ECMS | Collateral Management for Counterparties

Deutsche Bundesbank

Frankfurt am Main, July/August/September 2023

Outline ECMS | Collateral Management for Counterparties

Title	ECMS | Collateral Management for Counterparties
Objectives	Thematic focus training on specific ECMS application aspects: Participants will know and understand the overall view of a counterparty pool, the collateral position with selected single positions (Marketable Asset Collateral, Cash Collateral, Externally Managed Collateral, Fixed Term Deposit, Triparty Collateral, Credit Claims), the credit position (Exposure / Use) with selected single positions (Credit Freezing, Open Market Operations, Marginal Lending Facility, Credit Line, Margin Call) as well as the multi-pooling function.
Contents	ECMS | Credit and collateral position ▪ ECMS | Introduction - 15 min. ▪ ECMS | Pool Total - 25 min. ▪ ECMS | Collateral position - 50 min. ▪ ECMS | Credit Position - 50 min. ▪ ECMS | Multi-Pooling - 15 min. ▪ Questions & Answers (plus breaks) - 45 min.
Target group	For counterparties that work directly with the ECMS
Prior knowledge	All participants should have completed the ECMS basic training as well as the ECMS specialist training Access_GUI.
General framework	▪ Virtual training course (online)/hosted via WebEx ▪ 210 minutes/maximum 500 participants/in German

ECMS | Collateral Management for Counterparties

Training materials

- We will provide you with following training materials for this event:
  # Presentation slides # ECMS video(s).
- For data protection reasons, the training course will NOT be recorded.

Q&A

- Please feel free to ask questions or add to the discussion as we go along. A separate Q&A session will also be held at the end of each training section.
- If you have any questions or wish to say something, please use the chat function.

Training feedback

- When you were invited to this event, you were sent a link to a standardised and anonymised feedback form.
- Once the event has ended, please take a few moments to fill out the form and give us honest feedback on this training course. Thank you!

1. **ECMS | Introduction**
   (Complete Overview (Topics & Training, Collateral Management)

2. **ECMS | Pool Overview**
   (Overview, Menu Items “Pool Overview“, Pool Overview in ECMS, Pool Position in ECMS, Pool Projection in ECMS, Important Documents)

3. **ECMS | Collateral Position**
   3.1 Marketable Asset Collateral (Overview, Menu Items “Marketable Asset Collateral“, Collateral Positions and Movements, (De)Mobilization, Cancellation of (De)Mobilization, Settlement, Test Set)

   3.2 Cash Collateral (Overview, Menu Items "Cash Collateral", Cash Collateral in ECMS, Test Set)

   3.3 Externally Managed Collateral (EMC), Fixed Term Deposit (FTD), Triparty Collateral (TPC) & Credit Claims (CC)(Overview, Menu Item "EMC, FTD, TPC & CC", EMC in ECMS, FTD in ECMS, TPC in ECMS & CC in ECMS)

   3.4 Important Documents

4. ECMS | Credit Position

4.1 Credit Freezing
(Overview, Menu Items "Credit Freezing", Credit Freezing in ECMS)

4.2 Open Market Operations
(Overview, Menu Items "Open Market Operations", OMO in ECMS, Test Sets)

4.3 Marginal Lending Facility
(Overview, Menu Items "Standing Facilities", Marginal Lending Facility in ECMS, Test Sets)

4.4 Credit Line
(Overview, Menu Items "Credit Line", Credit Line in ECMS, Test Sets)

4.5 Margin Call
(Overview, Menu Items "Margin Call", Margin Call in ECMS)

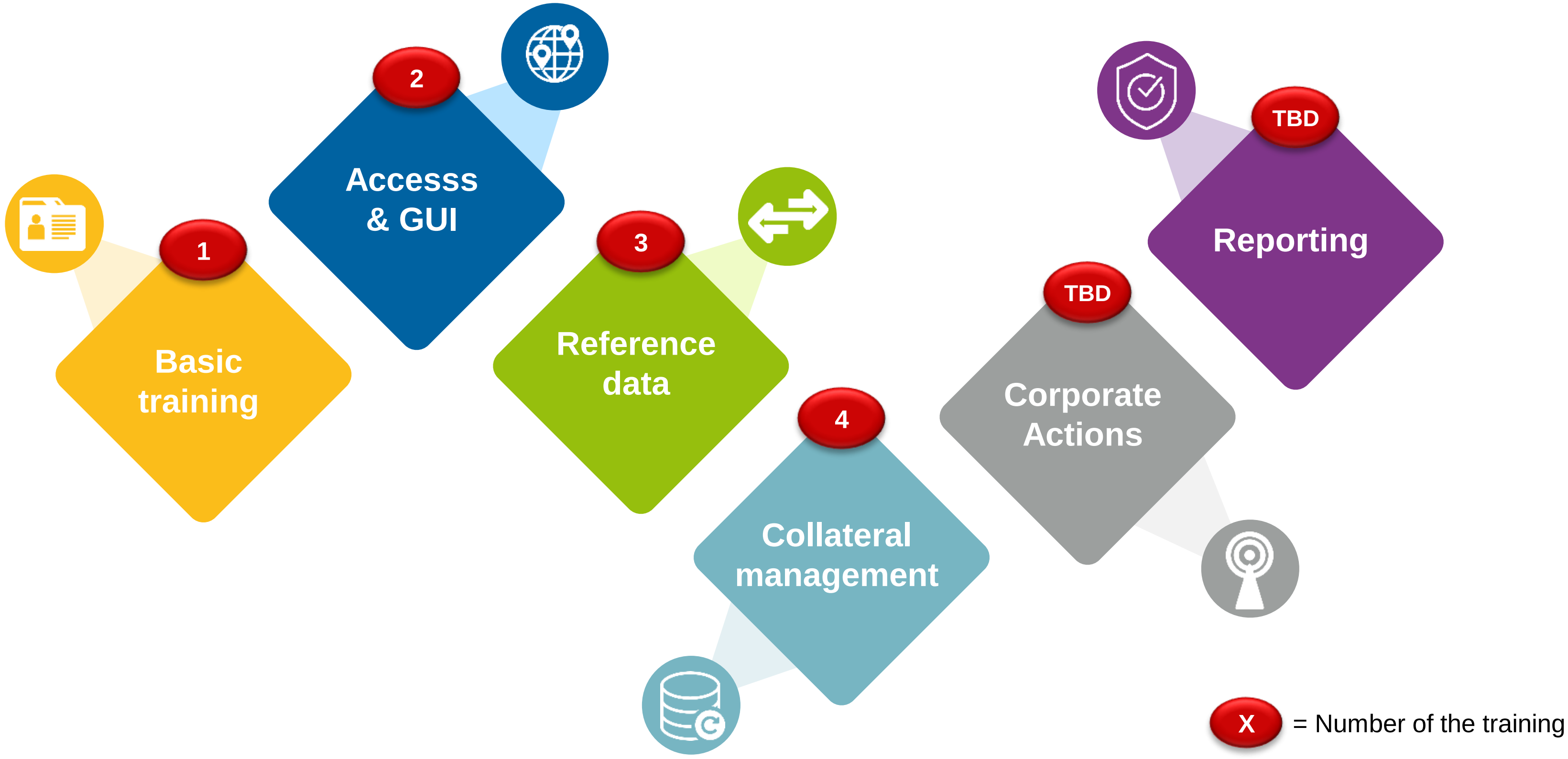
4.6 Important Documents

5. ECMS | Multi-Pooling

(Overview, Menu Item “Multipooling Instruction“, Menu Item Transfer, Multi-Pooling in ECMS, Important Documents)

1. Introduction

Complete Overview (Topics & Trainings)

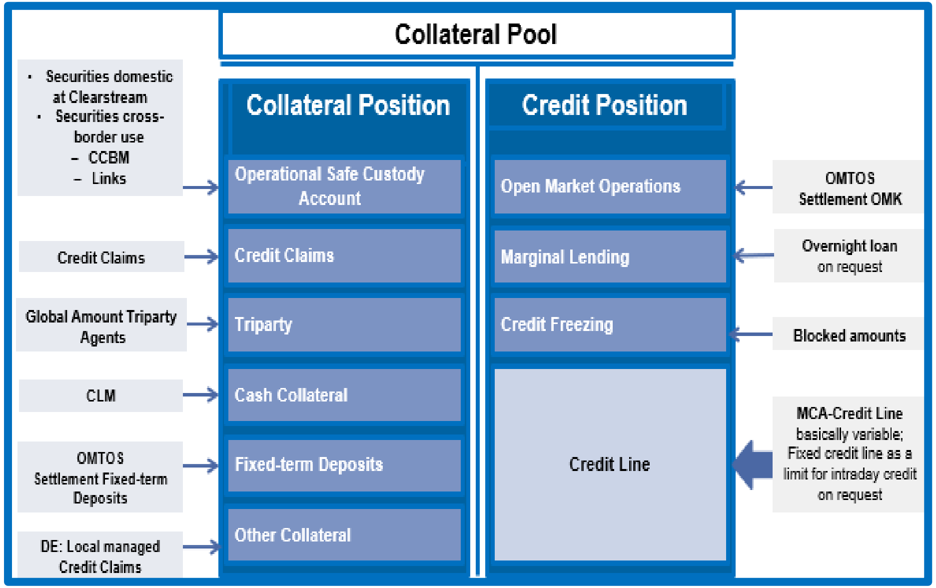


Source: Deutsche Bundesbank

1. Introduction

Complete Overview (Collateral Management)

- The **Counterparty Pool** (a.k.a. ECMS Pool) is structured differently **depending** on whether the counterparty has a **credit line** or not. It mainly consists of two blocks:
- The **collateral position** (collateral) is the sum of all individual collateral positions configured for the ECMS pool.
- The **credit position** (exposure/utilization) is the sum of the credit transactions in the counterparties' pool.
- If the counterparty has a **credit line**, a third block is available in the credit area. It is used to display the amount that can be used as intraday liquidity.



Source: ECMS UDFS v1.2, p. 586 ff.

2. ECMS | Pool Overview

(Overview, Menu Items “Pool Overview“, Pool Overview in ECMS, Pool Position in ECMS, Pool Projection in ECMS, Important Documents)

2. Pool Overview

Where?

- Module “Collateral and Credit”
  >> Pool Overview >> Pool Overview
  >> Pool Overview >> Positions
  >> Pool Overview >> Pool Projection

How?

- General overview of Counterparty Pool, broken down into Collateral (collateral position) and Exposure (credit position / use) as well as information on the individual positions

What?

- View of Counterparty Pools

Special Featues

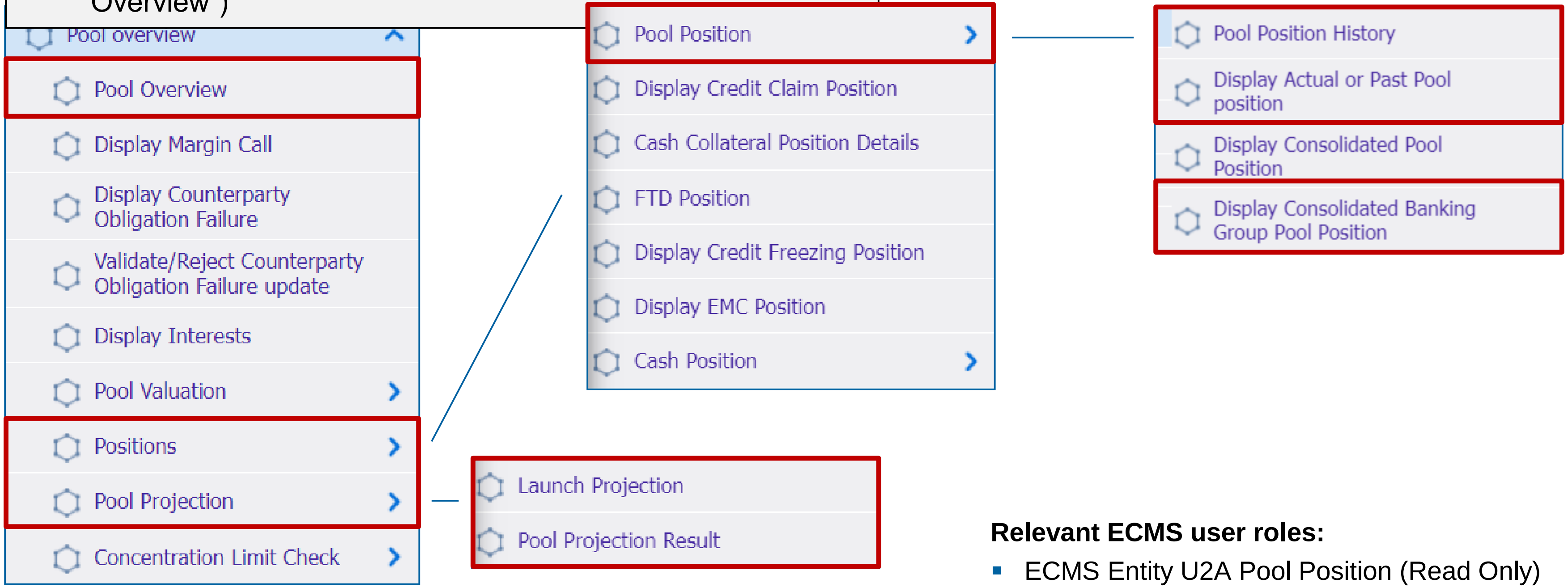
- Projection of Counterparty Pools
- Consolidated Pool Position (banking group)

Source: Deutsche Bundesbank

2. Pool Overview

Menu Items „Pool Overview“

- Module Collateral and Credit (“MegaLend”)
  - **Menu items „Pool Overview”** (main menu “Pool Overview”)



Relevant ECMS user roles:

- ECMS Entity U2A Pool Position (Read Only)

Source: ECMS EAC 24.05.2023

2. Pool Overview

Menu Items „Pool Overview“

Main menu item	Submenu items	Description
Pool Overview	Pool Overview	▪ View of the pool position on the current ECMS business day
	Positions	▪ View of the pool position on the current ECMS business day or on a specific ECMS business date in the past (the maximum number of business days in the past is set in ECMS as a system parameter). ▪ View of the consolidated pool position of a banking group
	Pool Projection	▪ Projection view of the pool position for a date in the future (the maximum number of business days in the future is set in ECMS as a system parameter).

Source: ECMS EAC 24.05.2023

Pool Overview in ECMS (1 / 3)

- A counterparty pool belongs exclusively to one counterparty* at a time.
  - ECMS provides counterparties and NCB users with an **overall view of their counterparty pool**, divided into collateral (collateral position) and exposure (credit position/use), as well as information on the individual positions, in U2A mode and as A2A messages (colr.016).
  - If the counterparty has a **credit line**, an additional block is available in the credit area, which is used to display the amount that can be used as intraday liquidity..
  - Counterparty who have been assigned the role of "Banking Group Manager" can retrieve the **consolidated pool position of a banking group** in U2A mode.
  - The individual collateral positions posted are reflected in the **collateral position (Collateral)** as the sum of the counterparty pool collateral, while the individual covered credit transactions are reflected in the **credit position (Exposure / Use)** as the sum of the counterparty pool credit transactions.

* *However, ECMS supports multi-pooling functions (cf. chapter 5. "**Multi-Pooling**"), so that a counterparty can hold more than one ECMS pool as required.*

Source: ECMS UDFS v1.2, p. 29, p. 60, p. 586 ff.

Pool Overview in ECMS (2 / 3)

- In the counterparty pool, the **valued collateral portfolio is compared with the total use** so that each loan utilization is sufficiently covered by eligible collateral and any shortfalls can be identified.
- Existing collateral accounts to provide for the TARGET contingency will be maintained as a separate counterparty pool in ECMS.
- For a transitional period, the collateral account for the collateralization of Bundesbank own businesses such as the central bank service as well as for the deposit protection fund will continue to be maintained in the Bundesbank's **existing CMS** and will only be **available in ECMS at a date yet to be determined**.

Collateral account number	Name	Function
1	Monetary Policy Counterparty Pool	Collateralization of monetary policy operations and intraday credit on the primary MCA
3	Counterparty Pool for the ECONS II module	Provision for the TARGET Contingency Case

Source: Deutsche Bundesbank

Pool Overview in ECMS (3 / 3)

- In the Counterparty Pool, further **detailed information** on the **collateral position** can be called up (see look & feel slides below):
  - Marketable Asset Collateral (shown separately by submission type), Externally Managed Collateral (here: domestic credit claims managed in MACCs), Cash Collateral (only in case of margin call), Fixed Term Deposit (term deposits including accrued interest), Triparty Collateral and Credit Claims (non-MACCs / cross-border credit claims).
- In the counterparty pool, further **detailed information** on the **credit position (exposure / use)** can be accessed (see look & feel slides below):
  - Credit Freezing (blocking of collateral, not taken into account for collateral value calculation), Open Market Transactions (Euro / Non-Euro), Marginal Lending Facility (on request and automatic overnight credit including accrued interest), furthermore information on the Credit Line (if available) and on the Margin Call (in case of a shortfall).

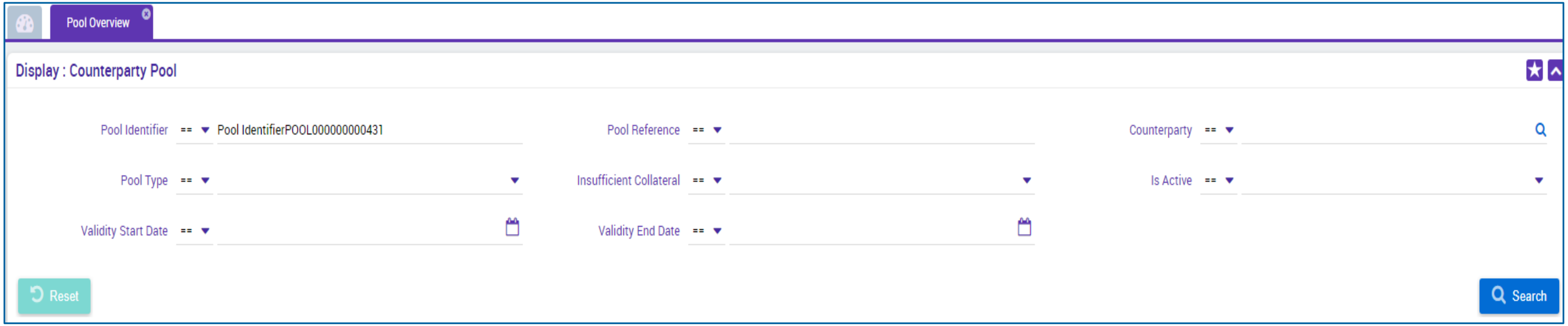
- For details on reduction of global collateral position and increase of global credit position, see Annex

Source: ECMS UDFS v1.2, p. 29, p. 60, p. 586 ff., Deutsche Bundesbank

2. Pool Overview

Pool Overview (Look & Feel)

- Screen "Display: Counterparty Pool" to search for the complete overview of counterparty pools or the pool master data
- Collateral and Credit >> Pool Overview >> **Pool Overview**
- Complete the information in the "Display: Counterparty Pool" screen, e.g. the Pool Reference, and click on the "Search" button. Alternatively, you can press the "Search" button without entering anything and the result will be a list of your counterparty pools.



Source: ECMS EAC 24.05.2023

2. Pool Overview

Pool Overview (Look & Feel)

- Screen "List Pools Overview" to display search results for current pool overviews
- Collateral and Credit >> Pool Overview >> **Pool Overview** >> Click Search Button (after entering search criteria, if required)
- SCP Pools and ELA Pools are displayed.

List Pools Overview

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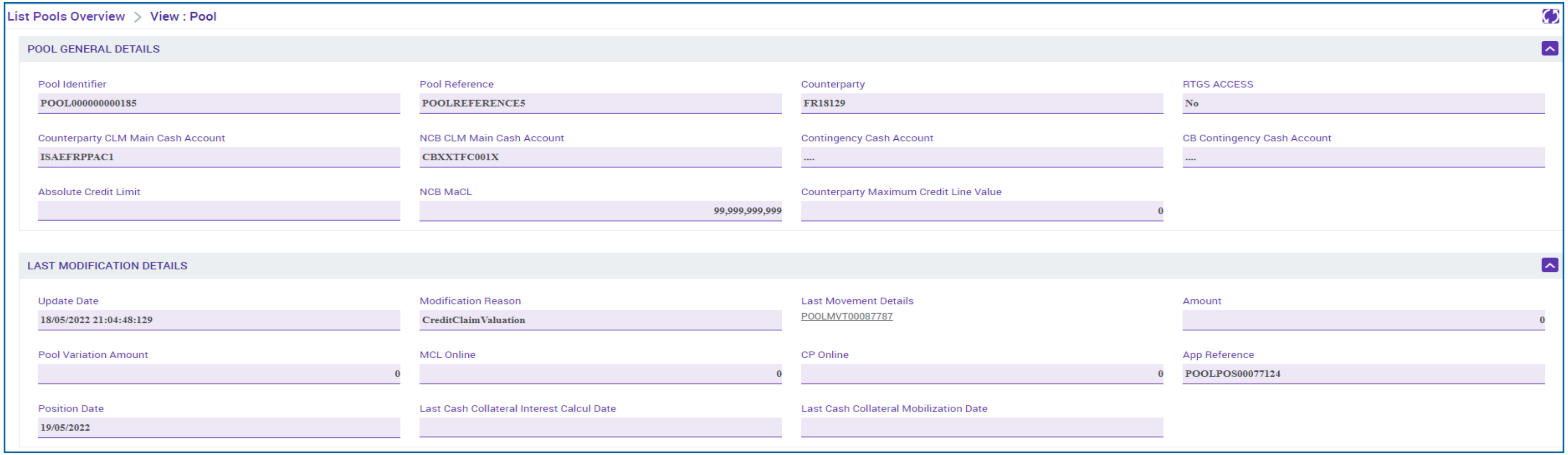
			SCP Pool					SCP Pool		ELA Pool			SCP Pool		
Pool Identifier	Pool Type	Counterparty	Total Collater...	Total Credit	SCL	ECL	RCL	COLLATERAL...	Pool In Margi...	ELA Collateral...	Total ELA Cre...	Is Active	Is Valuated	Update Date	Updater User
POOL0000000...	SCP	FR18129	100027777.78	60000000	40027777.78	0	0	0	No	0	0	Yes	Yes	16/05/2022 14...	FRCBJobSche...
POOL0000000...	SCP	FR18129	114667777.78	54306730.78	60361047	35693269.22	30693269.22	24667777.78	No	0	0	Yes	Yes	16/05/2022 13...	ECMS OPERAT...
POOL0000000...	SCP	FR18129	0	0	0	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR30007	100000000	21043589.74	78956410.26	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR18129	50001000	42461538.46	7539461.54	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR18129	0	4500000	0	0	0	0	Yes	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR18129	0	0	0	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR18129	100000000	0	100000000	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR30007	100000000	150000	99850000	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...
POOL0000000...	SCP	FR18129	100002000	3000000	97002000	0	0	0	No	0	0	Yes	Yes	16/05/2022 07...	ECMSOperatio...

