Monitoring of operations
Test cases

Testing activies exceeding the fundamental test cases:
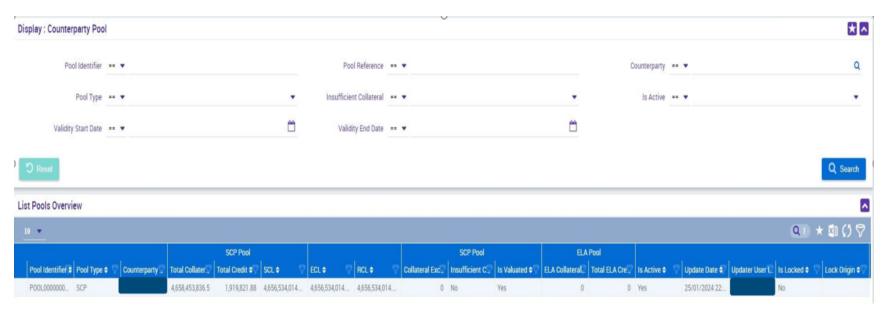
For 3.2. Exposure

- Please be aware that it is possible for you to delete the display of interest calculation for individual days.
- Please check whether the operations that have to be netted display the correct nominal, interest and netting amounts.

3. Monitoring of operations
3.1. Pool Overview

Module: Collateral and Credit

Screen: Pool Overview >> Pool Overview >> "Search" >> choose data set in "List Pools Overview" >> "View"

3. Monitoring of operations
3.1. Pool Overview

"List Pools Overview" contains the following information:
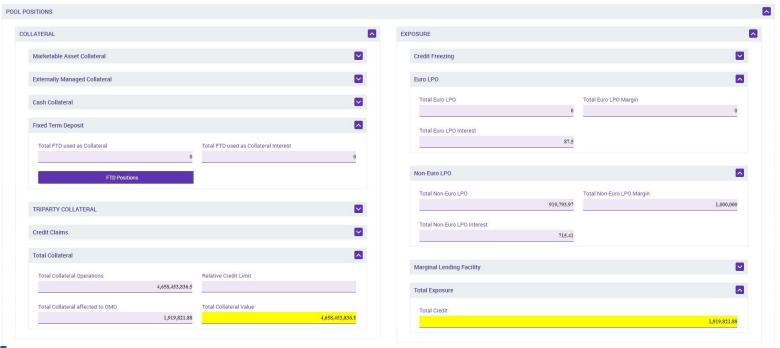
Field	Explanation
Pool Identifier	Pool ID
Pool Type	Type of pool
Counterparty RIAD Code	Equal to your MFI Code
Total Collateral Value	Consolidated collateral amount
Total Credit	Consolidated amount of open market operations and marginal lending
SCL	Current credit line

For additional information on the different fields, please visit the UHB (User Handbook), Chapter 3.5.1.1.1.

Module: Collateral and Credit

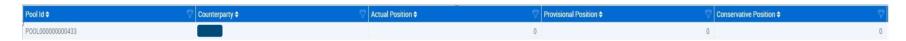**Screen**: Pool Overview >> Pool Overview >> "View"

3. Monitoring of operations
3.1. Pool Overview

"View Screen" contains the following information (part 1):

Field	Explanation
FTD used as collateral	Fixed-term deposits relevant to the collateral position
FTD used as collateral Interest	Outstanding interest amount for fixed-term deposits relevant to the collateral position
FTD Positions Button	List of all fixed-term deposits (please view chart)

Pool Id ⬍	Counterparty ⬍	Actual Position ⬍	Provisional Position ⬍	Conservative Position ⬍
POOL000000000433		0	0	0

Fixed-term deposits not relevant to the collateral position are also included in the overview.

For additional information on the different fields, please visit the UHB (User Handbook), Chapter 3.5.1.1.1.

"View Screen" contains the following information (part 2):

Field	Explanation
Total Euro LPO	Sum of all liquidity-providing operations in Euro (nominal amount)
Total Euro LPO Margin	Margin for all liquidity-providing operations in Euro
Total Euro LPO Interest	Outstanding interest amount for all liquidity-providing operations in Euro
Total Credit	Sum of all credit positions in the pool

Testing activities to check for the fundamental test cases' success:
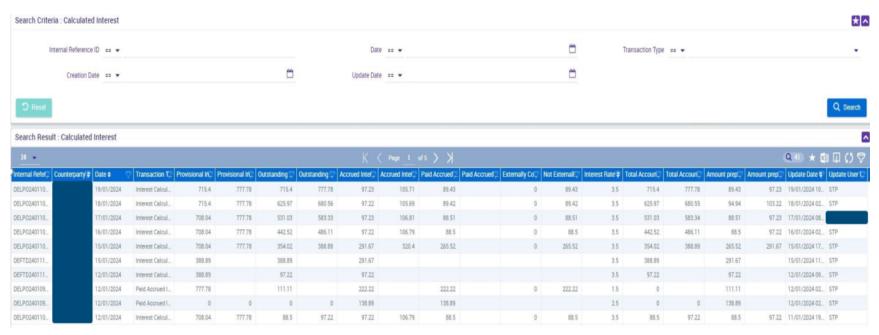
For 3.1. Pool Overview

- Please check if the nominal and interest amounts for your fixed-term deposits and liquidity-providing operations match with your allotted operations in "Pool Overview".

