



## Cash Collateral

Mobilization/Demobilization U2A/A2A – Test principles and screen tutorial for ECMS

Test Cases: ECMS\_TC\_CPTY\_8 and ECMS\_TC\_CPTY\_9

## Version control



Version	Date	Amendments
1.0	10.08.2023	Initial Version
1.1	23.10.2023	Update of the test principles with regard to the test procedure and background information on the use of cash collateral
1.2	27.11.2023	Update of the cut-off time (now 14:15 CET)

### Content



- 1. Test Principles
- 2. Manual (De-)Mobilization Instructions
- 3. 2.1 U2A Instructions
  - 2.2 A2A pacs.010 Instructions
  - 2.3 A2A pacs.009 Instructions
  - 2.4 U2A/A2A Monitoring



# 1. Test Principles Scenarios and Preconditions



#### **Test Scenarios:**

- Manual cash (de-)mobilization by the Counterparty via U2A & A2A
- Automatic cash mobilization (14:15 CET) and demobilization (19:25 CET) by ECMS.

#### 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 CASH COLLATERAL EXECUTION #61
- A2A User: ECMS ENTITY A2A CASH COLLATERAL AND MAXIMUM CREDIT LINE EXECUTION

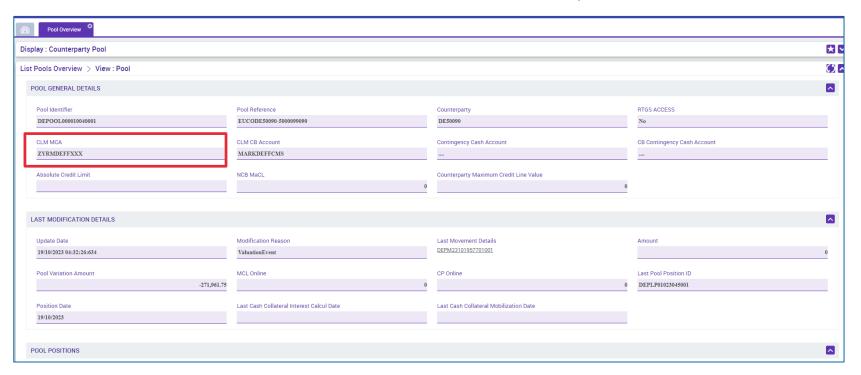
**CLM MCA:** An existing main cash account in T2/CLM PreProd/UTEST is required and must be linked to the counterparty collateral pool in ECMS. The linkage was done by Bundesbank (cp. following page)

For successful end-to-end tests (CPT2c) the Bundesbank ensures that enough liquidity for the cash mobilisation is available on the MCA.



#### **Check link between MCA and Pool:**

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





#### Please note...

...the information letter sent by Bundesbank for the purpose of conducting the tests. Every counterparty was assigned individual test periods and times.

...testing other functionalities may not be possible or may have an impact on the margin call created for the cash collateral tests.

#### **Cash Collateral testing procedure**

#### A. Mobilization

- **1. Forced Margin Call** triggerd through a credit freezing by Bundesbank.
- **2. Manual mobilization** of cash collateral by Counterparty via U2A/A2A. The amount to be mobilized can not be larger than the margin call.
- **3. If necessary: automatic mobilization** of cash collateral by ECMS (14:15 CET).
- **4. Interest calculcation** for mobilized cash collateral happens at 19:00 CET.



#### **B.** Demobilization

- Credit freezing is set to 0 by Bundesbank to ensure sufficient free collateral value in the Counterparty pool.
- 2. Manual demobilization of cash collateral by the Counterparty via U2A/A2A. The amount of cash collateral that can be demobilized depends on the free collateral value of the pool.
- 3. If necessary: automatic demobilization of cash collateral by ECMS at 19:25 CET.

Cash collateral can only be mobilized (cent-precise) in case of a margin call. It is not permitted to create further free collateral value using cash collateral or to use cash to collaterize new credit positions in the monetary policy pool. (General terms and conditions of the Deutsche Bundesbank, section V no.3 (4) and no. 13a)



# 2. Manual (De-)Mobilization instructions Screen tutorial and Monitoring

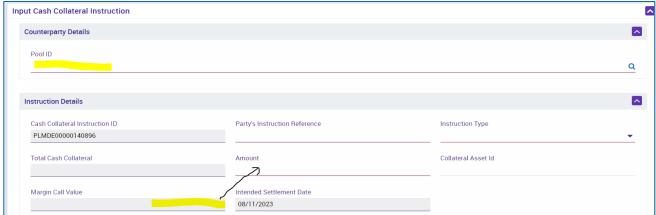
### 2. Manual Mobilization instructions

#### 2.1 U2A – Instructions



**Modul:** Collateral and Credit

Collateral and Credit >> Collateral >> Cash Collateral >> Input Cash Collateral Instruction



**Pool ID:** Click on the magnifying glass to open the list of your collateral pools.

Cash Collateral Instruction ID: is assigned automatically.

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

Instruction Type: Select the Cash Collateral Instruction type via Dropdown (Mobilization or Demobilization instructions available for selection).