Deactivate | Edit | View

Source: ECMS UHB CTPY v1.1, p. 791

Pool Overview (1 / 6) (Look & Feel)

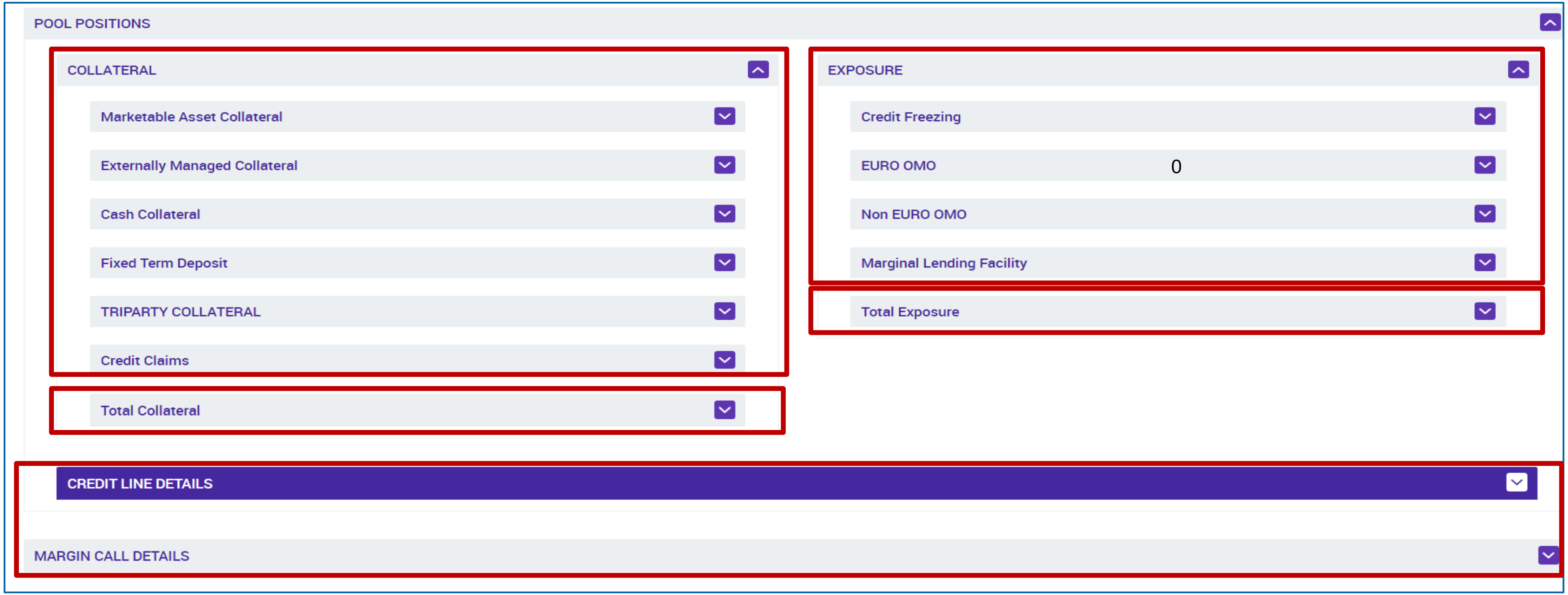
- Screen "View: Pool" (upper part / maximized) for detailed view of general pool master data
- Collateral and Credit >> Pool Overview >> **Pool Overview** >> Click on Search Button (after entering search criteria, if required) >> Select a pool >> Click on View Button
- Please note that all collateral and credit types are displayed as shown in the screens. The use or display of further data is bound to certain access rights.



Source: ECMS UHB CTPY v1.1, p. 793

Pool Overview (2 / 6) (Look & Feel)

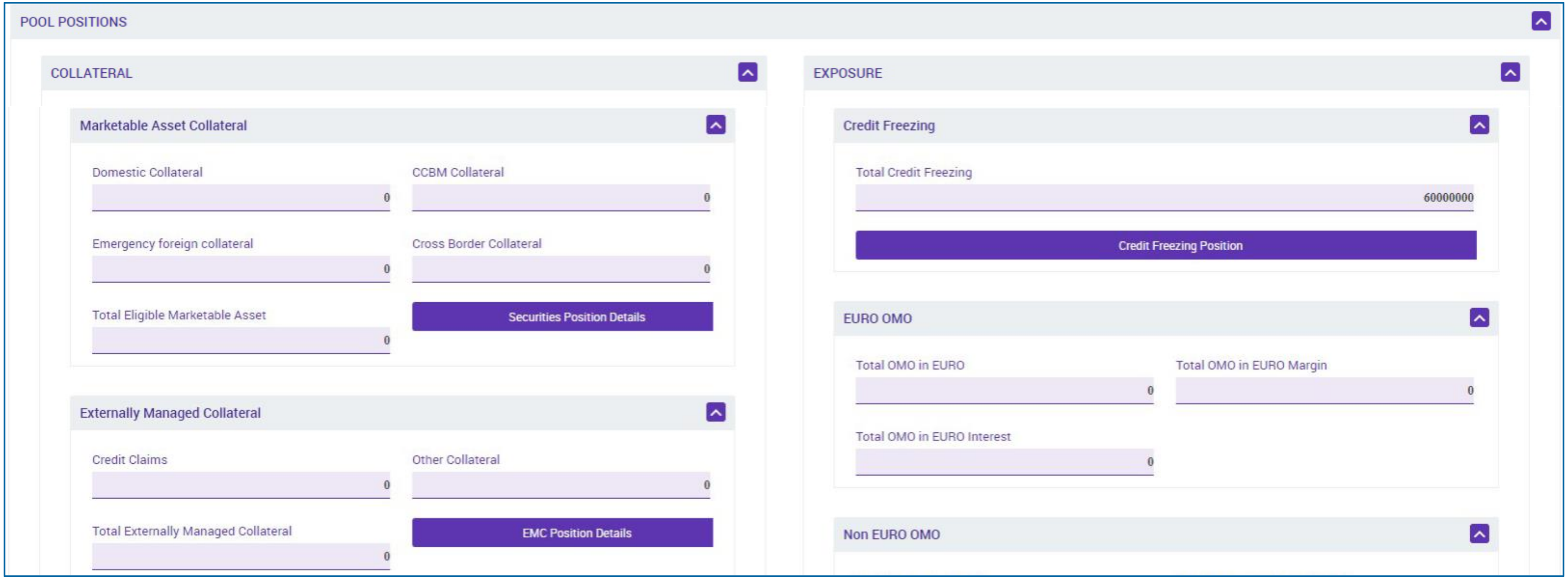
- Screen "View: Pool" (middle & lower part / minimized) for detailed view of individual pool positions (collateral / exposure) as well as total balances and details on credit line & margin call



Source: ECMS EAC 25.05.2023

Pool Overview (3 / 6) (Look & Feel)

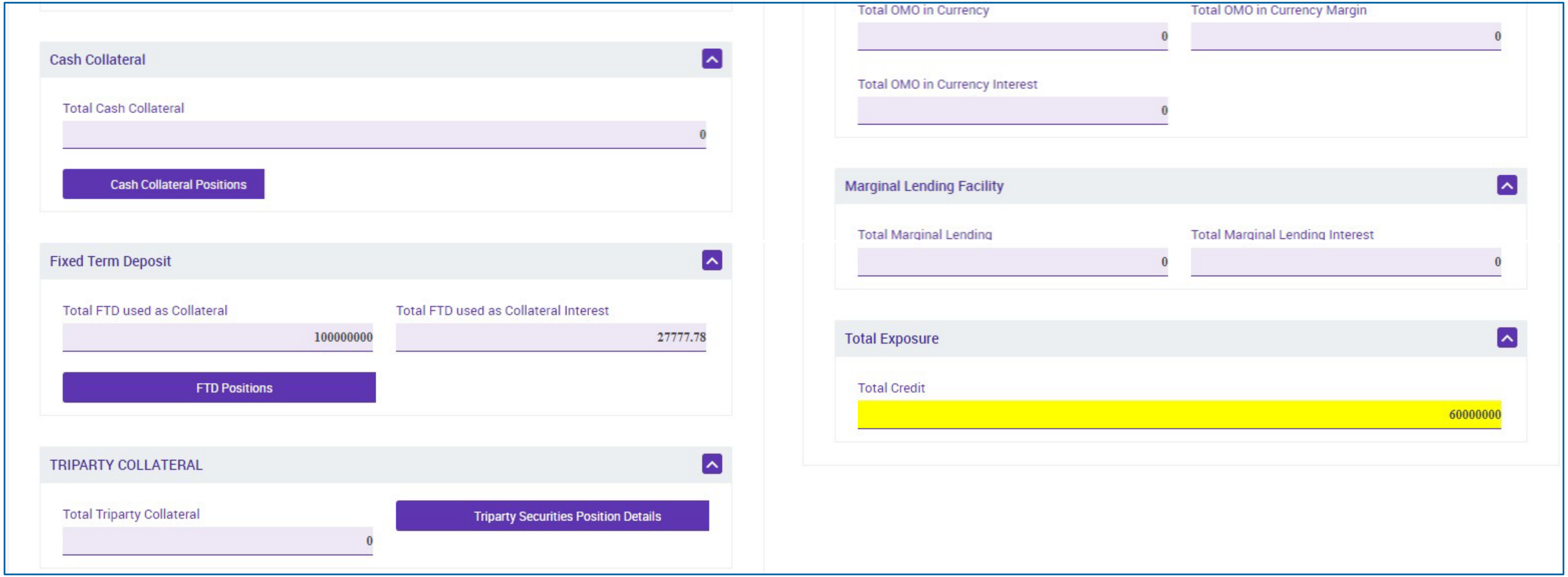
- Screen "View: Pool" (middle part 1 / maximized) for detailed view of the individual pool positions (collateral / exposure) as well as total balances



Source: ECMS UHB CTPY v1.1, p. 793

Pool Overview (4 / 6) (Look & Feel)

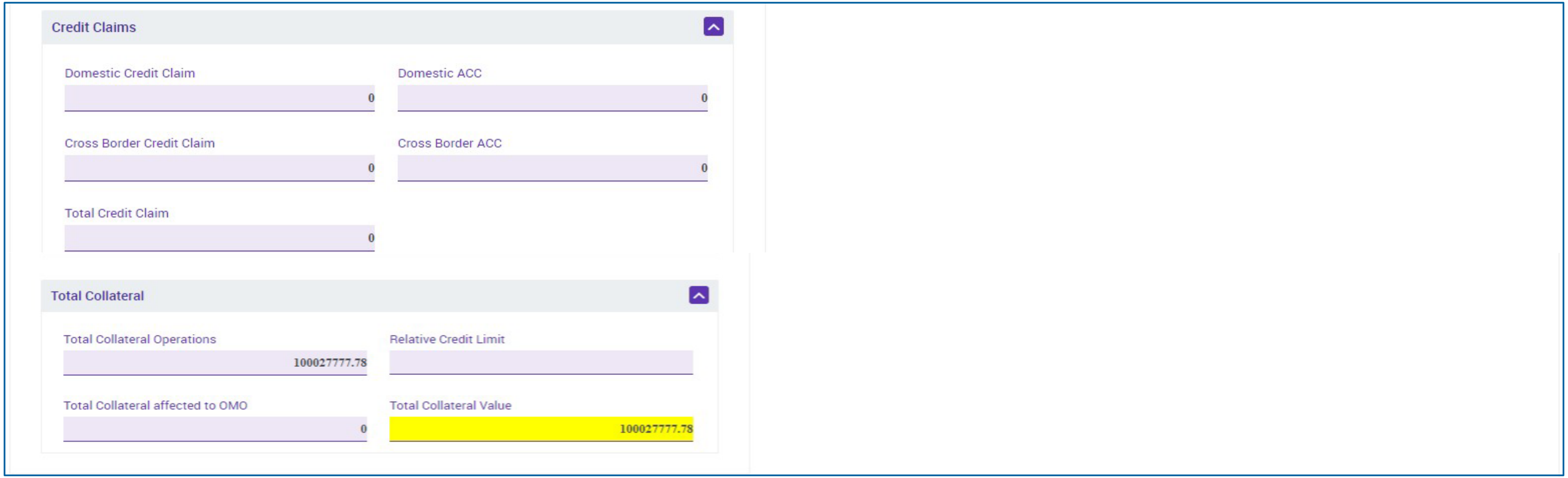
- Screen "View: Pool" (middle part 2 / maximized) for detailed view of the individual pool positions (collateral / exposure) as well as total balances



Source: ECMS UHB CTPY v1.1, p. 793

Pool Overview (5 / 6) (Look & Feel)

- Screen "View: Pool" (middle part 3 / maximized) for detailed view of the individual pool positions (collateral / exposure) as well as total balances

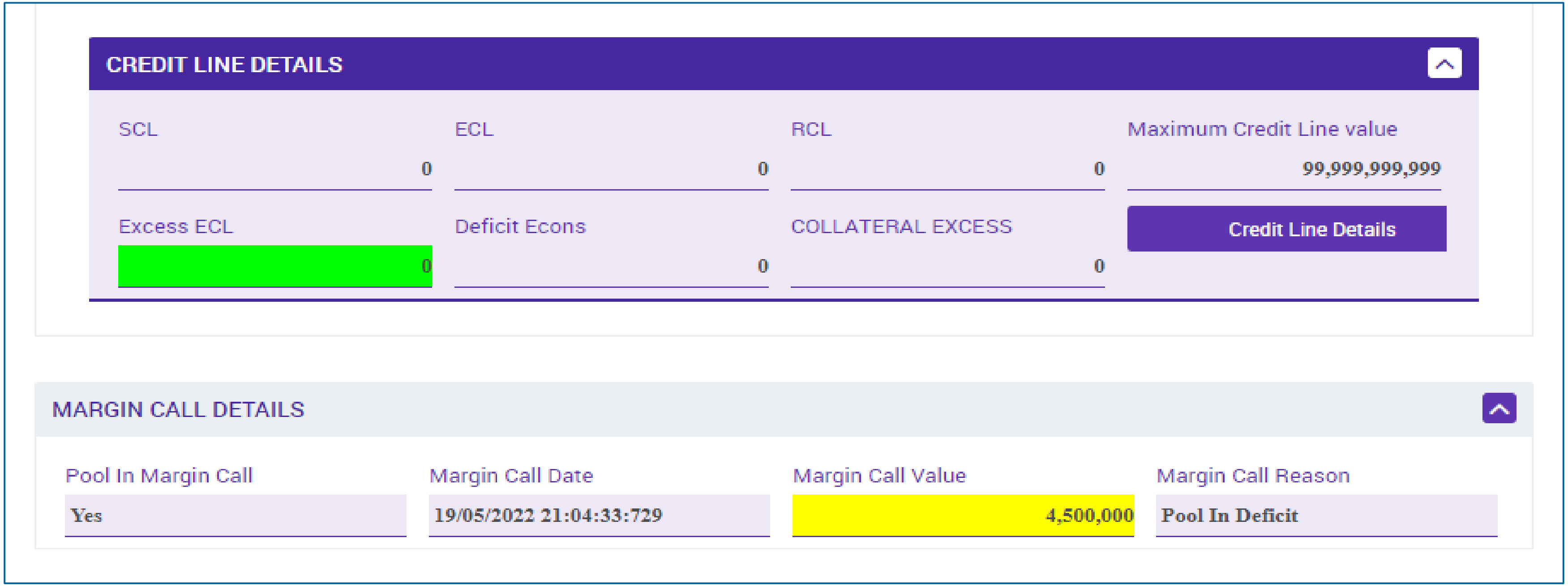


Source: ECMS UHB CTPY v1.1, p. 793

2. Pool Overview

Pool Overview (6 / 6) (Look & Feel)

- Screen "View: Pool" (<u>Lower part / Maximized</u>) for detailed view of Credit Line & Margin Call



Explanations "Excess ECL" and "Collateral Excess" see Annex

Pool Position in ECMS

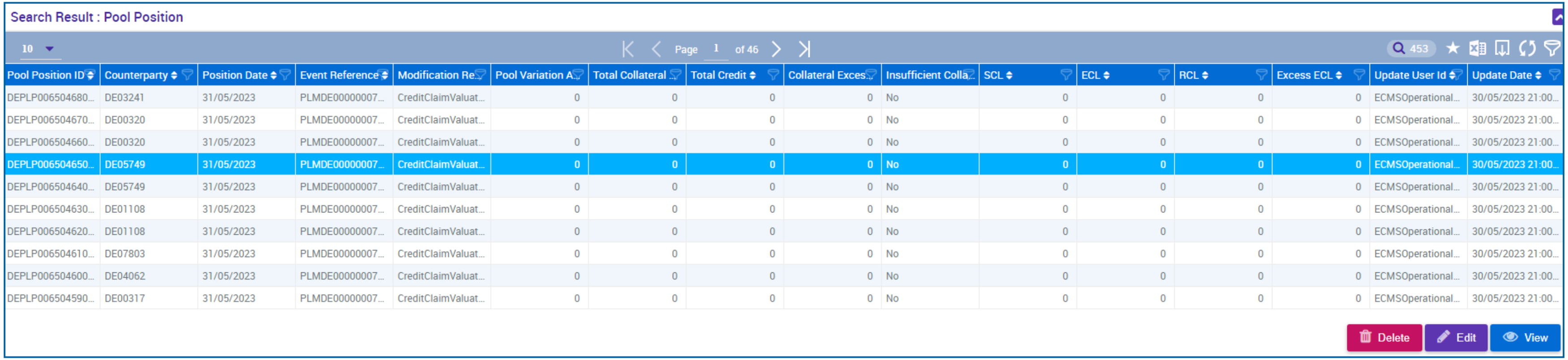
- ECMS provides **counterparty pool position information** in U2A mode and - depending on the query - as A2A messages.
  - The pool position is either the current position based on the current value of the counterparty pool or a position at a specific ECMS business date in the past.
  - The pool position in the past is limited to n ECMS business days in the past. The maximum number of business days in the past is defined in ECMS as a system parameter.
  - Various queries exist for the pool position:
    - Pool Position History, for the current or past ECMS business day.
    - Actual or Past Pool Position View, for the current or past ECMS business day
    - Consolidated Banking Group Pool Position View, for the current or past ECMS business day.

Source: ECMS CTPY UHB v1.1, p. 789 f., ECMS UDFS v1.1, p. 890 ff.