3. Monitoring of operations
3.2. Exposure

Module: Collateral and Credit

Screen: Exposure >> Open Market Operations >> Operations >> Display Calculated Interest >> "Search"

3. Monitoring of operations
3.2. Exposure

"Display Calculated Interest" contains the following information:

Field	Explanation
Transaction Type	Interest rate payment or interest rate calculation
Provisional Interest	Provisionally calculated interest amount to be paid at maturity
Outstanding Interest	Interest amount accumulated so far
Accrued Interest	Interest amount accumulated on a daily basis
Interest Rate	Interest rate applied to an operation

Module: Collateral and Credit

Screen: Exposure >> Open Market Operations >> Operations >> Display Calculated Interest >> "View"

3. Monitoring of operations
3.2. Exposure

"View Screen" contains the following information:

Field	Explanation
Provisional Interest	Provisionally calculated interest amount to be paid at maturity
Outstanding Accrued Interest	Interest amount accumulated so far
Total Accounting Interest	Final interest amount from an accounting perspective
Amount prepared for Accounting	Interest amount accumulated so far from an accounting perspective

Testing activities to check for the fundamental test cases' success:

For 3.2. Exposure:

- Please check if the calculated interest amounts match your allotted operations on a daily basis and at maturity.

Testing activies exceeding the fundamental test cases:
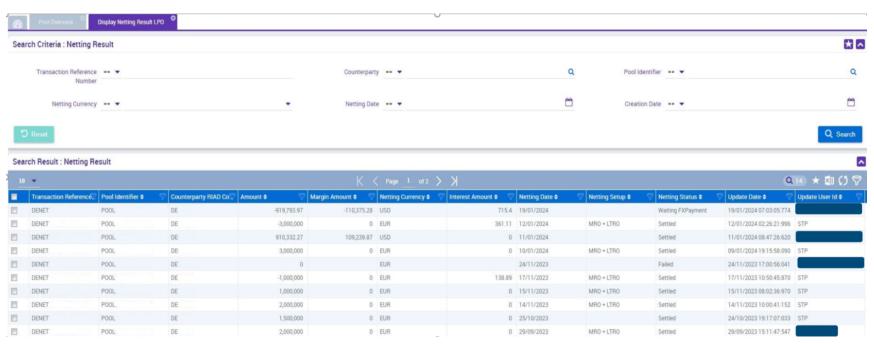
Additionally, for 3.2. Exposure:

- In "List Screen", it is possible to delete individual days of the interest amount calculation. Please be aware that it is not possible to recover the deleted data.

3. Monitoring of operations
3.2. Exposure (Netting)

Module: Collateral and Credit

Screen: Exposure >> LP Operations Netting >> "Display Netting Result LPO"

3. Monitoring of operations
3.2. Exposure (Netting)

"Netting Results LPO" contains the following information:

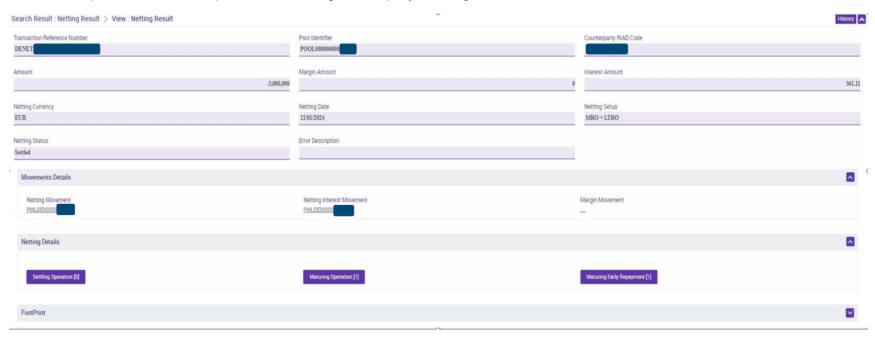| Field	Explanation
Amount	Nominal netted amount
Margin Amount	Netted margin of foreign currency transactions
Netting Currency	Currency of operations that have to be netted
Interest Amount	Netted interest payments
Netting Date	Date of netting
Netting Setup	Type of netted operations

For additional information on the different fields, please visit the UHB (User Handbook), Chapter 3.3.3.2.3.1.