Amount: Cash Collateral Amount in Euro (max. up to the "Margin Call" Value).

Collateral Asset ID: filling is optional.

Fields highlighted in grey are filled automatically by ECMS.

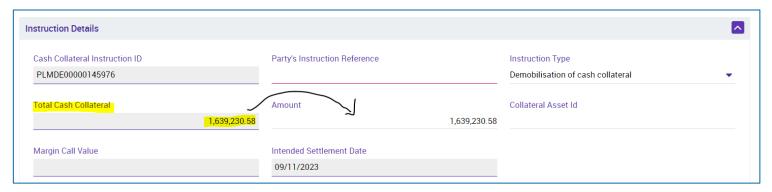
## 2. Manual Demobilization instructions

### 2.1 U2A - Instructions



**Modul:** Collateral and Credit

Collateral and Credit >> Collateral >> Cash Collateral >> Input Cash Collateral Instruction



**Pool ID:** Click on the magnifying glass to open the list of your collateral pools.

Cash Collateral Instruction ID: is assigned automatically.

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

Instruction Type: Select the Cash Collateral Instruction type via Dropdown (Mobilization or Demobilization instructions available for selection).

**Amount:** Cash Collateral Amount in Euro (max. up to the free collateral or cash collateral value, which ever is lower).

Collateral Asset ID: filling is optional.

Fields highlighted in grey are filled automatically by ECMS.

## 2. Manual (De-)Mobilization instructions

## 2.2 A2A -pacs.010 Instructions



#### Only applicable to A2A users!

#### **Application Header:**

```
<AppHdr xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.01">
       <FIId>
           <FinInstnId>
               <BICFI>INSTITUTS-BIC</BICFI>
               <ClrSysMmbId>
                   <ClrSysId>
                       <Prtry>ECMS</Prtry>
                   </ClrSysId>
                   <MmbId>A2A-USER-REFERENZ
               </ClrSysMmbId>
               <Othr>
                   <Id>MARKDEFFXXX</Id>
               </0thr>
           </FinInstnId>
       </FIId>
    </Fr>
    <To>
       <FIId>
           <FinInstnId>
               <BICFI>TRGTXETTECM</BICFI>
               <Othr>
                   <Id>MARKDEFFXXX</Id>
               </0thr>
           </FinInstnId>
       </FIId>
    </To>
    <BizMsgIdr>202303050002</BizMsgIdr>
    <MsgDefIdr>admi.005.001.01
    <CreDt>2023-05-03T06:41:24Z</CreDt>
</AppHdr>
```

Please check your A2A user in the reference data module.

- User reference
- Are the necessary roles assigned?
- B. Is the DN\* of the signature certificate stored?

\*DN: Distinguished Name

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

<MsgDefldr> corresponds to the value "pacs.010.001.03" for Cash Collateral Mobilization

## 2. Manual (De-)Mobilization instructions 2.2 A2A –pacs.010 Instructions



#### Only applicable to A2A users!

```
<AppHdr xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.01">|...|</AppHdr>
Oocument xmlns="urn:iso:std:iso:20022:tech:xsd:pacs.010.001.03">
   <FIDrctDbt>
       <GrpHdr>
           <MsgId>NONREF</MsgId>
           <CreDtTm>2023-06-29T10:29:25+02:00</CreDtTm>
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       </GrpHdr>
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           <CdtId>CC20230629003</CdtId>
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               <FinInstnId>
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               </FinInstnId>
           </InstgAgt>
           <InstdAgt>
               <FinInstnId>
                  <BICFI>INSTITUTS-BIC DES CLM MCA</BICFI>
               </FinInstnId>
           </InstdAgt>
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                  <BICFI>MARKDEFFXXX</BICFI>
              </FinInstnId>
           </Cdtr>
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                   <EndToEndId>CC20230629003</EndToEndId>
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               </PmtId>
               <PmtTpInf>
                      <Prtry>CCOL/INTERNAL POOL ID IHRES POOLS
                  </LclInstrm>
               <IntrBkSttlmAmt Ccv="EUR">1439189.14</IntrBkSttlmAmt>
               <IntrBkSttlmDt>2023-06-29</IntrBkSttlmDt>
               <Dbtr>
                      <BICFI>INSTITUTS-BIC IN ECMSk/BICFI>
                   </FinInstnId>
               </Dbtr>
           </DrctDbtTxInf>
       </CdtInstr>
   </FIDrctDbt>
(/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)

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## 2. Manual (De-)Mobilization instructions

## 2.3 A2A -pacs.009 Instructions



#### **Application Header:**

```
<AppHdr xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.01">
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            <FinInstnId>
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                <ClrSysMmbId>
                    <ClrSysId>
                        <Prtry>ECMS</Prtry>
                    </ClrSysId>
                    <MmbId>A2A-USER-REFERENZ</MmbId>
               </ClrSysMmbId>
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                    <Id>MARKDEFFXXX</Id>
                </0thr>
           </FinInstnId>
       </FIId>
   </Fr>
   <To>
       <FIId>
           <FinInstnId>
                <BICFI>TRGTXETTECM</BICFI>
                <Othr>
                    <Id>MARKDEFFXXX</Id>
               </0thr>
           </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.