2. Pool Overview

Pool Position (Look & Feel)

- Screen "Search Result: Pool Position" to display the search results for Pool Position Histories, sorted in descending order by Pool Position ID (presetting)
- Collateral and Credit >> Pool Overview >> Positions >> Pool Position >> **Pool Position History** >> Click on Search Button (after entering search criteria, if required)



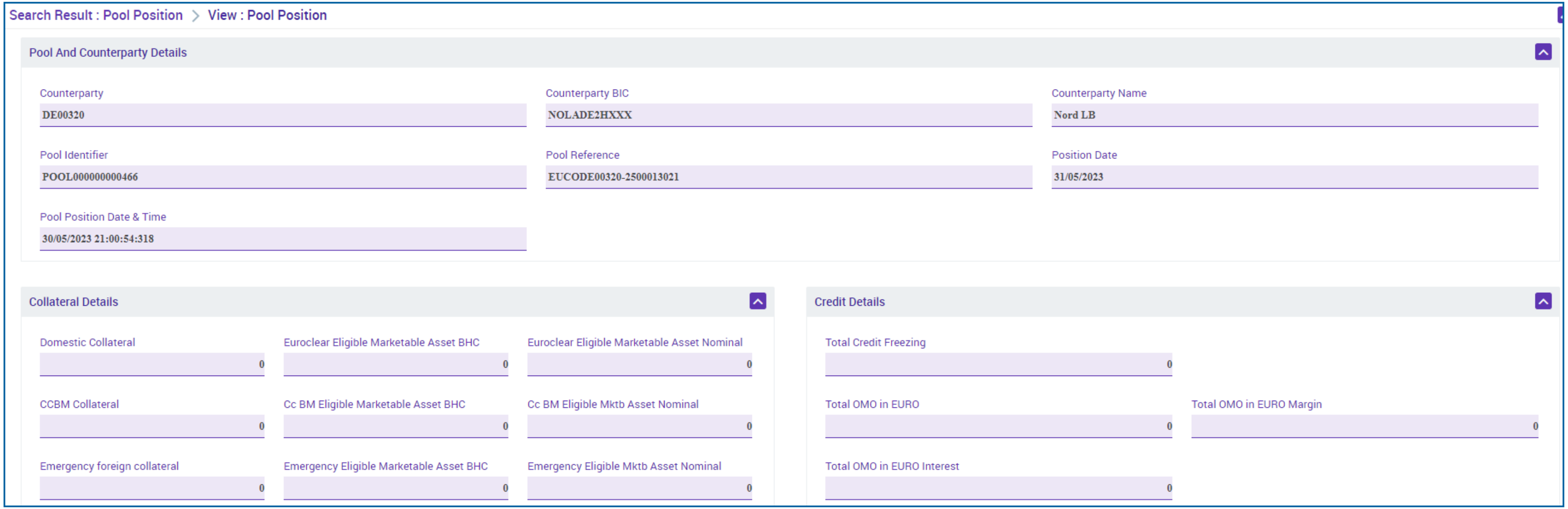
Pool Position ID	Counterparty	Position Date	Event Reference	Modification Re…	Pool Variation A…	Total Collateral …	Total Credit	Collateral Exces…	Insufficient Colla…	SCL	ECL	RCL	Excess ECL	Update User Id	Update Date
DEPLP006504680…	DE03241	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504670…	DE00320	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504660…	DE00320	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504650…	DE05749	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504640…	DE05749	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504630…	DE01108	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504620…	DE01108	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504610…	DE07803	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504600…	DE04062	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…
DEPLP006504590…	DE00317	31/05/2023	PLMDE00000007…	CreditClaimValuat…	0	0	0	0	No	0	0	0	0	ECMSOperational…	30/05/2023 21:00…

Source: ECMS EAC 31.05.2023

2. Pool Overview

Pool Position (Look & Feel)

- Screen "View Pool Position" (<u>upper part / maximized</u>) for detailed view of a pool position history
- Collateral and Credit >> Pool Overview >> Positions >> Pool Position >> **Pool Position History** >> Click on Search Button (after entering search criteria, if required) >> Select a Pool Position >> Click on View Button

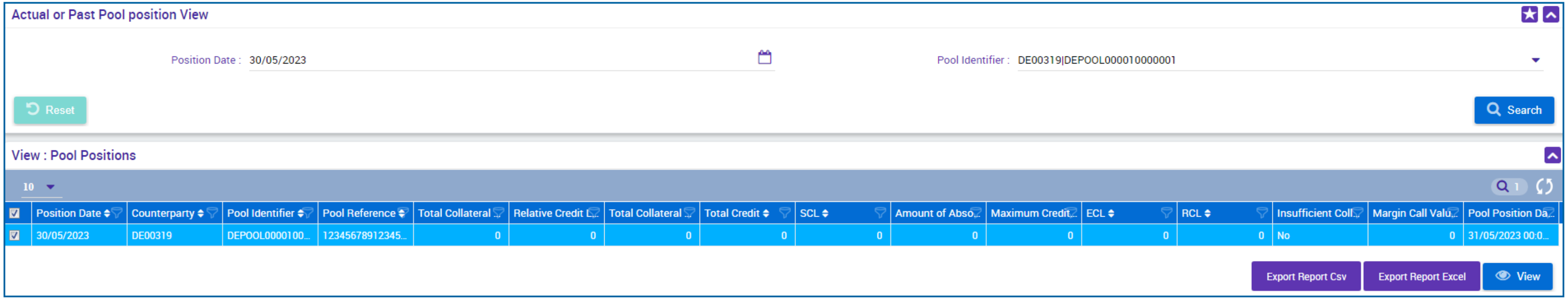


Source: ECMS EAC 31.05.2023

2. Pool Overview

Pool Position (Look & Feel)

- Screen "Actual or Past Pool Position View" to search for actual or past pool positions and Screen "View: Pool Positions" to display the search result
- Collateral and Credit >> Pool Overview >> Positions >> Pool Position >> **Display Actual or Past Pool Position** >> Enter Position Date <u>and</u> Pool Identifier >> Click on Search Button

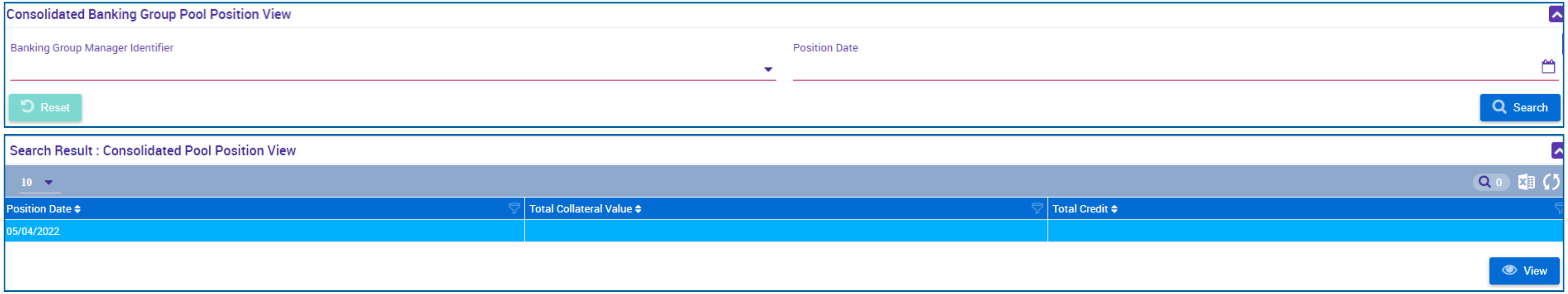


Source: ECMS EAC 31.05.2023

2. Pool Overview

Pool Position (Look & Feel)

- Screen "Consolidated Banking Group Pool Position View" to search for Consolidated Banking Group Pool Positions and Screen "Search Result: Display Consolidated Positions" to display the search result
- Collateral and Credit >> Pool Overview >> Positions >> Pool Position >> **Display Consolidated Banking Group Pool Position** >> Enter Banking Group Manager Identifier and Position Date >> Click on Search Button



Source: ECMS CTPY UHB v1.1, p. 817

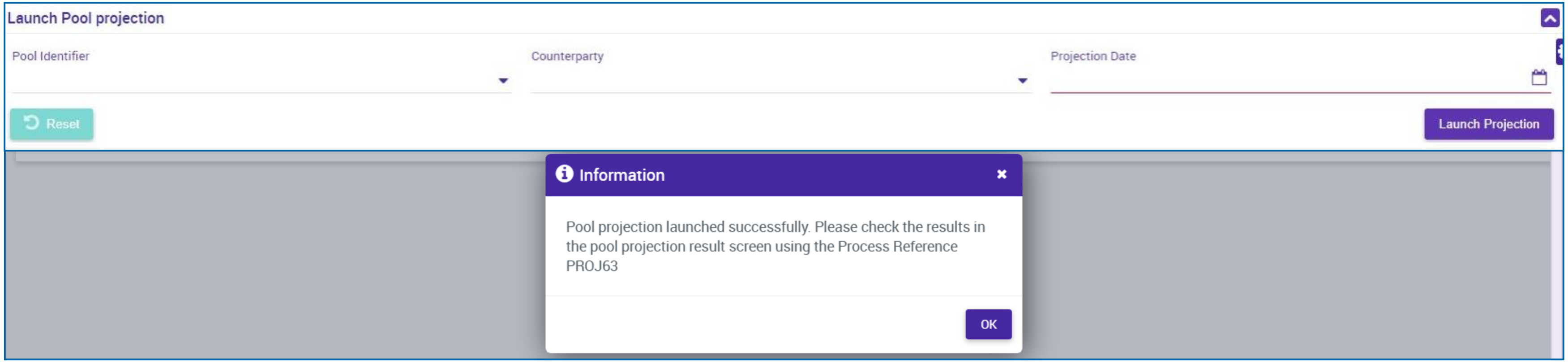
Pool Projection in ECMS

- ECMS provides the function "**Pool Projection**" for counterparties, **i.e. the projection of <u>one</u> counterparty pool** for a date in the future. This function can only be executed manually via U2A.
  - Pool Projection is limited to n ECMS business days following the current ECMS business date. The maximum number of business days in the future is set in ECMS as a system parameter.
  - ECMS displays the Pool Projection based on the search criteria selected by Counterparty and provides the Pool Projection results for the projected ECMS business date. The actual pool position on the target date may differ from the projection.
  - The Pool Projection can be viewed by the counterparty via a query for a specific business date in the future = "Current ECMS business date + n". In doing so, the counterparty first starts the query, in the second step the results of the Pool Projection can be viewed.
  - The result of the pool projection has no impact on the counterparty pool or its credit line, but is only used for monitoring purposes, i.e. to check whether the projected pool position is sufficiently collateralized.

Source: ECMS CTPY UHB v1.1, p. 789 f., ECMS UDFS v1.1, p. 905 ff.

Pool Projection (Look & Feel)

- Screen "Launch Pool Projection " to create a pool projection and corresponding success message
- Collateral and Credit >> Pool Overview >> Pool Projection >> **Launch Projection** >> Enter Pool Identifier or Counterparty and Projection Date >> Click on Launch Projection Button



Source: ECMS EAC 25.05.2023

2. Pool Overview

Pool Projection (Look & Feel)

- Screen "Search Result: Pool Projection Result" to display the search results for Pool Projections, sorted in descending order by Pool ID (presetting)
- Collateral and Credit >> Pool Overview >> Pool Projection >> **Pool Projection Result** >> Click on Search Button (after entering search criteria, if required)

Search Result : Pool Projection Result

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	Process Reference	Projection Date	Pool Identifier	Counterparty	Blocked Status	Closed Status	Total Collateral Afte...	Total Exposure	Projection result	Update Date	Update User Id
☐	PROJ78	05/06/2023	POOL000000000453	DE00179			59,018,165.54	0	Sufficient Collateral	30/05/2023 15:53:55...	DECB-AW-USER
☐	PROJ77	06/06/2023	POOL000000000429	DE00008			0	0	Sufficient Collateral	30/05/2023 15:53:26...	DECB-AW-USER
☐	PROJ76	07/06/2023	POOL000000000452	DE00827			52,014,325.52	0	Sufficient Collateral	30/05/2023 15:52:29...	DECB-AW-USER
☐	PROJ75	31/05/2023	POOL000000000431	DE00316			6,100,000,000	6,100,000,000	Sufficient Collateral	30/05/2023 15:25:20...	DECB-AW-USER
☐	PROJ74	31/05/2023	POOL000000000431	DE00316			6,100,000,000	6,100,000,000	Sufficient Collateral	30/05/2023 15:24:53...	DECB-AW-USER
☑	PROJ73	31/05/2023	POOL000000000424	DE00001			135,676,389.91	0	Sufficient Collateral	30/05/2023 15:21:34...	DECB-AW-USER
☐	PROJ72	31/05/2023	POOL000000000424	DE00001			135,676,389.91	0	Sufficient Collateral	30/05/2023 15:20:54...	DECB-AW-USER
☐	PROJ71	31/05/2023	POOL000000000425	DE00001			0	0	Sufficient Collateral	30/05/2023 15:20:40...	DECB-AW-USER
☐	PROJ70	31/05/2023	POOL000000000425	DE00001			0	0	Sufficient Collateral	30/05/2023 15:18:29...	DECB-AW-USER
☐	PROJ70	31/05/2023	POOL000000000424	DE00001			135,676,389.91	0	Sufficient Collateral	30/05/2023 15:18:28...	DECB-AW-USER

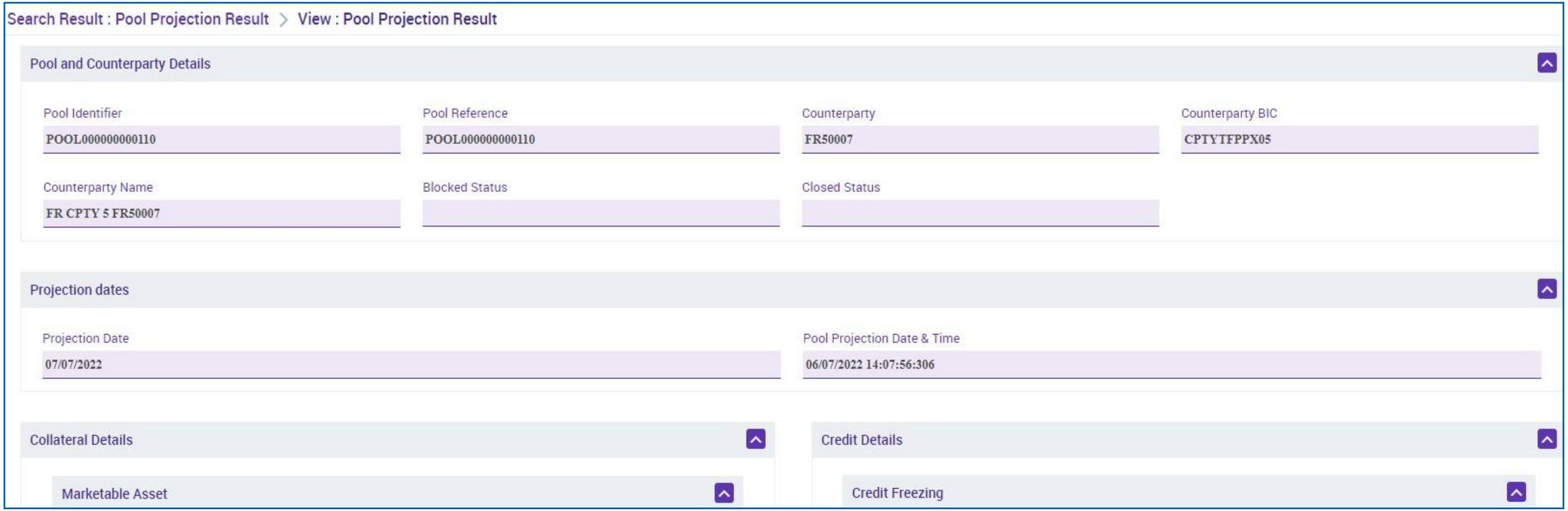
View

Source: ECMS EAC 30.05.2023

2. Pool Overview

Pool Projection (Look & Feel)

- Screen "View: Pool Projection Result" (upper part) for detailed display of a pool projection
- Collateral and Credit >> Pool Overview >> Pool Projection >> **Pool Projection Result** >> Click on Search Button (after entering search criteria, if required) >> Select Pool Projection >> Click on View Button



Source: ECMS CTPY UHB v1.1, p. 819

2. Pool Overview

Important Documents

Public information (in chronological order)

- ECMS Info Pack - Account Structure and the ECMS Pool (2020/01, in English)
- ECMS Info Pack - Pool Projection (2020/01, in English)
- ECMS Message Usage Guide (v1.2.1, 2021/04, in English)
- Business Description Document for the ECMS (v1.3, 2022/12, in English)
- ECMS User Handbook Counterparties, ECMS UHB CTPY v1.1 (2023/03, in English)
  - Chapter 3.5.1 Pool Position (Detailed information on all screens), p. 789 ff.
  - Chapter 3.5.2 Pool Projection (Detailed information on all screens), p. 838 ff.
  - Chapter 4.8.1 Pool Position (Step-by-step user actions for typical workflows), p. 913 f.
  - Chapter 4.8.2 Pool Projection (Step-by-step user actions for typical workflows), p. 914 f.
- ECMS Catalogue of Messages and Credit Claim Files (Extracted from UDFS v1.3, 2023/05, in English)

Source: Deutsche Bundesbank

If you have any questions or wish to say something,

please use the chat function.

3. ECMS | Collateral Position

3.1 Marketable Asset Collateral (Overview, Menu Items “Marketable Asset Collateral“, Collateral Positions and Movements, (De)Mobilization, Cancellation of (De)Mobilization, Settlement, Test Set)

3.2 Cash Collateral (Overview, Menu Items "Cash Collateral", Cash Collateral in ECMS, Test Set)

3.3 Externally Managed Collateral (EMC), Fixed Term Deposit (FTD), Triparty Collateral (TPC) & Credit Claims (CC)(Overview, Menu Item "EMC, FTD, TPC & CC", EMC in ECMS, FTD in ECMS, TPC in ECMS & CC in ECMS)

3.4 Important Documents

3. Collateral Position

- The following types of collateral are included in the **collateral position (collateral)** of the counterparty pool:

Collateral Position (Collateral)		
1	Marketable Asset Collateral	Marketable collateral: Overview of the respective collateral value of the portfolios; collateral is shown separately depending on the submission type
2	Externally Managed Collateral	Externally managed collateral: Information on the collateral value of domestic credit claims submitted via the ExtraNet application MACCS
3	Cash Collateral	Cash collateral: In case of shortfall of the collateral account = margin call necessary
4	Fixed Term Deposit	Time deposits including accrued interest
5	Triparty Collateral	Triparty collateral: Management of collateral via a third party (Euroclear/Clearstream Banking AG), which is listed separately from marketable collateral in the counterparty pool
6	Credit Claims	Cross-border credit claims (via CCBM), mobilized via ECMS

1 3 6 = Positions where counterparty can actively place instructions.

2 4 5 = Positions that counterparties can only view in the counterparty pool (no instructions).

Source: Deutsche Bundesbank

3.1 Marketable Asset Collateral

Overview

Where?

- Module “Instructions and Positions”
  >> Instructions and Positions
    >> MA Instruction
    >> MA Settlement Instructions
    >> Client Marketable Asset Position
  >> Messages Monitoring

How?

- De)mobilization instructions and cancellation of these
- T2S Relocation

What?

- Domestic and cross-border import and delivery of marketable assets
- Monitoring of collateral positions of marketable assets

Special Features

- Correspondent Central Banking Model (CCBM)
- T2S-Autocollateralisation

- T2S Relocation, see Annex

Source: Deutsche Bundesbank

3.1 Marketable Asset Collateral

Menu Items „Marketable Asset Collateral“

- Modul Instructions and Positions (“MegaCustody”)
  - **Menu items „Marketable Asset Collateral“** (Main menu „Instructions and Positions“)

Relevant ECMS user roles:

- ECMS Entity U2A Marketable Asset (De)Mobilization (Execution & Read Only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral

Menu Items „Marketable Asset Collateral“

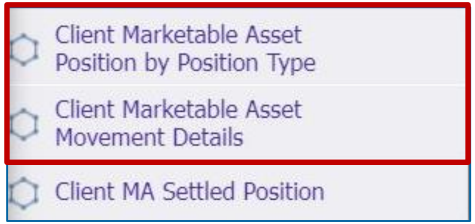
Main menu items	Submenu items	Description
Instructions and Positions	MA Instruction	▪ (De)mobilization instruction of securities (marketable assets = MA) by counterparties, NCBs or FCB, deletion of (de)mobilizations, manual update of a position.
	MA Settlement Instructions	▪ Settlement instruction of securities
	Client Marketable Asset Position	▪ Overview for NCBs of positions and movements of marketable assets in an ECMS Counterparty Asset Account or a Cross NCB Asset Account
	Messages Monitoring	▪ Information (view) about processed instructions (and editing, if necessary)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral

Menu Items „Client Marketable Asset Position“

- Modul Instructions and Positions (“MegaCustody”)
  - **Menu items „Client Marketable Asset Position“** (Main menu„Instructions and Positions“)



Relevant ECMS user roles :

- ECMS Entity U2A Marketable Asset (De)Mobilization (Execution & Read Only)
- ECMS Entity U2A Statements (Read Only)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral

Menu Items „Client Marketable Asset Position“

Menu item	Submenu item	Description
Client Marketable Asset Position	Client Marketable Asset Position by Position Type	▪ Display of Client Marketable Asset Positions (= the amount of a specific marketable security on a specific ECMS Counterparty Asset Account)
	Client Marketable Asset Movements	▪ Indication of increases or decreases in marketable collateral affecting a Client Marketable Asset Position.

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral — Collateral Positions and Movements

- A **Client Marketable Asset Position** represents the amount of a particular Marketable Collateral held in a particular **ECMS Counterparty Asset Account** at a particular time.
- A **Client Marketable Asset Movement** represents a movement of marketable collateral that has an impact on collateral positions.
- The **collateral value** of a position in an ECMS Counterparty Asset **Account is calculated at each collateral movement and after each revaluation** as part of the ex-post eligibility review and collateral valuation.
- Counterparties can view details of **Client Marketable Asset Positions and Movements**:
  - On **an ECMS Counterparty Asset Account** maintained by a **counterparty** on its books.
  - On a **Cross NCB Asset Account** maintained by a **funding NCB** on its books.

Source: ECMS UDFS v1.2, p. 297 ff., ECMS UHB CTPY v1.1, p. 215 ff.

Types of Collateral Positions

- The ECMS considers **three different types of positions**:

Actual Position	Provisional Position	Conservative Position
❿ Quantity of assets actually held at a given point in time. ❿ All movements actually settled are taken into account	❿ Forecasted quantity of assets at a given point in time. ❿ Actually settled and outstanding movements are taken into account	❿ Conservative quantity of assets held at a given point in time ❿ Takes into account actually settled and outstanding negative movements

* Accrued interest that is already part of the actual position is also part of the provisional and conservative position, while in the case of outstanding instructions, accrued interest is not part of the position.

Source: ECMS UHB CTPY v1.1, p. 215 ff., ECMS UDFS v1.2, p. 603 ff.

3.1 Marketable Asset Collateral

Increase of the Collateral Position

The following settlements in ECMS entail an increase in the collateral position:
▪ Mobilization of a marketable collateral
▪ Mobilization of a credit claim
▪ Increase of the Triparty Transaction Amount
▪ Mobilization of a term deposit
▪ Mobilization of cash collateral
▪ Mobilization of externally managed collateral
▪ Accrued interest from cash collateral and term deposits used as collateral (if interest rate is positive)
▪ Settlement of selected corporate actions such as conversion of securities and settlement of claims
▪ Relocation
▪ Performing ex-post reviews (eligibility, concentration limit, close links) and revaluation if the revaluation results in an increase in collateral value

- Increase process see annex

Source: ECMS UDFS v1.2, p. 607 ff.

3.1 Marketable Asset Collateral — Reduction of the Collateral Position

The following settlements in ECMS result in a reduction of the collateral position:

- Demobilization of a marketable collateral
- Demobilization of a credit claim
- Decrease of the Triparty Transaction Amount
- Demobilization of a term deposit
- Demobilization of cash collateral
- Demobilization externally managed collateral
- Accrued interest from cash collateral and term deposits used as collateral (if interest rate is negative)
- Settlement of selected corporate action events
- Performing ex-post reviews (eligibility, concentration limit, close links) and revaluation if the revaluation results in a reduction of the collateral value

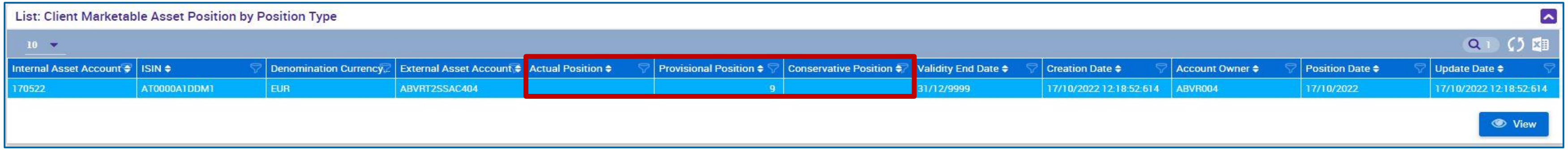
- Reduction process see annex

Source: ECMS UDFS v1.2, p. 610 ff.

