

# Maximum Credit Line (MaCL)

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

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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
1.2	10.07.2024	Minor Changes in Chapter 1 and 2



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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:** Please note that in order to use the 4-eyes principle, users must be deprived of the role of "Supervisor" and assigned the role of "Validator". If both roles are assigned to a user, the "super validator" (2-eyes principle) is effective. The business partner is responsible for adjusting the roles.

- 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.

# 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 DEPOOL000010040001	Pool Reference EUCODE50090-5000099090	Counterparty DE50090	RTGS ACCESS No
CLM MCA ZYRMDEFFXXX	CLM CB Account MARKDEFFCMS	Contingency Cash Account .....	CB Contingency Cash Account .....
Absolute Credit Limit	NCB MaCL 0	Counterparty Maximum Credit Line Value 0	

LAST MODIFICATION DETAILS

Update Date 19/10/2023 04:32:26:634	Modification Reason ValuationEvent	Last Movement Details DEPM23101957701001	Amount 0
Pool Variation Amount -271,961.75	MCL Online 0	CP Online 0	Last Pool Position ID DEPLP01023045001
Position Date 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**

Input MaCL Instruction

Input MaCL Instruction

Instruction Details

Transaction reference number DEMACL2407100005329	Party's Instruction Reference	Pool Identifier
Counterparty	NCB Identifier	Intended Settlement Date 10/07/2024
Amount	Currency EUR	Amount of maximum credit line fixed by the NCB 0
Compulsory Event <input type="radio"/> Yes <input checked="" type="radio"/> No	Last Update Reason	

Reset Save

**Transaction Reference Number:** Assigned automatically

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

**Pool Identifier:** Select via searchsymbol

**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



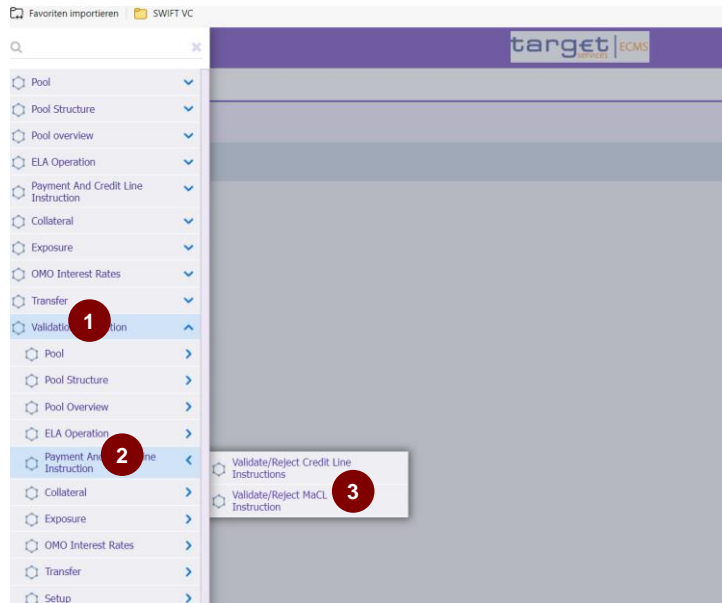
## 2. Setting up the MaCL

### 2.1 U2A – Validation of the instruction using the four-eyes principle

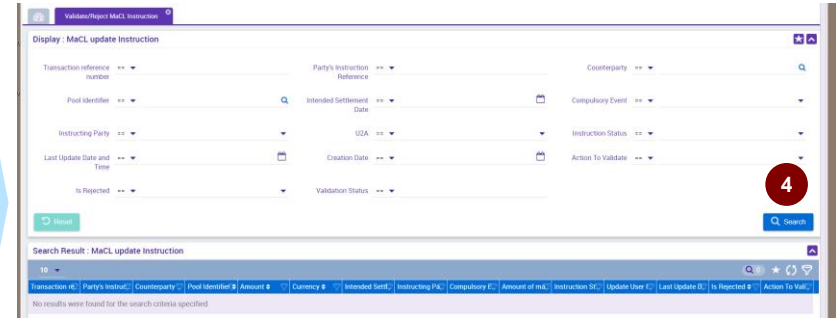
The credit line instruction will be validated under the menu “Validation / Rejection”

**Modul:** Collateral and Credit

Collateral and Credit >> Validation / Rejection >> Payment And Credit Line Instruction >> **Validate/Reject MaCL Instruction**



After clicking on “Search” (no filtering required), all instructions available for validation are listed



After an instruction has been clicked, the following buttons appear...

- ... View: Instruction for viewing
- ... Validate: Approval of the instruction
- ... Reject: Rejection of the instruction
- ... Edit: Instruction is opened in edit mode. Changed instructions are submitted for approval again and must be validated by a second user.

## 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>TRGTXETTECM</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.

← <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 Number	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.

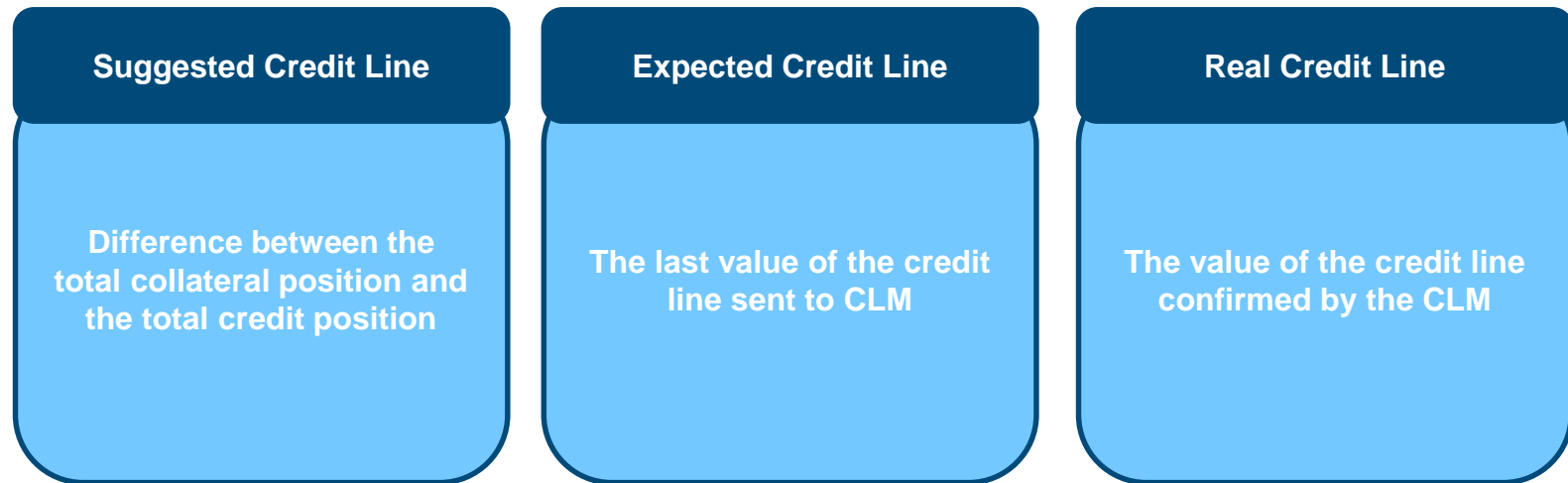
### 3. Further Information on the MaCL

## 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)

ECMS Process/event	ECMS Standard Day (cutt-off time/start of process in CET)	ECMS Release Day (cutt-off time/start of process 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 demobilisation	15:15	13:15
CLM	16:15	14:15
<b>Change of business day</b>	<b>16:15</b>	<b>14:15</b>