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

\*DN: Distinguished Name

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

<MsgDefIdr> corresponds to the value "pacs.009.001.08" for Cash Collateral Demobilization

## 2. Manual (De-)Mobilization instructions 2.3 A2A –pacs.009 Instructions



#### Only applicable to A2A users!

```
<Document xmlns="urn:iso:std:iso:20022:tech:xsd:pacs.009.001.08">
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           <CreDtTm>2023-06-29T10:41:27+02:00</CreDtTm>
           <Nb0fTxs>1</Nb0fTxs>
           <SttlmInf>
               <SttlmMtd>CLRG</SttlmMtd>
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               </ClrSys>
           </SttlmInf>
       </GrpHdr>
       <CdtTrfTxInf>
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               <EndToEndId>CCDEMOB20230629005</EndToEndId>
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           </PmtId>
           <PmtTpInf>
                   <Prtry>CCOL/INTERNAL POOL ID IHRES POOLS</prtry>
               </LclInstrm>
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           <IntrBkSttlmDt>2023-06-29</IntrBkSttlmDt>
           <InstgAgt>
               <FinInstnId>
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               </FinInstnId>
           </InstgAgt>
           <InstdAgt>
               <FinInstnId>
                   <BICFI>MARKDEFFCMS</BICFI>
               </FinInstnId>
           </InstdAgt>
           <Dbtr>
               <FinInstnId>
                   <BICFI>MARKDEFFXXX</BICFI>
               </FinInstnId>
           </Dbtr>
           <Cdtr>
               <FinInstnId>
                  <BICFI>INSTITUTS-BIC IN ECMS</BICFI>
               </FinInstnId>
           </Cdtr>
       </CdtTrfTxInf>
   </FICdtTrf>
```

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)

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## 2. Manual (De-)Mobilization instructions

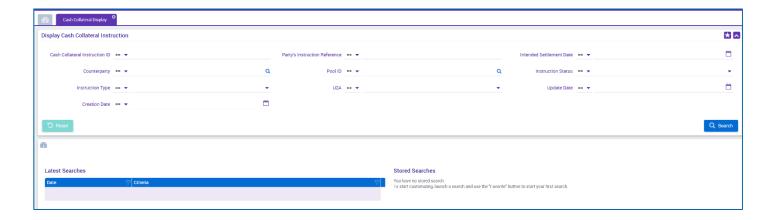
## 2.4 U2A/A2A - Monitoring



#### Monitoring of instructions issued:

Collateral and Credit >> Collateral >> Cash Collateral >> Cash Collateral Display

>> Click on the Search button (if necessary, enter search criteria) >> select the instruction and click on the View button.



## 2. Manuelle (De-)Mobilisierungsinstruktionen

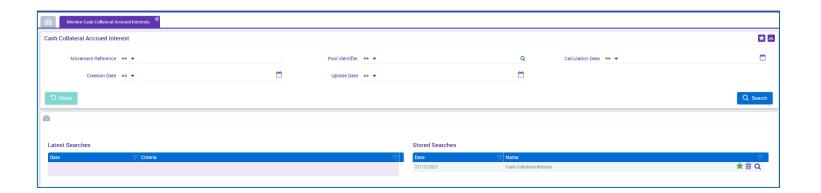


## 2.4 U2A/A2A - Monitoring

#### **Monitoring of Accrued Interests:**

Collateral and Credit >> Collateral >> Cash Collateral Interest >> **Monitor Cash Collateral Accrued Interests** 

>> Click on the Search button (if necessary, enter search criteria) >> select the instruction and click on the View button.



## 2. Manual (De-)Mobilization instructions 2.4 A2A - Monitoring

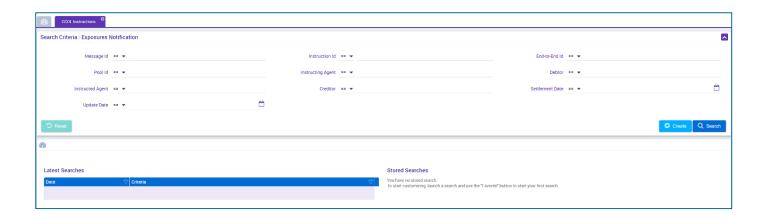


#### Only applicable to A2A users!

Monitoring of Cash Collateral Instruction Messages (pacs. 010/pacs.009):

Collateral and Credit >> Notification >> Counterparties Notifications >> Cash Collateral Notifications >> CCOL Instructions

>> Click on the Search button (if necessary, enter search criteria) >> after selecting the instruction, you can download it by clicking the Download Button.



## 2. Manual (De-)Mobilization instructions 2.4 A2A - Monitoring



#### Only applicable to A2A users!

Monitoring of Cash Collateral Status Messages (pacs. 002):

Collateral and Credit >> Notification >> Counterparties Notifications >> Cash Collateral Notifications >> CCOL Instructions Status Notifications

>> Click on the Search button (if necessary, enter search criteria) >> after selecting the instruction, you can download it by clicking the Download Button.