3.1 Marketable Asset Collateral

Collateral Position Client MA (Look & Feel)

- Screens "List: Client Marketable Asset Position by Position Type" and "View: Client Marketable Asset Position by Position Type" for displaying search results or viewing a collateral position **in the ECMS Counterparty Asset Account or in the Cross NCB Asset Account**, respectively.
- Instructions and Positions >> Instructions and Positions >> Client Marketable Asset Position >> **Client Marketable Asset Position by Position Type** >> Enter an Internal Asset Account >> Click on Search Button >> Select Account >> Click on View Button

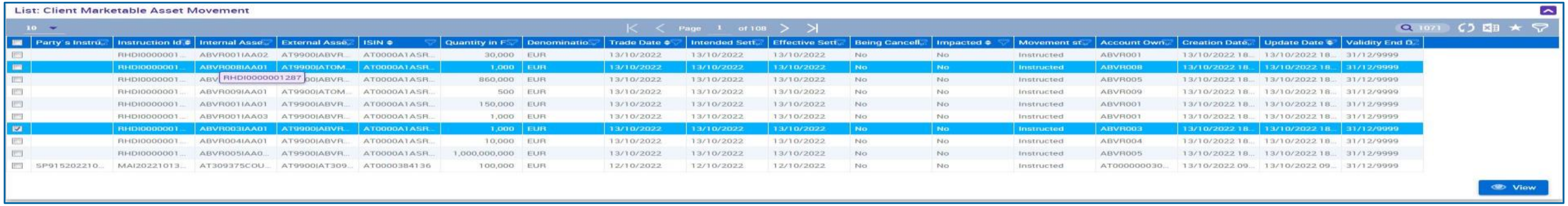


Source: ECMS UHB CTPY v1.1, p. 216 f.

3.1 Marketable Asset Collateral

Collateral Movement Client MA (Look & Feel)

- Screens "List: Client Marketable Asset Movement" and "View: Client Marketable Asset Movement" to display search results and view a collateral movement
- Instructions and Positions >> Instructions and Positions >> Client Marketable Asset Position >> **Client Marketable Asset Movement Details** >> Click on Search Button (after entering search criteria, if required) >> Select a collateral movement >> Click on View Button



List: Client Marketable Asset Movement

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	Party´s Instru…	Instruction Id	Internal Asse…	External Asse…	ISIN	Quantity in F…	Denominatio…	Trade Date	Intended Sett…	Effective Sett…	Being Cancell…	Impacted	Movement st…	Account Own…	Creation Date…	Update Date	Validity End D…
☐		RHDI0000001…	ABVR001IAA02	AT9900|ABVR…	AT0000A1ASR…	30,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR001	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR008IAA01	AT9900|ATOM…	AT0000A1ASR…	1,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR008	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABV RHDI0000001287	…00|ABVR…	AT0000A1ASR…	860,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR005	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR009IAA01	AT9900|ATOM…	AT0000A1ASR…	500	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR009	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR001IAA01	AT9900|ABVR…	AT0000A1ASR…	150,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR001	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR001IAA03	AT9900|ABVR…	AT0000A1ASR…	1,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR001	13/10/2022 18…	13/10/2022 18…	31/12/9999
☑		RHDI0000001…	ABVR003IAA01	AT9900|ABVR…	AT0000A1ASR…	1,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR003	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR004IAA01	AT9900|ABVR…	AT0000A1ASR…	10,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR004	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐		RHDI0000001…	ABVR005IAA0…	AT9900|ABVR…	AT0000A1ASR…	1,000,000,000	EUR	13/10/2022	13/10/2022	13/10/2022	No	No	Instructed	ABVR005	13/10/2022 18…	13/10/2022 18…	31/12/9999
☐	SP915202210…	MAI20221013…	AT309375COU…	AT9900|AT309…	AT0000384136	100,000	EUR	12/10/2022	12/10/2022	12/10/2022	No	No	Instructed	AT000000030…	13/10/2022 09…	13/10/2022 09…	31/12/9999

View

List: Client Marketable Asset Movement > View: Client Marketable Asset Movement

Movement status	Internal Asset Account	External Asset Account	Account Owner
Instructed	ABVR003IAA01	AT9900|ABVRT2SSAC003	ABVR003
ISIN	**Being Cancelled**	**Denomination Currency**	**Trade Date**
AT0000A1ASR4	No	EUR	13/10/2022
Impacted	**Party´s Instruction Reference**	**Effective Settlement date**	**Quantity in FAMT**
No		13/10/2022	1,000
Instruction Id	**Intended Settlement date**	**Validity End Date**	**Movement Origin**
RHDI0000001287	13/10/2022	31/12/9999	MEGACOR

Foot Print

Creation Date	Creation User id	Updater User id
13/10/2022 18:00:09:045	ATCBJobScheduler	ATCBJobScheduler
Update Date		
13/10/2022 18:00:09:045		

Source: ECMS UHB CTPY v1.1, p. 218 ff.

3.1 Marketable Asset Collateral — Menu Items „MA Instruction“

- Module Instructions and Positions (“MegaCustody”)
  - **Menu items „MA Instruction“** (Main menu „Instructions and Positions“ and „Message Monitoring“)

Relevant ECMS user roles:

- ECMS Entity U2A Marketable Asset (De)Mobilization (Execution & Read Only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral

Menu Items „MA Instruction“

Menu items	Submenu items	Description
MA Instruction	Monitor	▪ Display of (de)mobilization instructions (for counterparties of own instructions; for NCBs, instructions from counterparties and NCBs).
	Input Instruction	▪ Entering a (de)mobilization instruction
	Validation / Rejection	▪ Confirmation / rejection of (de)mobilization instructions(4-eyes mode).
	Edit / Validate - Draft Instruction	▪ Editing / release of (de)mobilization instructions in the draft.
Messages Monitoring	Cancellation Instructions	▪ View of Securities Transaction Cancellation Request messages received from counterparties and forwarded to T2S (sese.020)
	Instruction Status	▪ View of Securities Settlement Transaction Status Advice messages received from T2S and forwarded to counterparties (sese.024)
	Cancellation Status	▪ View of Securities Transaction Cancellation Request Status Advice messages received from T2S and forwarded to counterparties (sese.027)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral (De)Mobilization (1 / 2)

- **The processes for the receipt and delivery of marketable collateral can be triggered in both A2A and U2A modes**. For the settlement of instructions involving marketable assets**, ECMS communicates with T2S**.
- The **receipt process (= mobilization**) is started by the counterparties by transmitting the relevant instruction to ECMS.
- Once an instruction has passed the relevant technical validation checks, it is **transmitted by ECMS to T2S as a settlement instruction**.
- The **delivery process (= demobilization**) is also initiated by the counterparties. For this purpose, they transmit the corresponding instruction to ECMS.
- If the scheduled **settlement date is in the future**, the d**elivery is placed in a queue and only processed on the settlement date (and after a successful cover check**). This is to avoid a premature reduction in the value of the counterparty pool.
- The domestic **receipt and delivery** of marketable collateral (domestic) will continue to be handled via Bundesbank CBF account 7069 (BIC: MARKDEFFDIS).

Source: ECMS UHB CTPY v1.1, p. 180 ff., Deutsche Bundesbank

3.1 Marketable Asset Collateral (De)Mobilization (2 / 2)

- The ECMS ensures that only eligible marketable assets specified in the **ECB's List of Eligible Marketable Assets** can be submitted.
- Nevertheless, counterparties remain responsible for **submitting only eligible assets** and for complying with all applicable risk control measures and the rules for the use of eligible assets.
- If **marketable collateral loses its eligibility**, it will remain in the counterparty pool until delivery. However, the collateral value of this position is immediately **set to zero.**

Source: ECMS UHB CTPY v1.1, p. 180 ff.

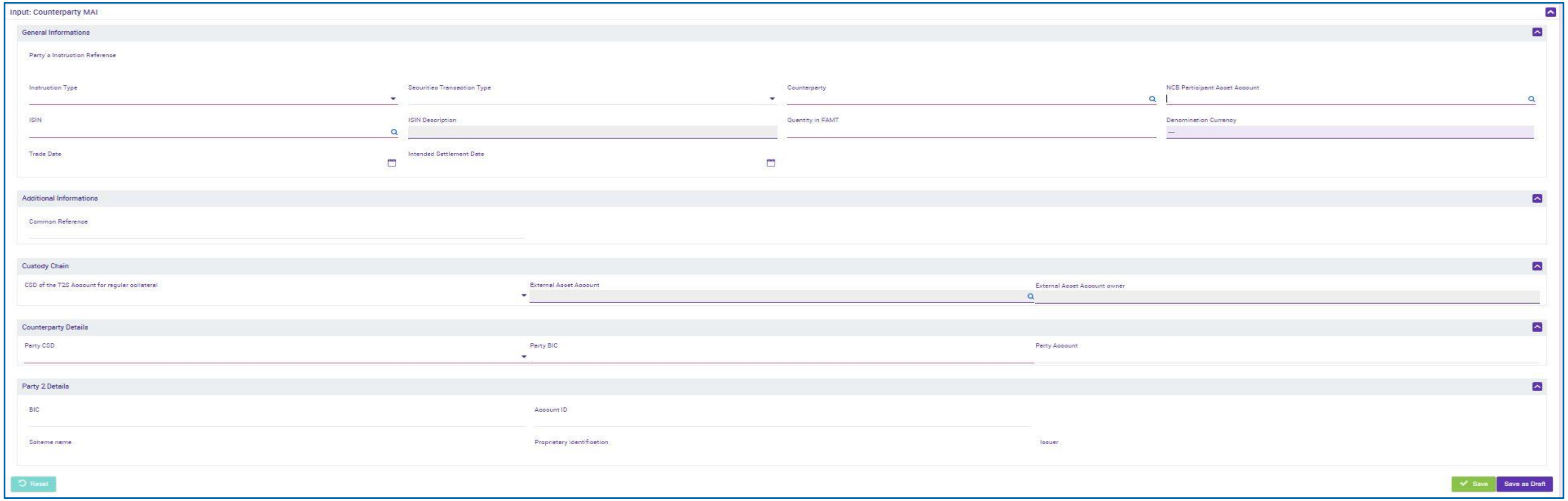
3.1 Marketable Asset Collateral (De)Mobilization (Validation)

- When a (de)mobilization instruction is created, the user is prompted to enter a **PIN code** as a digital signature. This ensures **non-repudiation of origin (NRO) for critical transactions**. Users must have the **Ascertia Go>Sign Desktop Client** installed on their workstation in order to use screens subject to digital signature in the ECMS via U2A.
- The ECMS stores the entered information and performs **business validations**. In the event of an error, the ECMS notifies the initiating party (status message) and provides information on the cause of the error (error codes). In the case of a **demobilization instruction**, the ECMS also checks whether **sufficient collateral** continues to be mobilized after the demobilization has been carried out.
- In **the 4-eyes principle**, the instruction must be confirmed / rejected by a second user.

Source: ECMS UDFS v1.2, p. 293 ff., ECMS UHB CTPY v1.1, p. 23

3.1 Marketable Asset Collateral (De)Mobilization (Look & Feel) (domestic and cross-border)

- Screen "Input Counterparty MAI" for the input and delivery of marketable assets (same input mask for domestic and cross-border)
- Instructions and Positions >> MA Instruction >> Input Instruction >> **Marketable Asset Instruction** >> Fill in the input fields >> Click on Save Button



Source: ECMS EAC 13.07.2023

3.1 Marketable Asset Collateral

Creating (De)Mobilization (1 / 2) (domestic and cross-border)

Attributes MA (De)Mobilization Instruction in ECMS	
Attribute name	**Description**
Party´s Instruction Reference	▪ Reference to the instruction issued by the client
Instruction Type	▪ Type of instruction with the possible values: ▪ DELI (Deliver): for delivery instruction. ▪ RECE (Receive): for receive instruction
Securities Transaction Type	▪ ISO 20022 code with the possible values: ▪ "OWNE" for External Account Transfer ▪ "OWNI" for Internal Account Transfer
Counterparty Id.	▪ Identifier of the counterparty (de)mobilizing the marketable security
ECMS Counterparty Asset Account Id.	▪ ID of the ECMS Counterparty Asset Account on which the security is (de)mobilized.
ISIN	▪ International Security Identification Number to identify the asset
ISIN Description	▪ ISIN description (set automatically by ECMS)
Quantity in FAMT	▪ Amount of assets to be (de)mobilized (nominal value)
Denomination Currency	▪ Nominal currency of the instruction (set automatically by ECMS = EUR)
Trade Date	▪ Date on which the trade is made
Intended Settlement Date	▪ Intended settlement date

Source: ECMS UDFS v1.2, p. 282 ff., ECMS UHB CTPY v1.1, p. 180 ff.

3.1 Marketable Asset Collateral

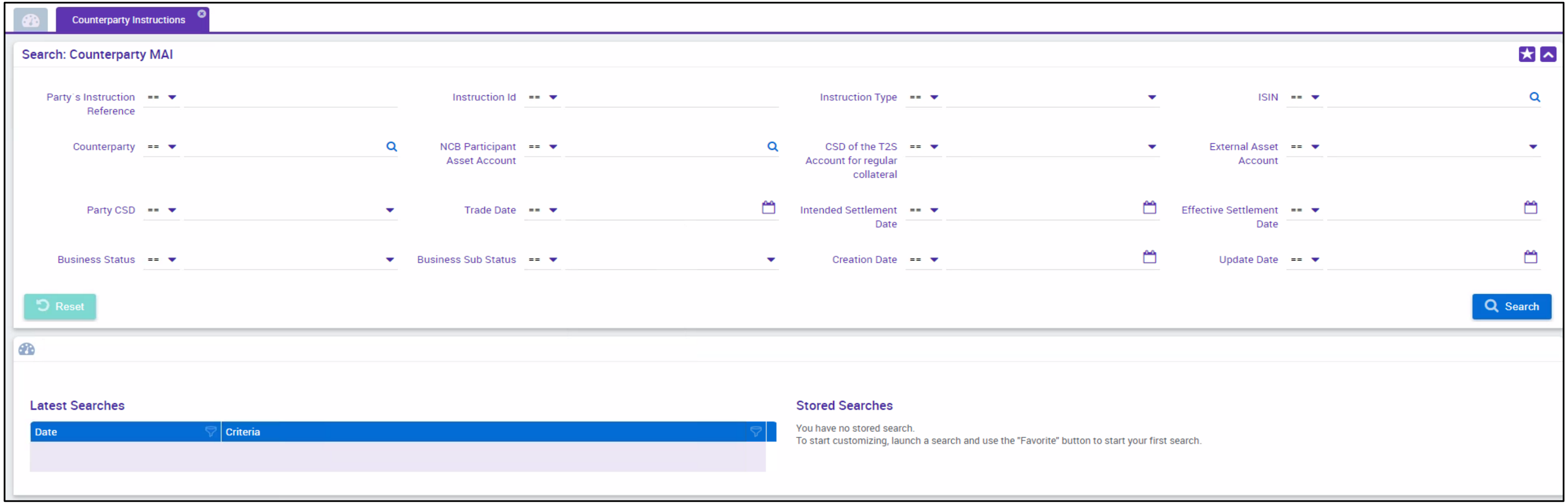
Creating (De)Mobilization (2 / 2) (domestic and cross-border)

Attributes MA (De)Mobilization Instruction in ECMS	
Attribute name	**Description**
Common Reference	▪ Common reference of the instruction
CSD of the T2S Account for regular Collateral	▪ Central Securities Depository ▪ where the asset is received (in a mobilization instruction) ▪ from where the asset is delivered (in a demobilization instruction)
External Asset Account	▪ Reference of the T2S account for regular collateral or the ECMS Cross NCB Asset Account.
External Asset Account Owner	▪ Owner of the External Asset Account (set automatically by ECMS after entering the External Asset Account).
Party CSD	▪ RIAD code of the Central Securities Depository of the ▪ Consigning Party (for mobilization) ▪ Receiving Party (for demobilization)
Party BIC	▪ BIC of the ▪ Receiving party (in case of mobilization) ▪ Receiving party (in case of demobilization)
BIC	▪ BIC of the further party
Account ID	▪ Account ID of the further party
Scheme Name	▪ System name of the further party
Proprietary Identification	▪ Ownership recognition of the further party

Source: ECMS UDFS v1.2, p. 282 ff., ECMS UHB CTPY v1.1, p. 180 ff.

3.1 Marketable Asset Collateral — Search and View of (De) Mobilization Instructions (Look & Feel)

- Screen "Search: Counterparty MAI" for searching and viewing delivery instructions.
- Instructions and Positions >> MA Instruction >> Monitor >> **Counterparty Instructions** >> Click on the Search Button (after entering search criteria if necessary).

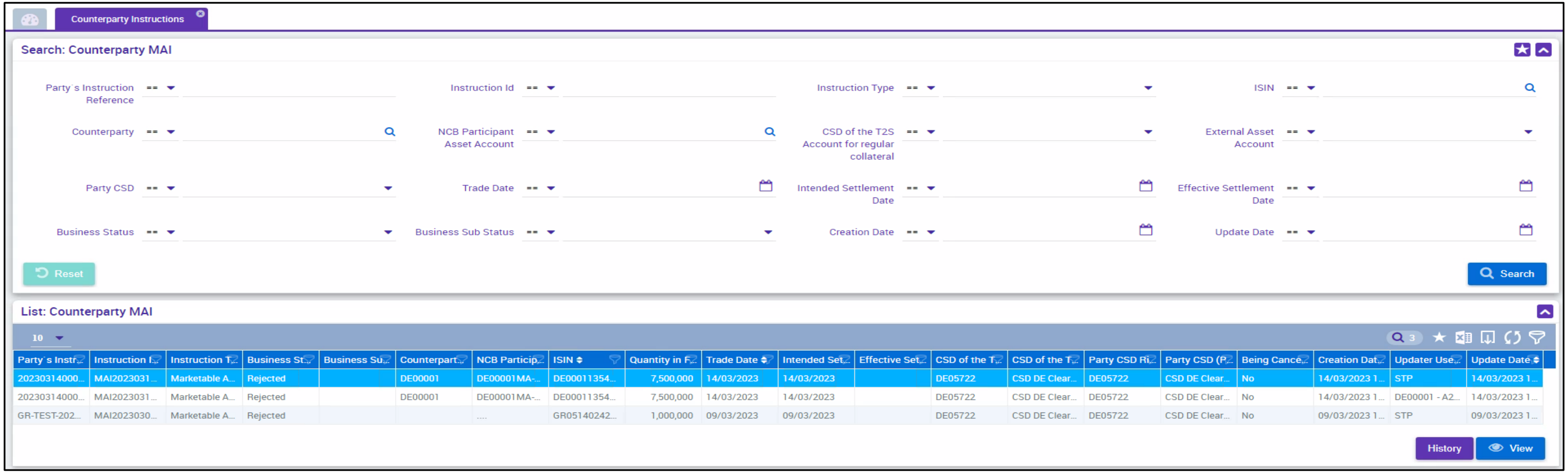


Source: ECMS UHB CTPY v1.1, p. 184

3.1 Marketable Asset Collateral

Viewing Changes /Details (De)Mobilization (Look & Feel)

- Screens "History: Counterparty MAI" and "View: Counterparty MAI" to review changes in the past and further details of delivery instructions.
- Instructions and Positions >> MA Instruction >> Monitor >> **Counterparty Instructions** >> Enter the search criteria >> Click on the Search Button (after entering search criteria if necessary) >> Select the search result in the List Screen >> Click on the History or View Button.



Party´s Instr...	Instruction I...	Instruction T...	Business St...	Business Su...	Counterpart...	NCB Particip...	ISIN	Quantity in F...	Trade Date	Intended Set...	Effective Set...	CSD of the T...	CSD of the T...	Party CSD Ri...	Party CSD (P...	Being Cance...	Creation Dat...	Updater Use...	Update Date
20230314000...	MAI2023031...	Marketable A...	Rejected		DE00001	DE00001MA-...	DE00011354...	7,500,000	14/03/2023	14/03/2023		DE05722	CSD DE Clear...	DE05722	CSD DE Clear...	No	14/03/2023 1...	STP	14/03/2023 1...
20230314000...	MAI2023031...	Marketable A...	Rejected		DE00001	DE00001MA-...	DE00011354...	7,500,000	14/03/2023	14/03/2023		DE05722	CSD DE Clear...	DE05722	CSD DE Clear...	No	14/03/2023 1...	DE00001 - A2...	14/03/2023 1...
GR-TEST-202...	MAI2023030...	Marketable A...	Rejected			....	GR05140242...	1,000,000	09/03/2023	09/03/2023		DE05722	CSD DE Clear...	DE05722	CSD DE Clear...	No	09/03/2023 1...	STP	09/03/2023 1...

Source: ECMS UHB CTPY v1.1, p. 184 ff.

3.1 Marketable Asset Collateral Cancellation of (De)Mobilization

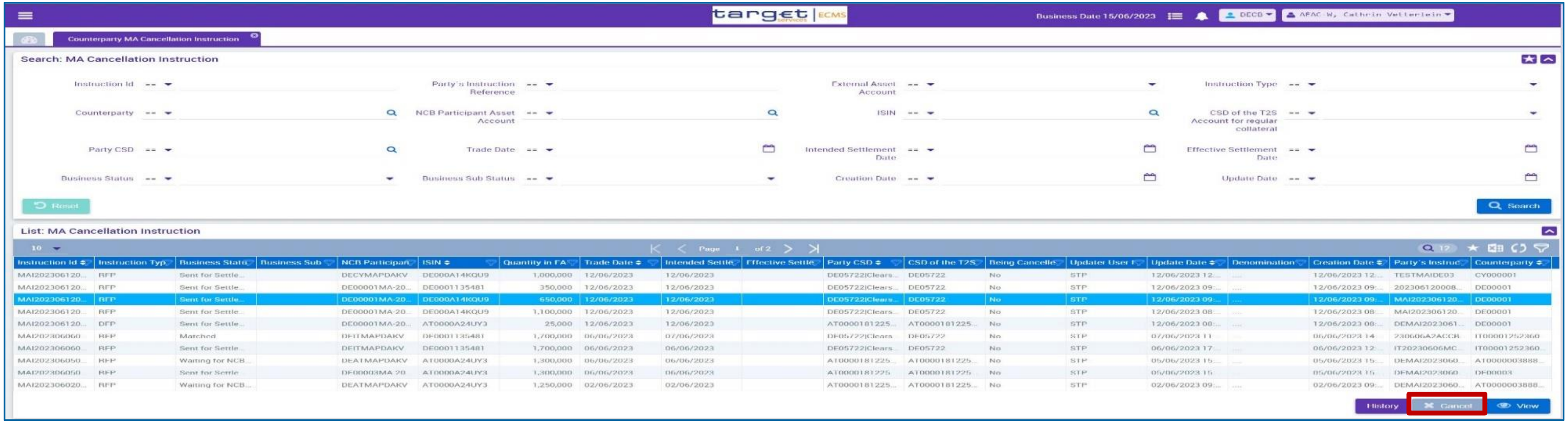
- **The cancellation of Marketable Asset (De)Mobilization (U2A/A2A**) aims to revoke a previously sent (De)Mobilization instruction by an instructing party, provided **the status** of the (De)Mobilization instruction allows for it.
- The counterparties can cancel delivery instructions in the ECMS as long as the instruction's status is not final, and the **settlement confirmation from T2S is still pending**.
- After a cancellation instruction for the mobilization of marketable assets successfully passes the **business validation** in the ECMS, it retrieves the (De)Mobilization instruction for marketable assets along with its **status information.**
- Depending on the current status of the Marketable Asset Mobilization Instruction, the ECMS may **either reject the cancellation** (for statuses "Confirmed," "Rejected," or "Cancelled"), **immediately cancel the instruction** (for status "**Validated" with sub-status "Waiting for global collateral position update"** or "**Waiting for NCB manual intervention**"), or send a **cancellation request to T2S** (for status "**Validated" without sub-status**) to cancel the underlying settlement instruction.