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Module: Collateral and Credit

Screen: Exposure >> LPO Operations Netting >> Display Netting Result LPO >> "View"

3. Monitoring of operations
3.2. Exposure (Netting)

Module: Collateral and Credit

Screen: Exposure >> LP Operations Netting >> Display Netting Result LPO >> "View" >> "Settling Operation"

Internal Referenc...	Pool Identifier	OMORefNo	Accrued Interest	Fx Amount	Outstanding Amo...	Contract Currency	Fx Currency	Instruction Status...	Used As Collatera...	To Be Netted	Creation Date	Update Date	Creation User Id	Update User Id
DELPO	POOL	20230184	0		0	EUR	...	Closed	Yes	No	09/01/2024 14:39:...	12/01/2024 02:26:...		STP
DELPO	POOL	20230180	0		0	EUR	...	Closed	Yes	No	09/01/2024 14:34:...	12/01/2024 02:26:...		STP

3. Monitoring of operations
3.2. Exposure (Netting)

- With "View" it is possible to view data from the List screen for a single operation.
- With "Settling Operation", "Maturing Operation" and "Maturing Early Repayment" it is possible to view details about the netted operations.
- "Display Netting Result LPO" contains the following information:

Field	Explanation
Accrued Interest	Currently outstanding interest amount
Outstanding Amount	Currently outstanding nominal amount
Contract Currency	Currency of operation
Instruction Status	Current status of operation

Attention! When the operation reaches maturity, the accrued interest amount and the outstanding amount both turn to 0 €. It is not possible to check past values.

For additional information on the different fields, please visit the UHB (User Hand Book), Chapter 3.3.3.2.3.3.

Testing activies exceeding the fundamental test cases:
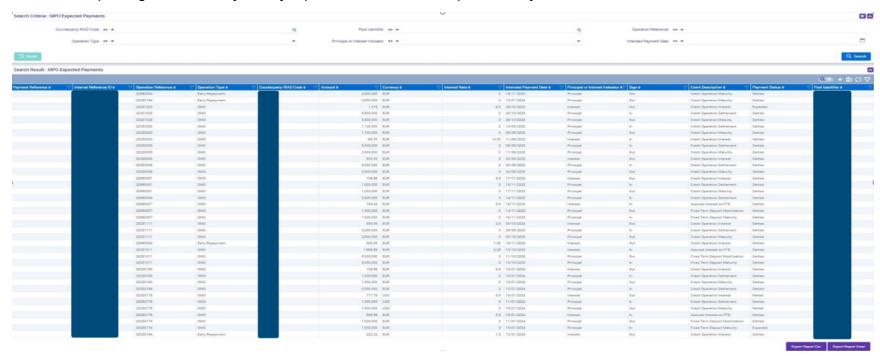
Additionally, for 3.2. Exposure:

- Please check if your booked and matured operations were netted correctly based on the nominal amounts, interest amounts and the booking date.

Module: Collateral and Credit

Screen: Reporting >> Monetary Policy Operations >> MPO Expected Payments >> "Search"
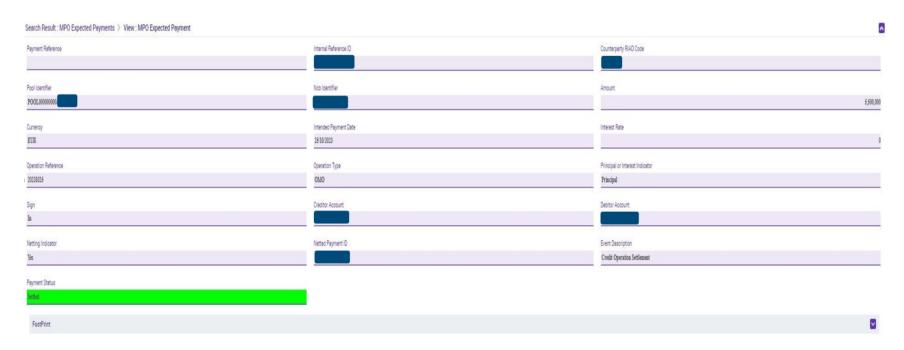
3. Monitoring of operations
3.3. Reports

Module: Collateral and Credit

Screen: Reporting >> Monetary Policy Operations >> MPO Expected Payments >> "View"

"Expected Payments" contains the following information:

Field	Explanation
Operation Reference	Tender-ID of the operation
Operation Type	Type of operation
Counterparty RIAD Code	Equal to your MFI Code
Interest Rate	Interest rate applied to the operation
Intended Payment Date	Date planned for the payment
Principal or Interest	Nominal or interest payment
Sign	Out = Payment to the counterparty / In = Payment to the national central bank
Event Description	Payment type
Payment Status	Current status of the payment

For additional information on the different fields, please visit the UHB (User Handbook), Chapter 3.3.3.1.1.

Testing activies exceeding the fundamental test cases:

For 3.3. Reports:

- Please check if payments (allotment, repayment, interest) were made for your operation in accordance with the operation's properties.

Additional information

- Please send an e-mail to ***ecms-test@bundesbank.de*** in case of questions or if you notice any bugs or abnormalities.

- If you have successfully completed all test cases on page 12, we ask you to confirm this in the survey provided.