Source: ECMS UDFS v1.2, p. 349 ff.

3.1 Marketable Asset Collateral

Cancellation of (De)Mobilization (Look & Feel)

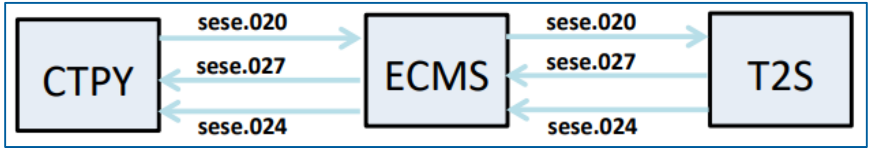
- Screen "List: MA Cancellation Instruction" for canceling a Marketable Asset (De)Mobilization instruction of a marketable collateral.
- Instructions and Positions >> MA Instruction >> Input Instruction >> C**ounterparty MA Cancellation Instruction** >> Click on the Search Button (after entering search criteria if necessary) >> Select the instruction to be canceled >> Click on the Cancel Button.



Source: ECMS EAC 15.06.2023

Cancellation Message Flow

- Cancellation of (De)Mobilizations of Marketable Assets from ECMS perspective:

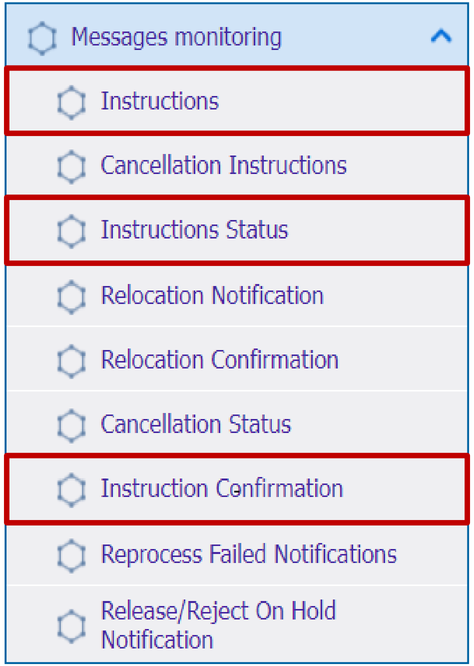


ISO message	ISO-Code	From	To
Securities Transaction Cancellation Request	sese.020	CTPY / ECMS	ECMS / T2S
Securities Transaction Cancellation Request Status Advice (Acknowledged / Accepted / Pending Cancellation / Rejected / Denied)	sese.027	T2S / ECMS	ECMS / CTPY
Securities Settlement Transaction Status Advice (Cancelled)	sese.024	T2S / ECMS	ECMS / CTPY

Source: ECMS Message Usage Guide, p. 37

3.1 Marketable Asset Collateral Menu Items „MA Settlement Instruction“

- Module Instructions and Positions (“MegaCustody”)
  - **Menu items „MA Settlement Instruction“** (Main menus „Instructions and Positions“ and „Message Monitoring“)



Relevant ECMS user roles:

- ECMS Entity U2A Marketable Asset (De)Mobilization (Execution & Read Only)

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral Menu Items „MA Settlement Instruction“

Menu item	Submenu items	Description
MA Settlement Instruction	Marketable Asset Settlement Instructions	▪ View of settlement instructions sent from ECMS to T2S
Messages Monitoring	Instructions	▪ View of Securities Settlement Transaction Instruction (sese.023) messages sent to T2S
	Instructions Status	▪ View of Securities Settlement Transaction Status Advice (sese.024) messages received from T2S and forwarded to the counterparties
	Instruction Confirmation	▪ View of Securities Settlement Transaction Confirmation (sese.025) messages received from T2S and forwarded to the counterparties

Source: ECMS EAC 20.04.2023

3.1 Marketable Asset Collateral — MA Settlement Instruction

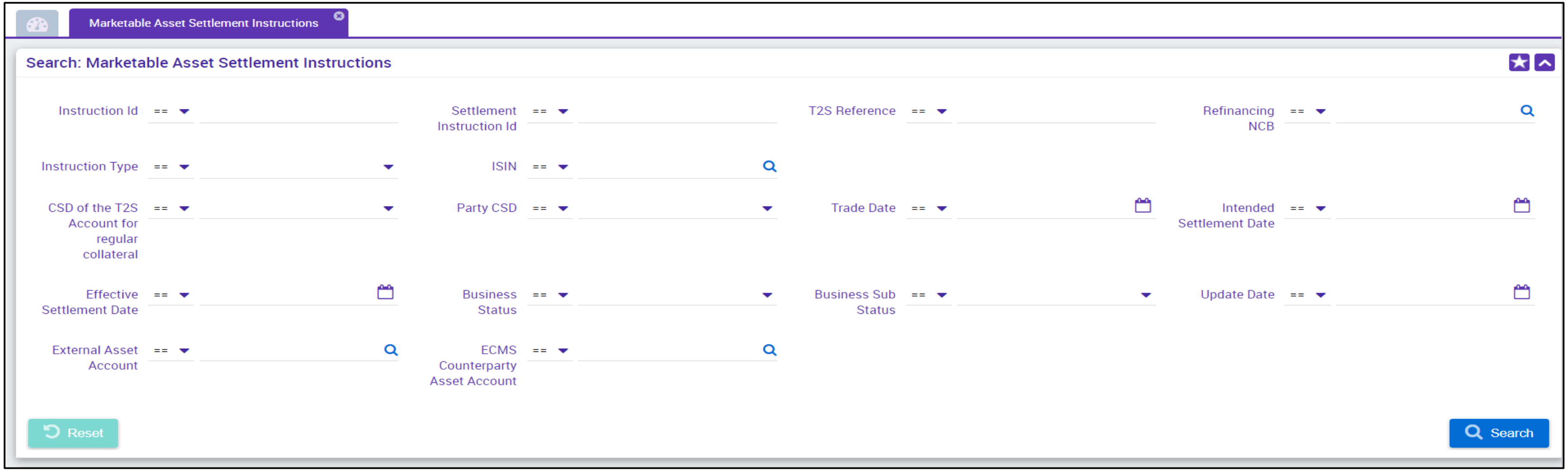
- The settlement process begins with an automatically generated **settlement instruction (Settlement Instruction) in the ECMS, which is sent to T2S**. The purpose of this instruction is to either receive the asset mobilized on a **T2S Securities Account of a NCB** or to **deliver the asset back to the counterparty** if it is being demobilized.
- Once **the business validations for the (De)Mobilization** instruction have been **successfully** completed in the ECMS (Status = Validated), the **ECMS automatically** sends the S**ettlement Instruction** to T2S.
- If the Settlement Instruction **is rejected or cancelled** by T2S, the ECMS will reverse the updates made by the Marketable Asset Instruction to the Provisional and Conservative Positions. If the instruction for marketable assets is a **mobilization, the ECMS will notify the involved ECMS actors** about the cancellation or rejection of the mobilization. If it is a **demobilization instruction, the ECMS will increas**e the available **collateral amount** in the Counterparty Pool and potentially increase the **Credit Line** in the Counterparty CLM MCA.

Source: ECMS UDFS v1.2, p. 316 ff., p. 332 ff.

3.1 Marketable Asset Collateral

Search and View of Settlement Instructions (Look & Feel)

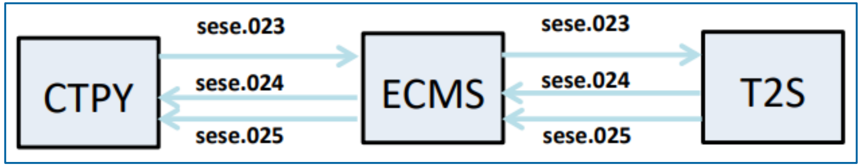
- Screen "Search: Marketable Asset Settlement Instruction" for searching and viewing settlement instructions
- Instructions and Positions >> MA Settlement Instructions >> **Marketable Asset Settlement Instructions** >> Click on the Search Button (after entering search criteria if necessary) >> Select the Settlement Instruction >> Click on the View Button.



Source: ECMS UHB CTPY v1.1, p. 207

Message Flow of (De)Mobilization Processing

- Settlement of (De)Mobilizations of Marketable Assets from ECMS perspective:



ISO message	ISO-Code	From	To
Securities Settlement Transaction Instruction	sese.023	CTPY / ECMS	ECMS / T2S
Securities Settlement Transaction Status Advice (Accepted / Rejected / Matched / Cancelled / ect.)	sese.024	T2S / ECMS	ECMS / CTPY
Securities Settlement Transaction Confirmation (Confirmed)	sese.025	T2S / ECMS	ECMS / CTPY

Source: ECMS Message Usage Guide, p. 35 f.

3.1 Marketable Asset Collateral

- Below is a table containing the mapping of test cases in ECMS to Marketable Asset Collateral:

Test case ID	Domain	Functionality	Description of the test case
ECMS_TC_CPTY_1	Collateral management	Marketable asset mobilization	Successful mobilization of marketable asset
ECMS_TC_CPTY_2	Collateral management	Cancellation of a marketable asset mobilization	Successful cancellation of mobilization of marketable asset
ECMS_TC_CPTY_3	Collateral management	Marketable asset demobilization	Successful demobilization of marketable asset
ECMS_TC_CPTY_4	Collateral management	Cancellation of a marketable asset demobilization	Successful cancellation of a demobilization of marketable asset

Source: ECMS UT Fundamental Test Cases, p. 10 ff.

3.2 Cash Collateral

Overview

Where?

- Module “Collateral and Credit”
  >> Collateral >> Cash Collateral
  >> Validation / Rejection >> Validate / Reject Cash Collateral
  >> Notification >> Counterparty Notifications >> Cash Collateral Notifications

How?

- Manual (De)Mobilization Instructions by Counterparties
- Automatic (De)Mobilization by ECMS

What?

- Collateralization with Cash Balance in the event of a Margin Call

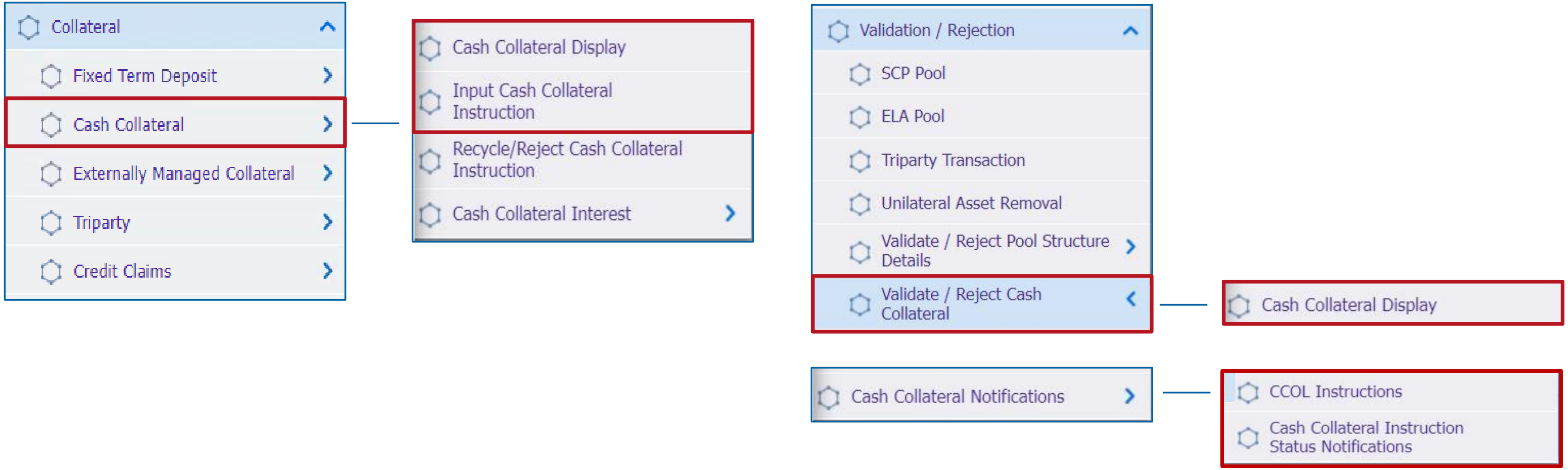
Special Features

- Conversion of Payments to Counterparties into Cash Collateral

Source: Deutsche Bundesbank

Menu Items „Cash Collateral“

- Module Collateral and Credit (MegaLend)
  - **Menu items „Cash Collateral“** (Main menus „Collateral“, „Validation / Rejection“ and „Notification“)



Relevant ECMS user roles:

- ECMS Entity – U2A Cash Collateral (Execution & Read Only)
- 4-Eyes (Execution) in connection to above role (Execution)

Source: ECMS EAC 21.06.2023

3.2 Cash Collateral

Menu Items „Cash Collateral“

Menu item	Submenu items	Description
Cash Collateral	Cash Collateral Display	▪ Display of Cash Collateral Instructions (manual and automatic)
	Input Cash Collateral Instruction	▪ Input of Cash Collateral Instructions by Counterparties or NZB Users
Validation / Rejection	Validate / Reject Cash Collateral	▪ Confirmation / Rejection of Instructions (Four-Eyes-Principle)
Cash Collateral Notifications	CCOL Instructions	▪ Display of Cash Collateral Instruction Messages
	Cash Collateral Instructions Status Notifications	▪ Viewing and Editing of Cash Collateral Status Messages

Source: ECMS EAC 20.04.2023

Cash Collateral in ECMS (1 / 2)

- In case of an **undercollateralization on the collateral account** (Margin Call), the counterparty has the option to manually submit **Cash Collateral** to address the deficit in U2A mode or as an A2A message.
- If the Margin Call is not addressed by 16:55 (4:55 PM) in the ECMS, the automatic delivery of Cash Collateral will be initiated.
- For the manual (De)Mobilization of Cash Collateral, the counterparty or the NZB user initiates a **Cash (De)mobilization Instruction** in U2A mode to the ECMS. In the (De)mobilization instruction, the amount does not need to be specified for A2A.
- The ECMS mobilizes (automatically) the available required amount or demobilizes the highest possible amount where no undercollateralization remains.
- n the case of a **Cash Mobilization**, the ECMS initiates payment instructions ("regular" or "connected payment") to the counterparty's primary MCA and the MCA of the BBk in the CLM. After confirmation by the CLM, the Cash Collateral amount in the collateral pool is increased in the ECMS.

Source: ECMS UDFS v1.2, p. 376 ff.

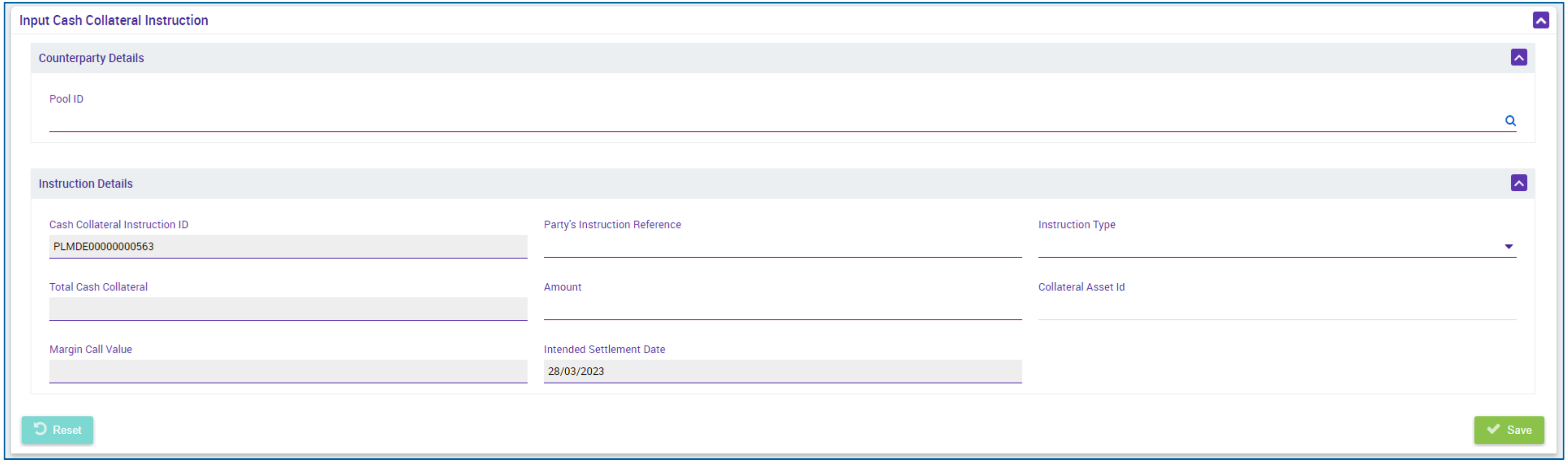
Cash Collateral in ECMS (2 / 2)

- A **Cash Demobilization Instruction** is generated by the ECMS only after verifying that there is sufficient collateral. It is the opposite process of mobilization. Demobilization can be executed as either a "regular" or "connected payment," depending on whether the reduction of the credit line is necessary when debiting the MCAs in the CLM.
- The **automatic demobilization** of Cash Collateral that is no longer required as collateral is directed to the **counterparty's primary MCA**.
- In both **automatic and manual demobilization via A2A, specifying the amount is not necessary**, as the ECMS will automatically deliver the available required amount or demobilize the highest possible amount where no undercollateralization remains.
- ECMS is designed to automatically deliver Cash Collateral as soon as the **collateral value** becomes **positive**.

Source: ECMS UDFS v1.2, p. 376 ff.

Cash Collateral (De)Mobilization(Look & Feel)

- Screen "Input Cash Collateral Instruction" for entering a delivery or receipt of a Cash Collateral Instruction.
- Cash Collateral Instructions >> Input Screen >> Collateral and Credit >> Collateral >> Cash Collateral >> **Input Cash Collateral Instruction** >> Fill in the input fields >> Click on the Save Button.



Source: ECMS CTPY UHB v1.1, p. 284

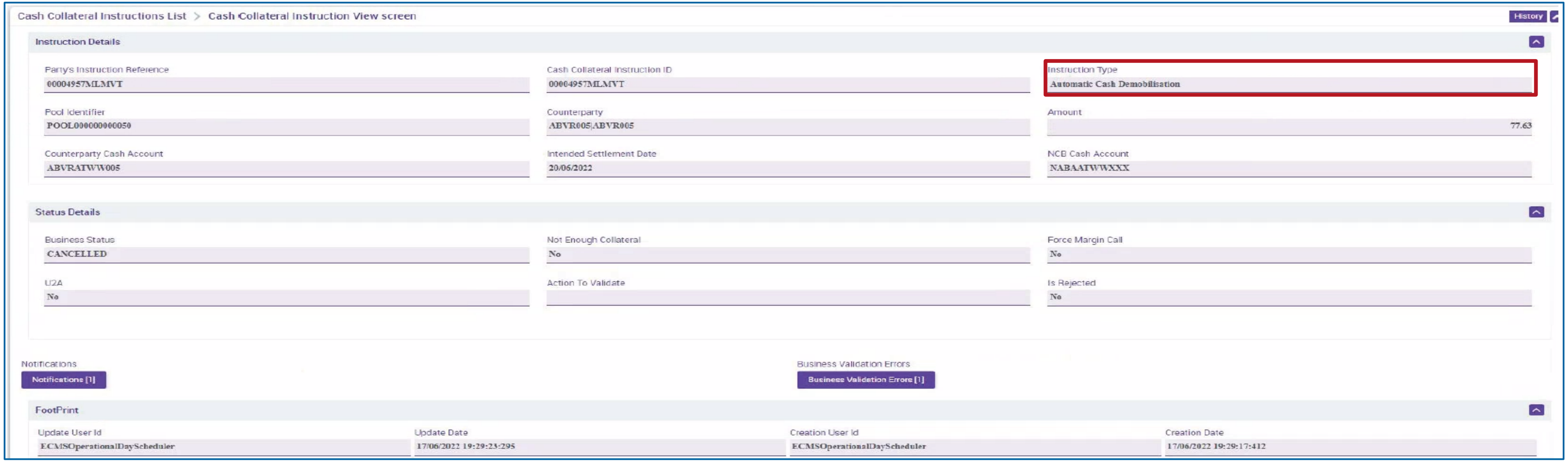
3.2 Cash Collateral (De)Mobilization Instruction (Functional Attributes)

Attributes Cash Collateral Instruction in ECMS	
Attribute name	**Description**
Pool Id.	▪ Identifier of the Counterparty Pool where cash collateral is (de)mobilized as security.
Cash Collateral Instruction Id.	▪ Unique identifier of the Cash Collateral Instruction (automatically set by ECMS)
Party´s Instruction Reference	▪ Identifier (assigned by the instructing party) for identifying the Cash Collateral Instruction.
Instruction Type	▪ Type of Cash Collateral Instruction with the possible values: ▪ Mobiliation of Cash Collateral ▪ Demobilization of Cash Collateral ▪ Conversion of Cash to Collateral (only selectable by NZB user)
Total Cash Collateral	▪ Total Collateral Value in the Counterparty Pool (automatically set by ECMS)
Amount	▪ Amount of the Cash Collateral Instruction in Euro
Collateral Asset ID	▪ Optional: Identifier for the Mobilization of Cash Collateral
Margin Call Value	▪ Amount of the Undercollateralization in Euro (automatically set by ECMS)
Intended Settlement Date	▪ Intended Settlement Date (automatically set by ECMS)

Source: ECMS UDFS v1.2, p. 378 f.

Cash Collateral Instruction (Look & Feel)

- Screen "Cash Collateral Instruction View Screen" for viewing details of a Cash Collateral Instruction.
- Collateral and Credit >> Collateral >> Cash Collateral >> **Cash Collateral Display** >> Click on the Search Button (after entering search criteria if necessary) >> Select the appropriate search result >> Click on the View Button.

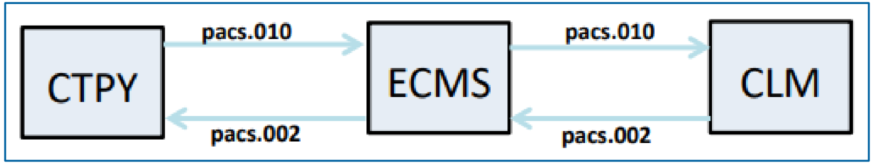


Source: ECMS CTPY UHB v1.1, p. 290

3.2 Cash Collateral

(De)Mobilization Cash Collateral (Message Flow)

- Settlement of (De)Mobilizations of Cash Collateral from ECMS Perspective:



ISO message	ISO-Code	From	To
Financial Institution Direct Debit	pacs.010	CTPY / ECMS	ECMS / CLM
FI To FI Payment Status Report (Accepted / Confirmed / Rejected)	pacs.002	CLM / ECMS	ECMS / CTPY

Source: ECMS Message Usage Guide, p. 30

Cash Collateral Instruction-Messages (Look & Feel)

- Screen "Search Result: Exposures Notification" for the list view of Cash Collateral Instruction messages (pacs.010).
- Collateral and Credit >> Notification >> Counterparty Notifications >> Cash Collateral Notifications >> **CCOL Instructions** >> Click on Search Button (after entering search criteria, if required)

Search Result : Exposures Notification

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Message Id	End-to-End Id	Instruction Id	Debtor	Instructing Age...	Creditor	Instructed Age...	Instruction Des...	Pool Id	Amount	Settlement Dat...	Notification Na...	Error Descriptio...	Notifications St...	Update Date	Updater User Id...	Currency
MSP912202207...	ESP9122022072...	ISP9122022072...	NABAATWWXXX	VKBLAT2LXXX	VKBLAT2LXXX	NABAATWWXXX	CCOL	CCOL/POOL000...	2,000,000	23/06/2021	Credit Transfer N...		Impacted	21/07/2022 11:0...	AT00000012764...	EUR
MSP912202207...	ESP9122022072...	ISP9122022072...	NABAATWWXXX	VKBLAT2LXXX	VKBLAT2LXXX	NABAATWWXXX	CCOL	CCOL/POOL000...	2,000,000	23/06/2021	Credit Transfer N...		Impacted	21/07/2022 10:5...	AT00000012764...	EUR
GR2906022010	GR2103J012	GR2103J010	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	ABVRATWW104	Mobilisation	CCOL/POOL000...	100	29/06/2022	Cash Debit Instr...		Impacted	29/06/2022 16:2...	ABVR104-A2A-C...	EUR
SP91120220615...	E9112022061502	I9112022061502	ABVRATWW005	NABAATWWXXX	NABAATWWXXX	ABVRATWW005	CCOL	CCOL/POOL000...	10	15/06/2022	Credit Transfer N...		Impacted	15/06/2022 15:4...	ABVR5-A2ACCOL	EUR
SP91120220615...	E9112022061501	I9112022061501	ABVRATWW005	NABAATWWXXX	NABAATWWXXX	ABVRATWW005	CCOL	CCOL/POOL000...	10	17/03/2022	Credit Transfer N...		Impacted	15/06/2022 14:5...	ABVR5-A2ACCOL	EUR
GR0606202201J	GR0606202202L	GR0606202202K	ABVRATWW104	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	CCOL	CCOL/POOL000...	200,000	06/06/2022	Credit Transfer N...		Impacted	06/06/2022 17:4...	ABVR104-A2A-C...	EUR
GR0606202203A	GR0606202202C	GR0606202202B	ABVRATWW104	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	CCOL	CCOL/POOL000...	100,000	06/06/2022	Credit Transfer N...		Impacted	06/06/2022 17:1...	ABVR104-A2A-C...	EUR
GR0606202202A	GR0606202201C	GR0606202201B	ABVRATWW104	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	CCOL	CCOL/POOL000...	100,000	06/06/2022	Credit Transfer N...		Impacted	06/06/2022 17:1...	ABVR104-A2A-C...	EUR
GR0606202201A	GR0606202201C	GR0606202201B	ABVRATWW104	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	CCOL	CCOL/POOL000...	100,000	06/06/2022	Credit Transfer N...		Impacted	06/06/2022 17:1...	ABVR104-A2A-C...	EUR
GRJ01	MNB04	XCV03	NABAATWWXXX	NABAATWWXXX	ABVRATWW104	ABVRATWW104	Mobilisation	CCOL/POOL000...	10	06/06/2022	Cash Debit Instr...		Impacted	06/06/2022 18:0...	ABVR104-A2A-C...	EUR

Download

Source: ECMS CTPY UHB v1.1, p. 295

Cash Collateral Status-Messages (Look & Feel)

- Screen "Cash Collateral Notification Status List" for the list view of Cash Collateral Status messages.
- Collateral and Credit >> Notification >> Counterparty Notifications >> Cash Collateral Notifications >> **CCOL Instruction Status Notifications** >> Click on Search Button (after entering search criteria, if required)

Cash Collateral Notification Status List

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	Message Reference	Cash Collateral Instruction ID	Instruction Type	Party's Instruction Reference	Notifications Status	Update Date	Update User Id	Creation Date	Creation User Id
☐	100706620	00004805MLMVT		00004805MLMVT	Processed	14/06/2022 04:47:23:741	STP	14/06/2022 04:47:20:341	STP
☑	89336620	00004610MLMVT		00004610MLMVT	Processed	09/06/2022 11:06:21:345	STP	09/06/2022 11:06:18:574	STP
☐	87926620	00004544MLMVT		00004544MLMVT	Processed	08/06/2022 11:06:42:740	STP	08/06/2022 11:06:40:553	STP
☐	58306620	00004350MLMVT		00004350MLMVT	Processed	24/05/2022 19:30:52:195	ECMSOperationalDayScheduler	24/05/2022 19:30:49:567	ECMSOperationalDayScheduler
☐	55766620	00004339MLMVT		00004339MLMVT	Processed	23/05/2022 19:30:52:370	ECMSOperationalDayScheduler	23/05/2022 19:30:49:820	ECMSOperationalDayScheduler
☐	53586620	00004328MLMVT		00004328MLMVT	Processed	20/05/2022 19:30:52:664	ECMSOperationalDayScheduler	20/05/2022 19:30:49:958	ECMSOperationalDayScheduler
☐	51946620	00004315MLMVT		00004315MLMVT	Processed	19/05/2022 19:42:29:223	ECMSOperationalDayScheduler	19/05/2022 19:42:26:729	ECMSOperationalDayScheduler
☐	43996620	00004253MLMVT		00004253MLMVT	Processed	18/05/2022 19:30:52:764	ECMSOperationalDayScheduler	18/05/2022 19:30:49:919	ECMSOperationalDayScheduler
☐	42156620	00004194MLMVT		00004194MLMVT	Processed	17/05/2022 19:25:52:871	ECMSOperationalDayScheduler	17/05/2022 19:25:50:254	ECMSOperationalDayScheduler
☐	38426620	00004172MLMVT		00004172MLMVT	Processed	16/05/2022 19:30:53:474	ECMSOperationalDayScheduler	16/05/2022 19:30:50:765	ECMSOperationalDayScheduler

Download | View Message | Delete | Edit | View

Source: ECMS CTPY UHB v1.1, p. 297

3.2 Cash Collateral

- Below is a table showing the mapping of test cases in ECMS to Cash Collateral for the customer testing phase:

Test case ID	Domain	Functionality	Description of the test case
ECMS_TC_CPTY_8	Collateral management	Cash collateral mobilization	Successful mobilization of cash initiated by the counterparty or by ECMS after a margin call
ECMS_TC_CPTY_9	Collateral management	Cash collateral demobilization	Successful demobilization of cash initiated by the counterparty or by ECMS as soon as there is sufficient collateral to cover the credit operation

Source: ECMS UT Fundamental Test Cases, p. 19 ff.

3.3 Externally Managed Collateral (EMC), Fixed Term Deposit (FTD), Triparty Collateral (TPC) & Credit Claims (CC)

Where?

- Module “Collateral and Credit”
  >> Pool Overview >> …
  >> Collateral >> Externally Managed Collateral
  >> Collateral >> Fixed Term Deposit
  >> Collateral >> Triparty
  >> Collateral >> Credit Claims
  >> Notification >> …

How?

- Display of EMC, FTD, TPC, and CC
- (De)Mobilization instructions for cross-border utilization of credit claims

What?

- View of EMC, FTD, TPC, and CC in the Counterparty Pool
- Cross-border delivery and receipt of credit claims

Special Features

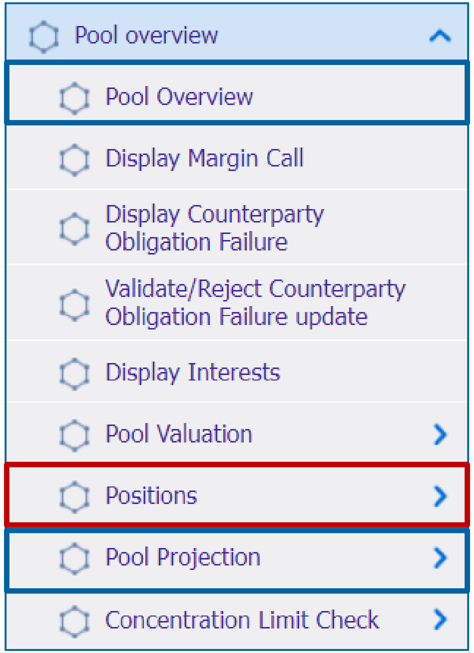
- EMC: Information from MACCS regarding domestic credit claims.
- FTD: Automatic display in ECMS after transaction processing.
- TPC: Utilization of the harmonized triparty model, including ISO 20022.
- CC: Cross-border utilization takes place in ECMS using the Correspondent Central Banking Model (CCBM).

Source: Deutsche Bundesbank

3.3 EMC, FTD, TPC & CC

Menu Items „EMC, FTD, TPC & CC” (Main Menu “Pool Overview”)

- Modul eCollateral and Credit (“MegaLend”)
  - **Menu items „EMC, FTD, TPC & CC”** (Main menu “Pool Overview”)



Menu item	Submenu items	Description
Positions	Display Credit Claim Position	▪ View Credit Claim Position Details
	FTD Position	▪ View FTD Position Details
	Display EMC Position	▪ View EMC Position Details

- Refer to Chapter 2

Relevant ECMS user role:

- ECMS Entity U2A Pool Position (Read Only)

Source: ECMS EAC 24.05.2023

3.3 Externally Managed Collateral (EMC)

EMC in ECMS

- **Credit claims** used in the **domestic process** (domestic credit claims) will continue to be processed by the German Bundesbank through **the national system MACCs**, as before.
- Counterparties who submit credit claims through the ExtraNet application MACCs can view information on the valuation of their submitted credit claims used as collateral in the ECMS **Counterparty Pool under the "Externally Managed Collateral" position**.
- **Key ECMS paths to Externally Managed Collateral** (refer to ECMS User Handbook Counterparties):
  - Collateral and Credit >> Pool Overview >> …
  - Collateral and Credit >> Collateral >> Externally Managed Collateral >> …

Source: Deutsche Bundesbank

3.3 Fixed Term Deposit (FTD)

- In ECMS, **Fixed Term Deposits** can be used as collateral. After the completion of a relevant transaction, a "**Fixed Term Deposit" position** is **automatically** generated in the **counterparty pool** of the counterparty within ECMS, representing the value of the Fixed Term Deposit.
- The value of this position (including accrued interest) is taken into account in the total available collateral. The accrued interest on Fixed Term Deposits is recalculated **daily at the beginning of each day.**
- **Key ECMS paths to Fixed Term Deposit** (refer to ECMS User Handbook Counterparties):
  - Collateral and Credit >> Pool Overview >> …
  - Collateral and Credit >> Collateral >> Fixed Term Deposit >> …

Source: Deutsche Bundesbank

3.3 Triparty Collateral (TPC)

- **Triparty collaterals** are listed separately from marketable collaterals. Eligible counterparties arrange for the management of these collaterals through a **Triparty Agent (TPA) certified** by the Eurosystem.
- In ECMS, only TPAs that have implemented the **harmonized Triparty model** (refer to SCoRE - Triparty Collateral Management: Single Collateral Management Rulebook for Europe) are allowed to operate. TPAs report the collaterals pledged by counterparties to the respective NCB (National Central Bank) to ECMS. The ECMS displays the valuation of collateral positions in the counterparty pool of the counterparty as the "**Total Triparty Collateral" position**.
- **Key ECMS paths to Triparty Collateral**
  (see ECMS User Handbook Counterparties):
  - Collateral and Credit >> Pool Overview >> …
  - Collateral and Credit >> Collateral >> Triparty >> …
  - Collateral and Credit >> Notification >> Triparty >> …

Source: Deutsche Bundesbank

3.3 Credit Claims (CC)

- Counterparties who wish to **mobilize cross-border** credit claims can utilize the **CCBM** procedure through the Credit Claims functionality of ECMS.
- The ECMS displays the equivalent value of cross-border credit claims in the **counterparty pool** of the counterparty under the **"Credit Claims" position** as **"Cross Border Credit Claim.“**
- **Key ECMS paths to Credit Claims** (see ECMS User Handbook Counterparties):
  - Collateral and Credit >> Pool Overview >> …
  - Collateral and Credit >> Collateral >> Credit Claims >> …

Source: Deutsche Bundesbank

3.4 Collateral Position Important Documents (1 / 2)

Public Information (in chronological order)

- Collateral Management Harmonisation (w.d. / without date)
- ECMS Info Pack – Handling Marketable Assets in the ECMS (2020/01, in English)
- ECMS Info Pack - Handling of Credit Claims (2020/01, in English)
- ECMS Info Pack - Handling of Triparty Collateral (2020/01, in English)
- ECMS Info Pack - Other Collateral handled in the ECMS (2020/01, in English)
- ECMS Message Usage Guide (v1.2.1, 2021/04, in English)
- SCoRE - Triparty Collateral Management: Single Collateral Management Rulebook for Europe (2021/06, in English)
- Status Codes in the ECMS (2021/07, in English)
- Business Description Document for the ECMS (v1.3, 2022/12, in English)
- ECMS Catalogue of Messages and Credit Claim Files (Extracted from UDFS v1.3, 2023/05, in English)
- ECMS User Testing - Fundamental Test Cases (2023/05, in English)

Source: Deutsche Bundesbank

3.4 Collateral Position Important Documents (2 / 2)

Public Information (in chronological order)

- ECMS User Handbook Counterparties, ECMS UHB CTPY v1.1 (2023/03, in English)
  - Chapter 3.2.1 Marketable Asset Instruction (Detailed information about all screens), p. 180 ff.
  - Chapter 3.3.2.1 Cash as Collateral (Detailed information about all screens), p. 284 ff.
  - Chapter 3.3.2.2 Externally Managed Collateral and Impacts (Detailed information about all screens), p. 308 ff.
  - Chapter 3.3.3.2.4 Open Market Operation - Fixed Term Deposit: FTD (Detailed information about all screens), p. 336 ff.
  - Chapter 3.3.5 Credit Claims (Detailed information about all screens), p. 413 ff.
  - Chapter 3.5.1 Pool Position (Detailed information about all screens), p. 789 ff.
  - Chapter 3.7 Triparty (Detailed information about all screens), p. 510 ff.
  - Chapter 4.4.1 Marketable Asset Instructions and Positions (Step-by-step user actions for typical workflows), p. 879 ff.
  - Chapter 4.4.2 Cash Collateral Instructions and Positions (Step-by-step user actions for typical workflows), p. 883 ff.
  - Chapter 4.4.3 Credit Claims (Step-by-step user actions for typical workflows), p. 887 ff.
  - Chapter 4.4.4 Triparty (Step-by-step user actions for typical workflows), p. 892 ff.
  - Chapter 4.8.1 Pool Position (Step-by-step user actions for typical workflows), p. 913 f.

Source: Deutsche Bundesbank

If you have any questions or wish to say something, please use the chat function.

4. ECMS | Credit Position

4.1 Credit Freezing
(Overview, Menu Items "Credit Freezing", Credit Freezing in ECMS)

4.2 Open Market Operations
(Overview, Menu Items "Open Market Operations", OMO in ECMS, Test Sets)

4.3 Marginal Lending Facility
(Overview, Menu Items "Standing Facilities", Marginal Lending Facility in ECMS, Test Sets)

4.4 Credit Line
(Overview, Menu Items "Credit Line", Credit Line in ECMS, Test Sets)

4.5 Margin Call
(Overview, Menu Items "Margin Call", Margin Call in ECMS)

4.6 Important Documents

4. Credit Position

- The following types of credit transactions are taken into account in the **credit position (exposure/use)** of the Counterparty Pool:

Credit position (Exposure / Utilization)		
1	Credit Freezing	Credit Freezing: Blocking of collateral, i.e., not considered for calculating collateral value.
2	Open Market Operations	Open Market Operations (OMO): Information about liquidity-providing, temporary transactions (Euro / Non-Euro), bids can be submitted through the local BBk application OMTOS.
3	Marginal Lending Facility	Marginal Lending Facility: Application and automatic overnight credit, including accrued interest.
4	Credit Line	Credit Line: If available, for intraday credits on CLM MCA.

- Additionally, in the management of the credit position, the Margin Call function should be mentioned (in case of an under-collateralization).

1 2 3 4 = Positions in which counterparties can actively initiate instructions.

Source: Deutsche Bundesbank

4.1 Credit Freezing

Overview

Where?

- Module “Collateral and Credit” >> Exposure >> Credit Freezing >> Notification >> Credit Freezing Notifications

How?

- Creation, processing, and viewing of Credit Freezing (not considered for calculating collateral value in the counterparty pool).

What?

- Blocking of collateral (Credit Freezing)

Special Features

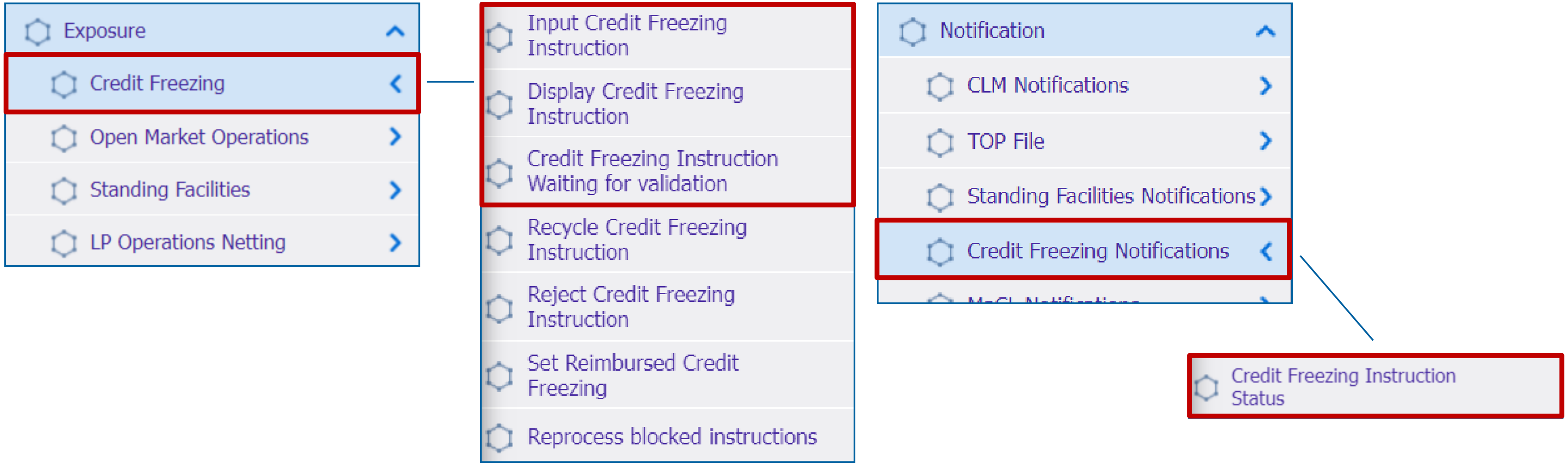
- Creation of Credit Freezing at the Deutsche Bundesbank (BBk) during normal operations is only done by NCB (National Central Bank) users.
- For the Enhanced Contingency Solution (ECONS II) where CLM(Central Liquidity Management) is not available, Credit Freezing can only be created by counterparties.

Source: Deutsche Bundesbank

4.1 Credit Freezing

Menu Items „Credit Freezing“

- Module Collateral and Credit (“MegaLend”)
  - **Menu items „Credit Freezing“** (Main menus „Exposure” & „Notification”)



Relevant ECMS user roles:

- ECMS Entity U2A Credit Freezing (Execution & Read Only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 13.06.2023

4.1 Credit Freezing

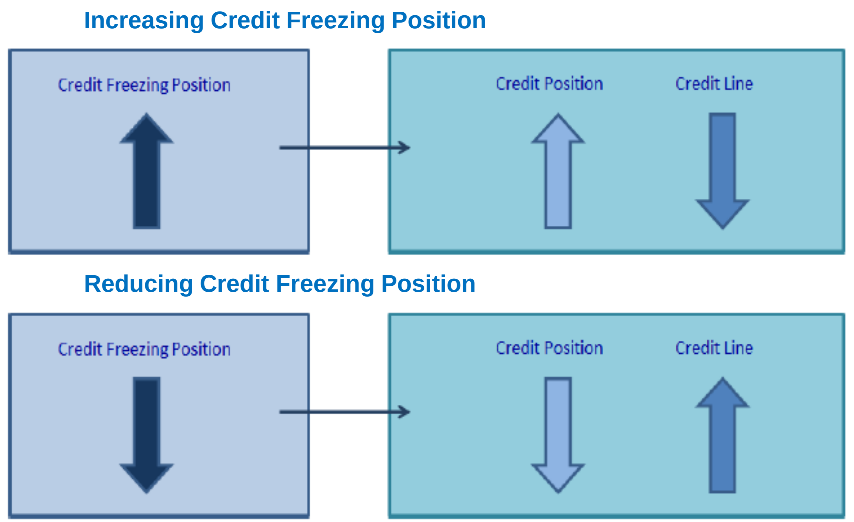
Menu Items „Credit Freezing“

Menu item	Submenu items	Descriptions
Credit Freezing	Input Credit Freezing Instruction	▪ Creation of Credit Freezing Instructions
	Display Credit Freezing Instruction	▪ View on Credit Freezing Instructions
	Credit Freezing Instruction Waiting for Validation	▪ Confirmation / Rejection of Credit Freezing Instructions (4-eyes principle)
Credit Freezing Notifications	Credit Freezing Instruction Status	▪ Viewing (status) information of processed Credit Freezing Instructions (and possibly processing).

Source: ECMS EAC 13.06.2023

4.1 Credit Freezing — Credit Freezing in ECMS (Basic Concept) (1 / 2)

- During **Credit Freezing**, a specific amount of collateral value in the counterparty pool is reserved for a specific purpose, which is then deducted when calculating the available excess collateral (= free collateral value) in ECMS.
- The **Credit Freezing Types** are predefined by the Eurosystem and assigned by the NCB (National Central Bank) user for each counterparty or counterparty pool. If the **instructed Credit Freezing Type** is **not allowed** for the counterparties, ECMS will reject the instruction.
- At the Deutsche Bundesbank (BBk), **counterparties** can only instruct Credit Freezings for the **contingency case** (ECONS II = CLM not available) in ECMS. The creation of Credit Freezings for **normal operations** is exclusively reserved **for NCB users.**
- **Increasing** or **decreasing** a Credit Freezing position via **Credit Freezing Instruction** can be requested both in U2A mode and as A2A messages (daily until 17:45 CET).



- When a Credit Freezing Instruction is successfully processed in ECMS, it affects the Credit Freezing Position and, consequently, the Credit Position, as well as the Credit Line (if a Credit Line has been defined for the pool*).

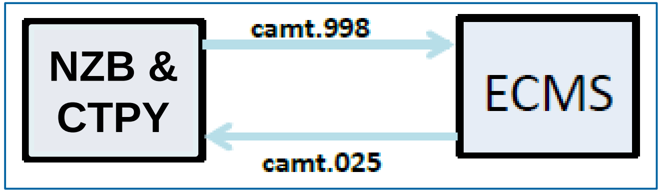
* Please note that only one counterparty pool can be linked to a Credit Line.

Source: Business Description Document for the ECMS, p. 19, ECMS Info Pack - Credit Freezing

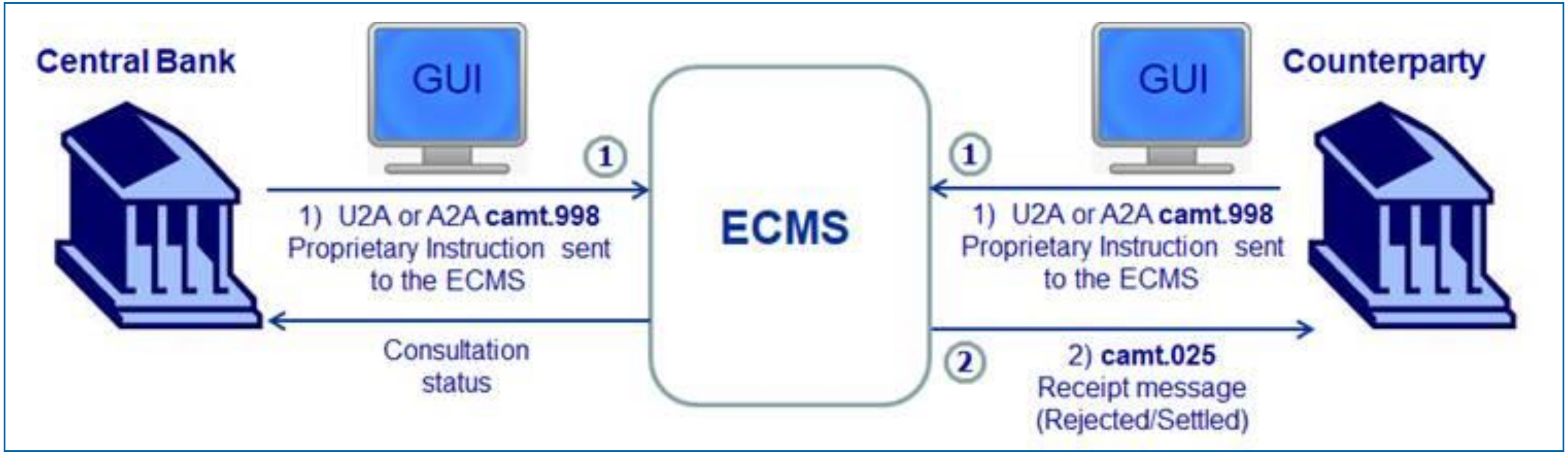
4.1 Credit Freezing

Credit Freezing in ECMS (Message Flow) (2 / 2)

- Updating a Credit Freezing from ECMS perspective:



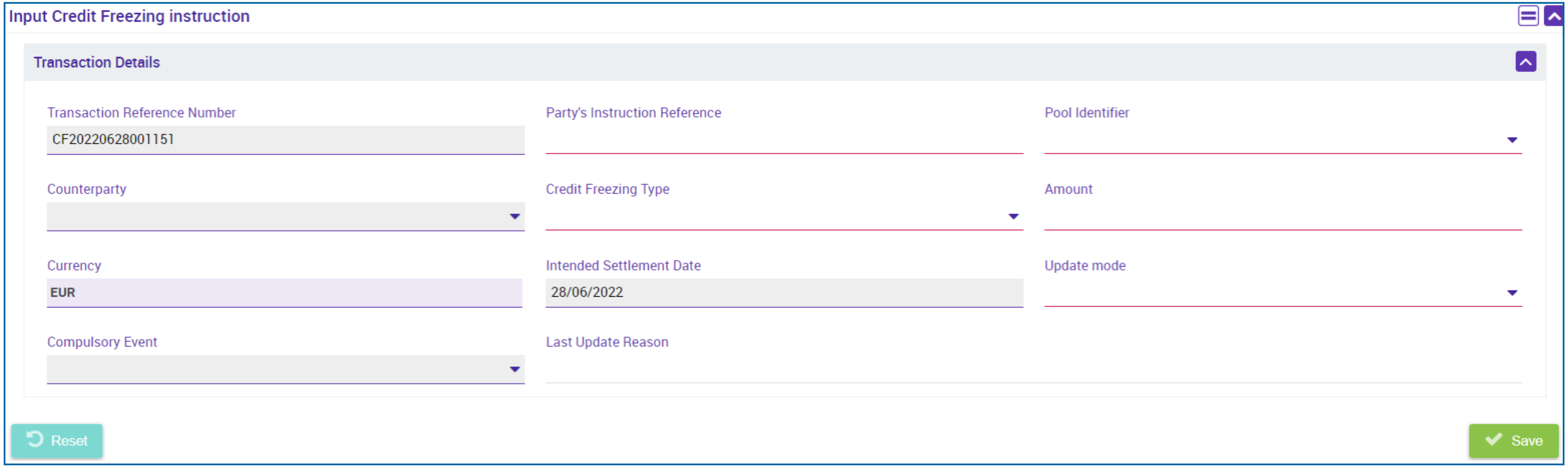
ISO message	ISO-Code	From	To
CreditFreezingUpdate (Create / Remove or Update)	camt.998	NZB & CTPY	ECMS
Receipt (Settled / Rejected)	camt.025	ECMS	NZB & CTPY



Source: ECMS Message Usage Guide, p. 33 f.,
ECMS UDFS v1.2, p. 637

4.1 Credit Freezing — Creating Credit Freezing Instruction (Look & Feel)

- Screen "Input Credit Freezing Instruction" for creating a Credit Freezing Instruction
- Collateral and Credit >> Exposure >> Credit Freezing >> **Input Credit Freezing Instruction**



Source: ECMS UHB CTPY v1.1, p. 378

Creating Credit Freezing Instruction (Functional Attributes)

Attributes Credit Freezing Instruction in ECMS	
Attribute name	**Description**
Transaction Reference Number	▪ Identifier (assigned by ECMS) for the identification of the Credit Freezing Instruction.
Party´s Instruction Reference	▪ Identifier (assigned by the instructing party) for the identification of the Credit Freezing Instruction.
Pool Identifier	▪ Identifier of the counterparty pool for which the Credit Freezing is being instructed.
Counterparty	▪ RIAD code of the counterparty (automatically set according to the Pool Identifier).
Credit Freezing Type	▪ Credit Freezing Type (predefined by the Eurosystem and previously assigned by the NCB user for each counterparty or counterparty pool).
Amount	▪ Amount of the Credit Freezing Instruction in Euro.
Intended Settlement Date	▪ Current ECMS business day (automatically set by ECMS).
Currency	▪ Currency of the Credit Freezing Instruction (Default: EUR).
Update Mode	▪ DELTA or CANCEL AND REPLACE (regarding the previous Credit Freezing Position).
Compulsory Event	▪ Yes / No (= Mandatory reduction of the Credit Line, automatically set by ECMS based on the Credit Freezing Type).
Last Update Reason	▪ Optional: Reason for the last update (free text).

Source: ECMS UDFS v1.2, p. 631 f., ECMS UHB CTPY v1.1, p. 378

4.1 Credit Freezing View Credit Freezing Instruction (Look & Feel)

- Screen "Search Result: Credit Freezing" for displaying the search results for Credit Freezing Instructions
- Collateral and Credit >> Exposure >> Credit Freezing >> **Display Credit Freezing Instruction** >> Click on Search Button (after entering search criteria, if necessary)

Search Result : Credit Freezing

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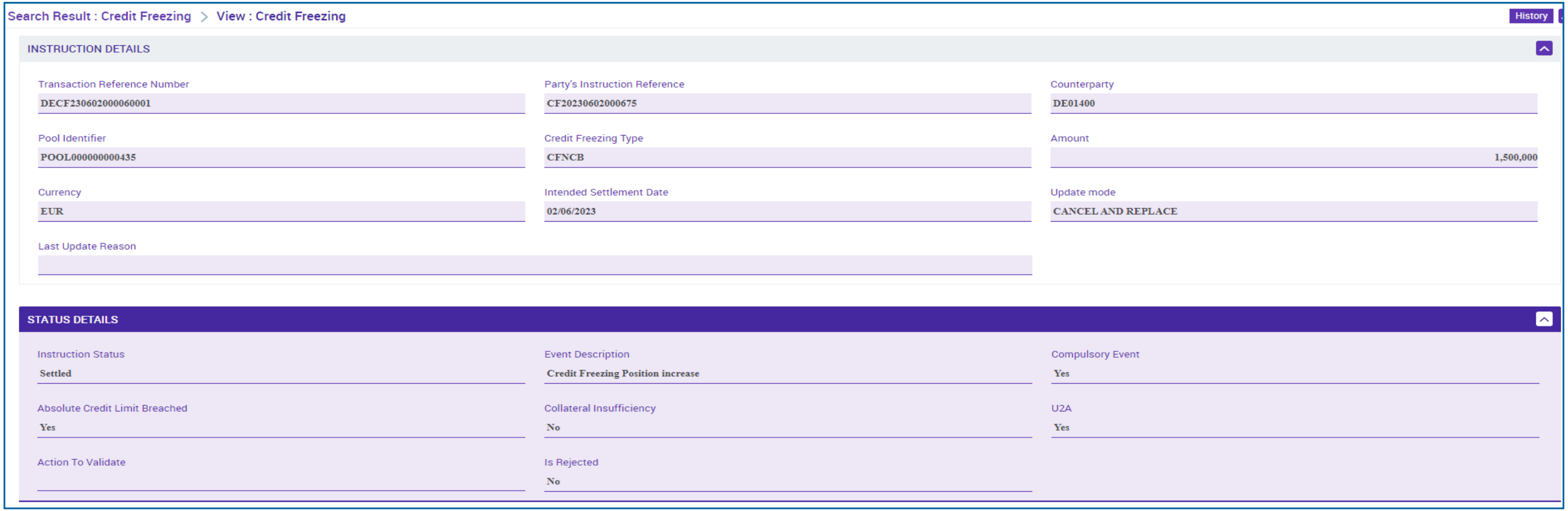
Transaction R...	Party's Instruc...	Pool Identifier	Counterparty	Credit Freezin...	Amount	Currency	Intended Settl...	Update mode	Compulsory E...	U2A	Instruction St...	Update Date	Update User I...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	0	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	80,000,000	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	0	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	20,000,000	EUR	16/06/2022	DELTA	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	20,000,000	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	0	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	0	EUR	16/06/2022	CANCEL AND R...	No	Yes	Rejected	16/06/2022 15:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	25,000,000	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 14:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	0	EUR	17/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 12:...	ECMS OPERAT...
CF2022061600...	CF2022061600...	POOL00000000...	FR18129	CPTY	20,000,000	EUR	16/06/2022	CANCEL AND R...	No	Yes	Settled	16/06/2022 12:...	ECMS OPERAT...

History View

Source: ECMS UHB CTPY v1.1, p. 381, ECMS EAC 13.06.2023

4.1 Credit Freezing View Credit Freezing Instruction (Look & Feel)

- Screen "View: Credit Freezing" for the detailed view of a Credit Freezing Instruction
- Collateral and Credit >> Exposure >> Credit Freezing >> **Display Credit Freezing Instruction** >> Click on Search Button (after entering search criteria, if necessary) >> Select Credit Freezing Instruction >> Click on View Button.



Source: ECMS EAC 13.06.2023

4.1 Credit Freezing Credit Freezing Status Notification (Look & Feel)

- Screen "Search Result: Credit Freezing Instruction Status Notification" for displaying (and potentially processing) information about processed Credit Freezing Instructions.
- Collateral and Credit >> Notification >> Credit Freezing Notifications >> **Credit Freezing Instruction Status** >> Click on Search Button (after entering search criteria, if necessary).

Search Result : Credit Freezing Instruction Status Notification

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	Message Id	Pool Identifier	Credit Freezing Type	Amount	Value Date	Mode	Direction	Notifications Status	Update User Id	Update Date
	139516620	POOL000000000204		50000000	08/07/2022	DELTA	Out	Processed	STP	08/07/2022 16:22:58:4...
	139456620	POOL000000000144		100000000	08/07/2022	CANCEL AND REPLACE	Out	Processed	ECMS OPERATOR 1	08/07/2022 15:33:55:0...
	139446620	POOL000000000144		-65000000	08/07/2022	DELTA	Out	Processed	ECMS OPERATOR 1	08/07/2022 15:22:48:3...
	139426620	POOL000000000204	CPTY	54000000	08/07/2022	Delta	Out	Processed	STP	08/07/2022 14:22:36:1...
	139396620	POOL000000000204	CPTY	0	08/07/2022	CancelAndReplace	Out	Processed	STP	08/07/2022 14:17:29:1...
	139326620	POOL000000000204	CPTY	54000000	08/07/2022	CancelAndReplace	Out	Processed	STP	08/07/2022 12:37:44:5...
	138156620	POOL000000000204	DISC	1000000	08/07/2022	Delta	Out	Processed	STP	07/07/2022 20:24:43:3...
	ADDRESSCACHE05	POOL000000000204	DISC	1000000	08/07/2022	INCR	In	Impacted	FRCB-A2A-02	07/07/2022 20:24:24:1...
	138126620	POOL000000000204	DISC	1000000	08/07/2022	Delta	Out	Processed	STP	07/07/2022 20:22:33:3...
	ADDRESSCACHE01	POOL000000000204	DISC	1000000	08/07/2022	INCR	In	Impacted	FRCB-A2A-02	07/07/2022 20:22:03:9...

Download Edit

Source: ECMS UHB CTPY v1.1, p. 388, ECMS EAC 13.06.2023

4.2 Open Market Operations (OMO)

Where?

- Modul "Collateral and Credit"
  >> Exposure >> Open Market Operations
  >> Exposure >> LP Operations Netting

How?

- Display and search of Open Market Instructions and cumulative interest rates.
- Display and search of existing netting results.

What?

- Monitoring of existing Open Market Operations.

Special Features

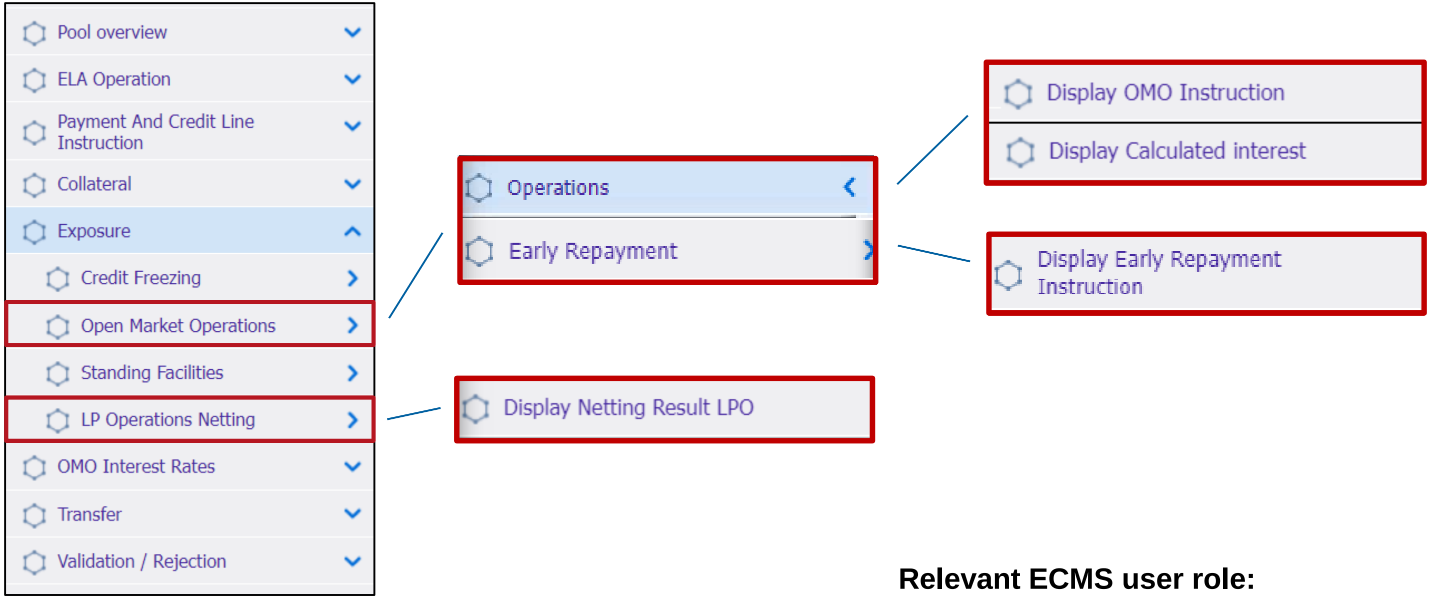
- Bids for Open Market Operations can be submitted through the OMTOS application.

Source: Deutsche Bundesbank

4.2 Open Market Operations (OMO)

Menu Item „Open Market Operations“

- Module „Collateral and Credit“ (MegaLend)
  - **Menu item „Open Market Operations“** (Main menu „Exposure“)



Relevant ECMS user role:

- ECMS Entity - U2A Open Market Operations (Read Only)

Source: ECMS EAC 24.05.2023

4.2 Open Market Operations (OMO)

Menu Item „Open Market Operations“

Menu item	Submenu items	Description
Open Market Operations	Operations	▪ Search and display of existing Open Market Operations and calculated interest rates.
	Early Repayment	▪ Search and display of instructions in case of early repayment.
LP Operations Netting	Display Netting Result LPO	▪ Search and display of existing netting results.

Source: ECMS EAC 13.07.2023

4.2 Open Market Operations (OMO)

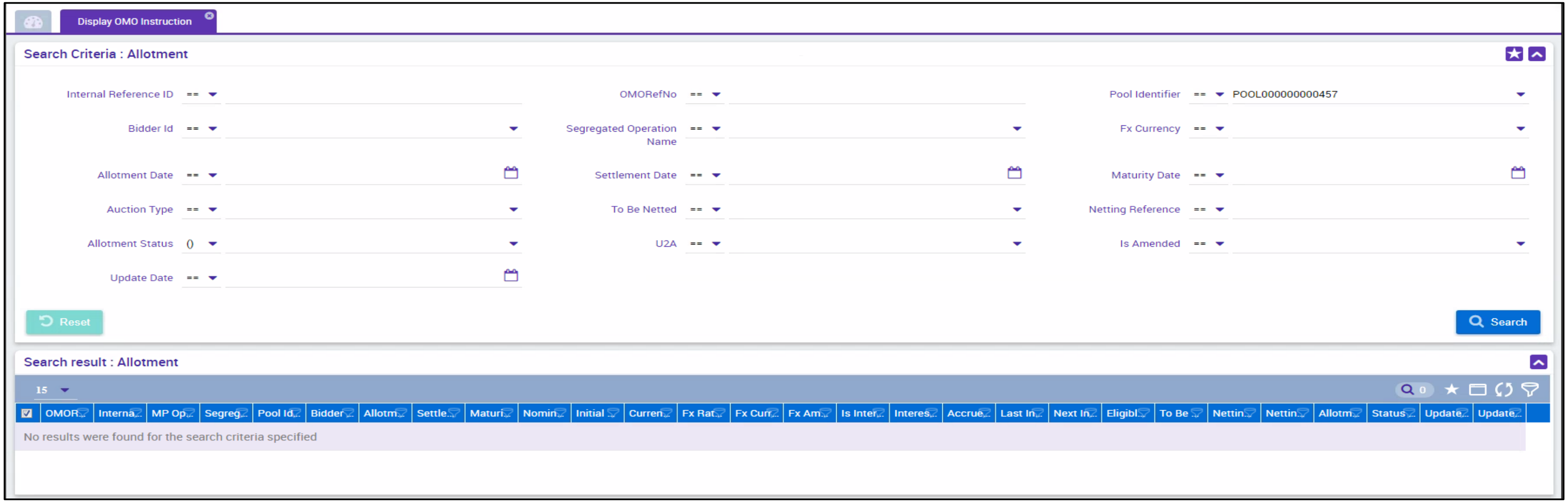
- n ECMS, counterparties can access information about **liquidity-providing temporary transactions in EUR and foreign currency**.
- It should be noted that bids from counterparties are submitted through the l**ocal BBk application, OMTOS**.
- ECMS receives the allocation results of Open Market Operations from the Eurosystem's applications and **sends corresponding payment instructions** to the designated **primary MCA** of the counterparties.
- On the maturity date, ECMS performs **the coverage check** and **automatically** forwards the payments **to the CLM** for outstanding amounts and interest.
- Early repayments are also processed through ECMS.

Source: Deutsche Bundesbank

4.2 Open Market Operations (OMO)

View OMO (Look & Feel)

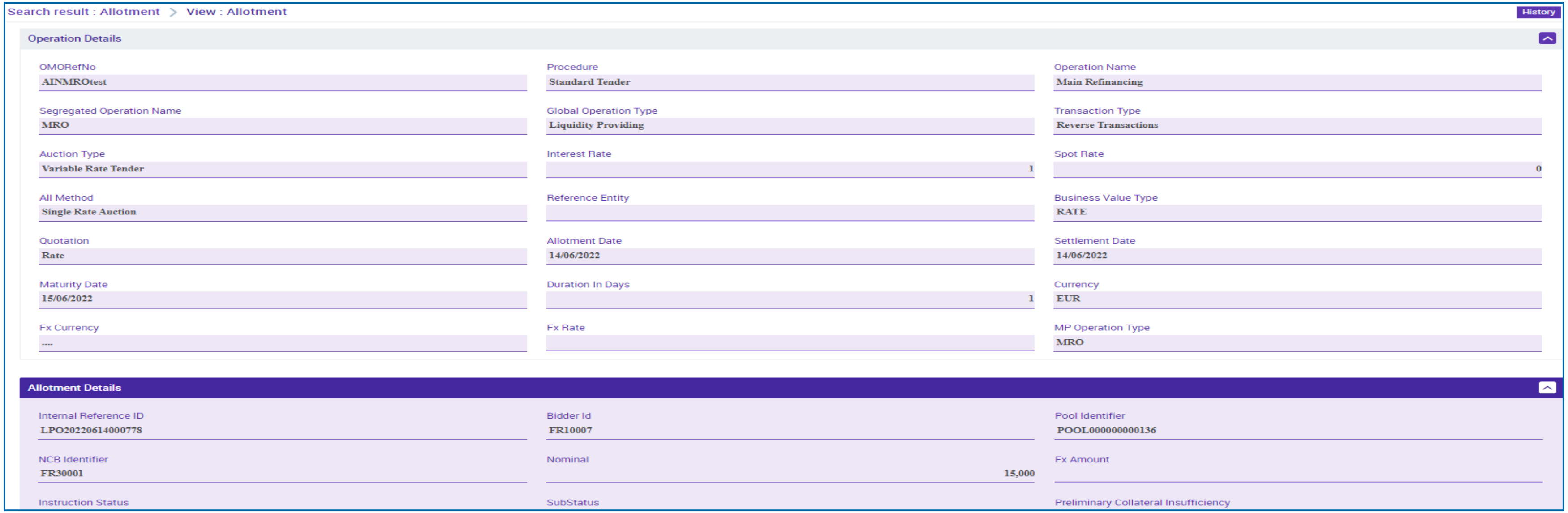
- Screen "Search Criteria: Allotment" for searching for existing Open Market Operations.
- Collateral and Credit >> Exposure >> Open Market Operations >> Operations >> **Display OMO Instruction** >> Click on Search Button (after entering search criteria, if necessary).



Source: ECMS UHB CTPY v1.1, p. 318

4.2 Open Market Operations (OMO) View OMO (Look & Feel)

- Screen "View: Allotment" for the detailed view of an existing Open Market Operation.
- Collateral and Credit >> Exposure >> Open Market Operations >> Operations >> **Display OMO Instruction** >> Click on Search Button (after entering search criteria, if necessary) >> Select OMO Instruction >> Click on View Button.

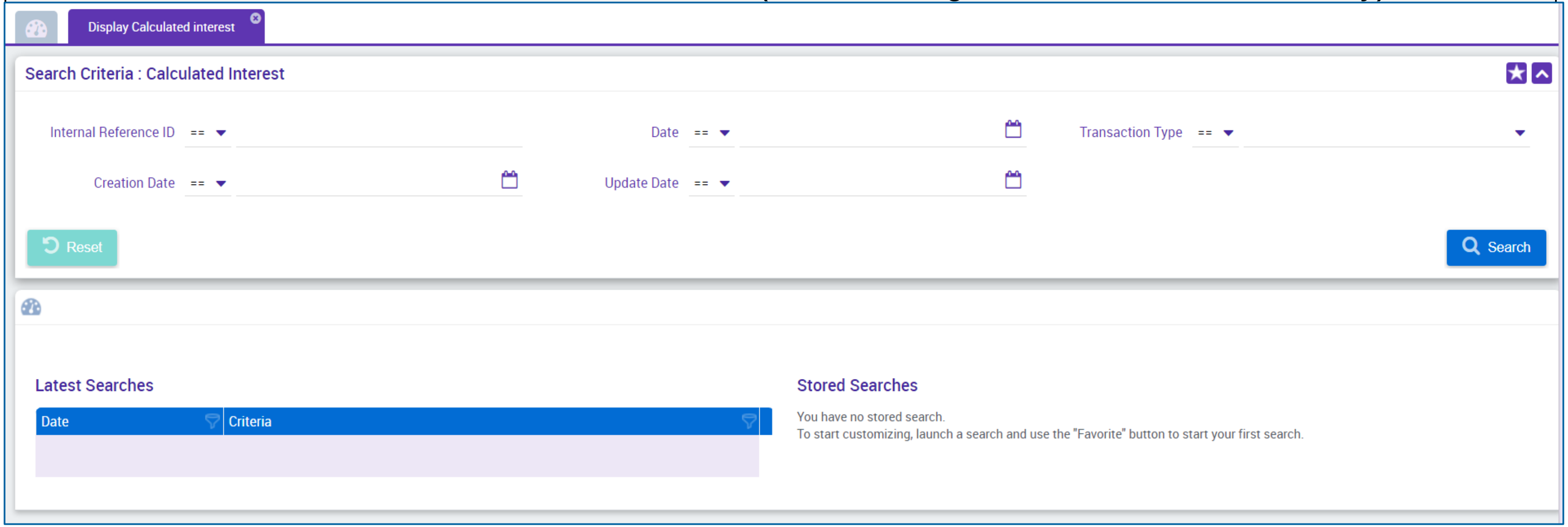


Source: ECMS UHB CTPY v1.1, p. 323

4.2 Open Market Operations (OMO)

View Calculated Interest (Look & Feel)

- Screen "Search Criteria: Calculated Interests" for searching and displaying the cumulative interest rates.
- Collateral and Credit >> Exposure >> Open Market Operations >> Operations >> **Display Calculated Interest** >> Click on Search Button (after entering search criteria, if necessary).

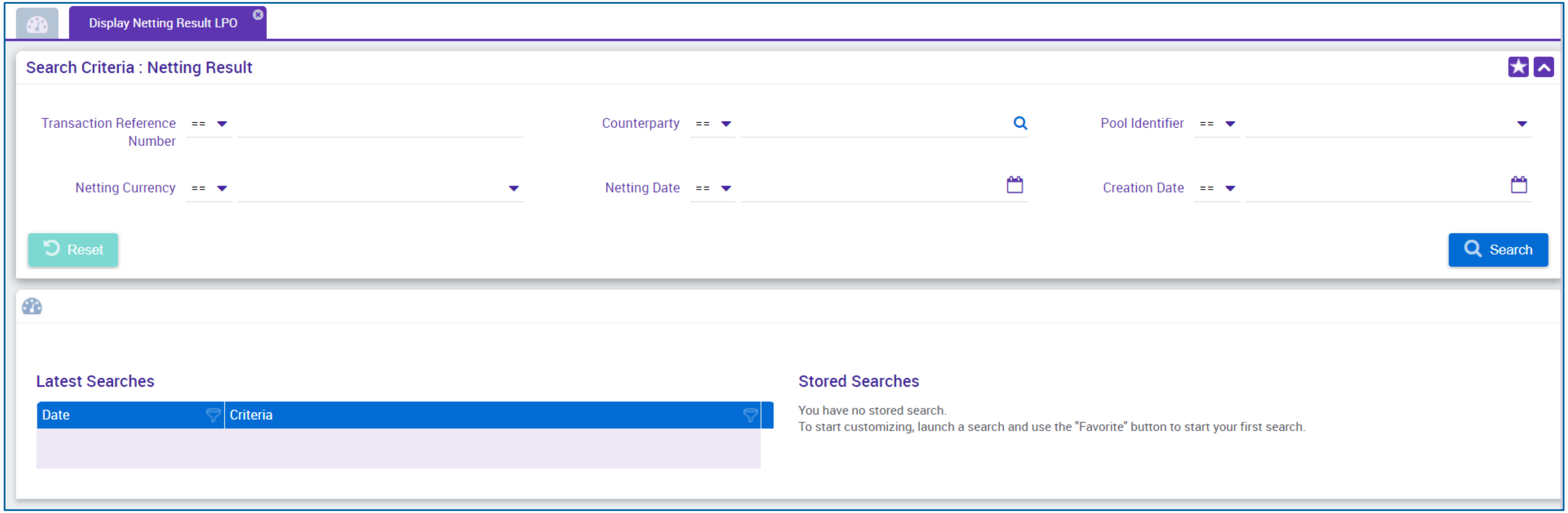


Source: EAC 13.07.2023

4.2 Open Market Operations (OMO)

View Netting Results (Look & Feel)

- Screen "Search Criteria: Netting Results" for searching and displaying the netting results within the scope of Open Market Operations.
- Collateral and Credit >> Exposure >> Open Market Operations >> LP Operations Netting >> **Display Netting Result LPO** >> Click on Search Button (after entering search criteria, if necessary).

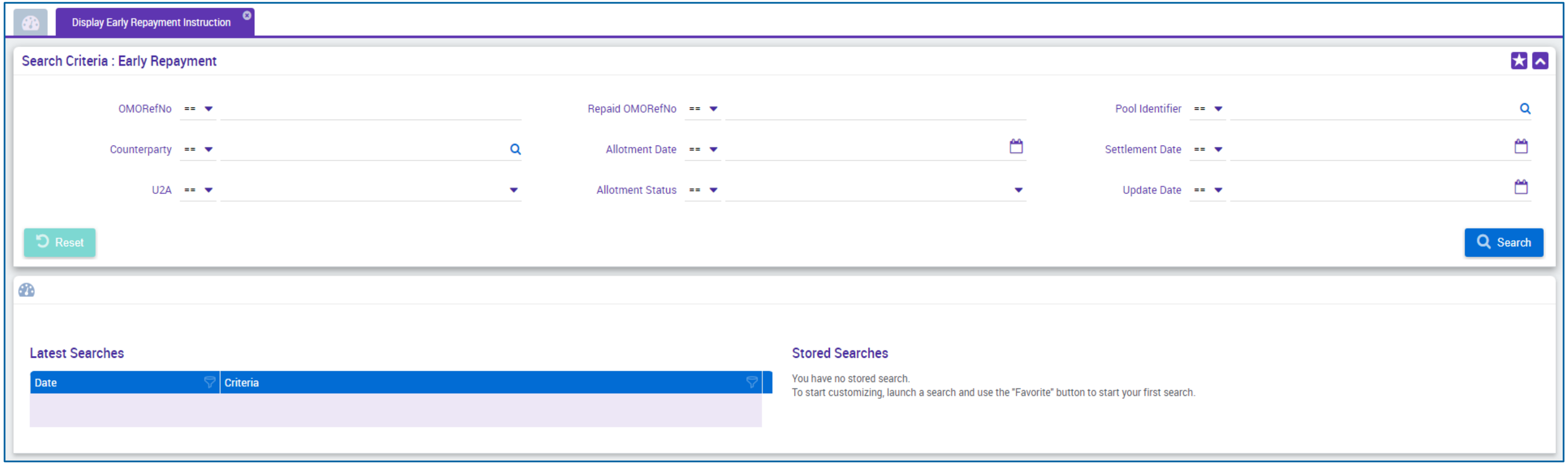


Source: EAC 13.07.2023

4.2 Open Market Operations (OMO)

View Early Repayment (Look & Feel)

- Screen "Search Criteria: Early Repayment" for searching and displaying instructions in case of early repayment.
- Collateral and Credit >> Exposure >> Open Market Operations >> Early Repayment >> **Display Early Repayment Instruction** >> Click on Search Button (after entering search criteria, if necessary).



Source: EAC 13.07.2023

4.2 Open Market Operations (OMO)

- In the table below, you will find an assignment of test cases in ECMS to Open Market Operations (OMO) for the customer testing phase:

Test case ID	Domain	Functionality	Description of the test case
ECMS_TC_CPTY_13	Monetary Policy Operations	Liquidity providing operations	Successful settlement of a LTRO operation with or without netting
ECMS_TC_CPTY_14	Monetary Policy Operations	Liquidity providing operations	Successful repayment of a LTRO operation at maturity with or without netting
ECMS_TC_CPTY_15	Monetary Policy Operations	Liquidity providing operations	Successful settlement of a non-euro LPO operation with or without netting
ECMS_TC_CPTY_16	Monetary Policy Operations	Liquidity providing operations	Successful repayment of a non-euro LPO operation at maturity with or without netting
ECMS_TC_CPTY_17	Monetary Policy Operations	Liquidity absorbing operations	Successful settlement of a LAO operation with or without netting
ECMS_TC_CPTY_18	Monetary Policy Operations	Liquidity absorbing operations	Successful repayment of a LAO operation at maturity with or without netting

Source: ECMS UT Fundamental Test Cases, p. 26 ff.

4.3 Marginal Lending Facility

Overview

Where?

- Module “Collateral and Credit”
  >> Exposure >> Standing Facilities
  >> Notification >> Standing Facilities
  Notifications

How?

- Marginal Lending on Request (MLOR)
- Automatic Marginal Lending (AML)

What?

- Provision of liquidity and absorption of liquidity.

Special Features

- ECMS Contingency

Source: Deutsche Bundesbank

4.3 Marginal Lending Facility — Menu Items „Standing Facilities“

- Module Collateral and Credit (“MegaLend”)
  - **Menu item „Standing Facilities“** (Main menus „Exposure” and „Notification”)

Exposure
- Credit Freezing
- Open Market Operations
- **Standing Facilities**
  - **Input Standing Facilities Instruction**
  - **Display Standing Facilities Instruction**
  - **Standing Facilities Instruction Waiting for validation**
  - Recycle Standing Facilities Instruction
  - Reject Standing Facilities Instruction
  - **Cancel Standing Facilities Instruction**
  - Contingency
    - **Mature Standing Facilities Instruction**
- LP Operations Netting

Notification
- CLM Notifications
- TOP File
- **Standing Facilities Notifications**
  - **MLOR Instruction Notification**
  - **MLOR Instruction Status Notification**
  - **MLOR Cancellation Instruction Status Notification**
  - AML Instruction Notification
- Credit Freezing Notifications

Relevant ECMS user roles:
- ECMS Entity U2A Standing Facilities (Execution & Read Only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 16.06.2023

4.3 Marginal Lending Facility Menu Items „Standing Facilities“

Menu item	Submenu items	Description
Standing Facilities	Input Standing Facilities Instruction	▪ Creation of Margin Lending on Request (MLOR) Instructions.
	Display Standing Facilities Instruction	▪ Viewing of MLOR and AML (Automatic Marginal Lending) Instructions.
	Standing Facilities Instruction Waiting for Validation	▪ Confirmation / Rejection of MLOR Instructions (4-eye principle).
	Cancel Standing Facilities Instruction	▪ Cancellation of MLOR Instructions.
Standing Facilities Notifications	MLOR Instruction Notification	▪ Viewing of (status) information of processed MLOR Instructions.
	MLOR Instruction Status Notification	
	MLOR Cancellation Instruction Status Notification	

Source: ECMS EAC 16.06.2023

4.3 Marginal Lending Facility

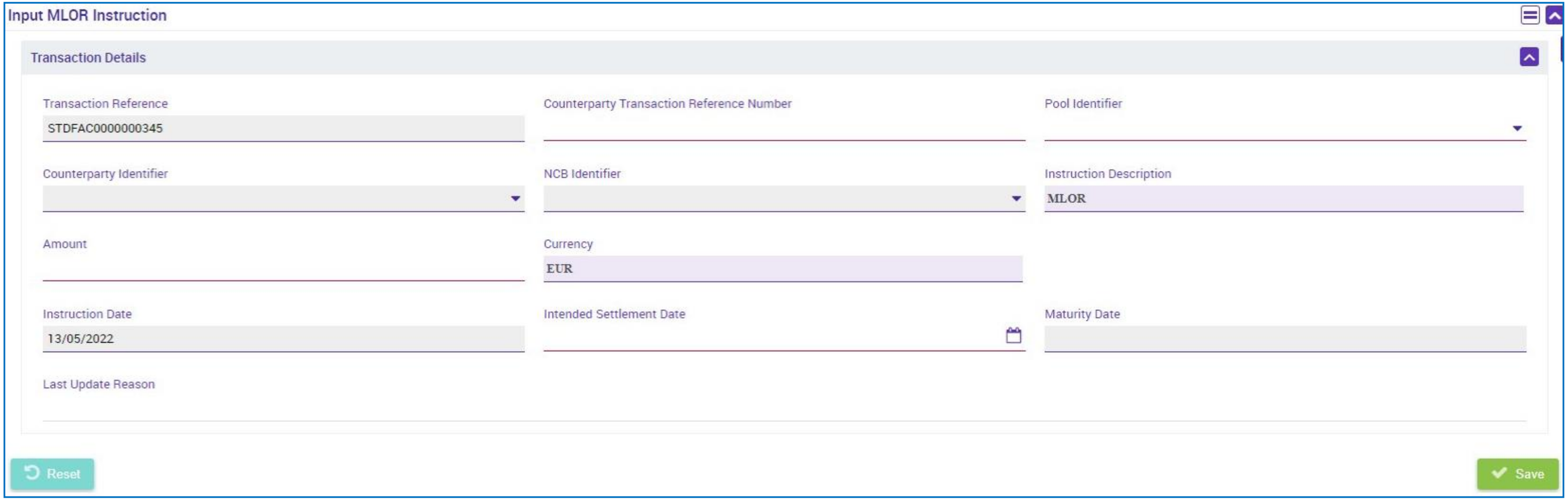
Marginal Lending Facility in ECMS

- ECMS records each utilization of the Marginal Lending Facility, which is either requested by the counterparty (**Marginal Lending on Request / MLOR**) or automatically triggered in CLM due to insufficient liquidity at the end of the day **(Automatic Marginal Lending / AML**), under the "Marginal Lending Facility" position. ECMS also records the amount of calculated interest.
- Counterparties who meet the necessary participation requirements can directly apply for the utilization of the **Marginal Lending Facility** in ECMS using the U2A mode (**MLOR**).
- When applying for the Marginal Lending Facility, the counterparty can choose between immediate settlement or, if they have maturing credit transactions on the next business day, settlement at the beginning of the following day (offsetting the Marginal Lending Facility with maturing transactions).
- After the ECMS is operational, the settlement of Marginal Lending Facility transactions will be carried out through CLM accounts of central banks. The accounts of counterparty at the Bundesbank, which have been maintained since March 20, 2023, will then be eliminated. The settlement of Marginal Lending will then take place through an MCA account defined by CLM.

Source: ECMS UDFS v1.2, p. 246 ff., Deutsche Bundesbank

4.3 Marginal Lending Facility Creating MLOR Instruction (Look & Feel)

- Screen "Input MLOR Instruction" for creating an MLOR Instruction
- Collateral and Credit >> Exposure >> Standing Facilities >> **Input Standing Facilities Instruction**



Source: ECMS CTPY UHB v1.1, p. 357

4.3 Marginal Lending Facility — Creating MLOR Instruction (Look & Feel) (Funct. Attributes)

Attributes MLOR Instruction in ECMS	
Attribute name	**Description**
Transaction Reference	▪ Identifier (assigned by ECMS) to identify the MLOR Instruction.
Counterparty Transaction Reference Number	▪ Identifier (assigned by instructing party) to identify the MLOR Instruction.
Pool Identifier	▪ Identifier of the counterparty pool for which the MLOR is instructed.
Counterparty Identifier	▪ RIAD-Code des Geschäftspartners (wird automatisch gemäß Pool Identifier gesetzt)
NCB Identifier	▪ RIAD code of the counterparty (is set automatically according to the pool identifier)
Instruction Description	▪ Instruction type (default: MLOR)
Amount	▪ Amount of the MLOR Instruction in Euro
Currency	▪ Currency of the MLOR Instruction (Default: EUR)
Instruction Date	▪ Current ECMS business day (set automatically by ECMS).
Intended Settlement Date	▪ ECMS Business Day on which the MLOR Instruction is settled(Current ECMS Business Day or Current ECMS Business Day + 1).
Maturity Date	▪ Due date MLA Instruction (= Intended Settlement Date +1) (set by ECMS autom.)
Last Update Reason	▪ Optional: Reason for the last update (free text)

Source: ECMS UDFS v1.2, p. 249 f., ECMS CTPY UHB v1.1, p. 357 f.

4.3 Marginal Lending Facility

View Standing Facilities Instruction (Look & Feel)

- Screen "Search Result: Standing Facilities" to display search results for Standing Facilities Instructions (MLORs and AMLs)
- Collateral and Credit >> Exposure >> Standing Facilities >> Display Standing Facilities Instruction >> Click on Search Button (after entering search criteria, if required)

Search Result : Standing Facilities

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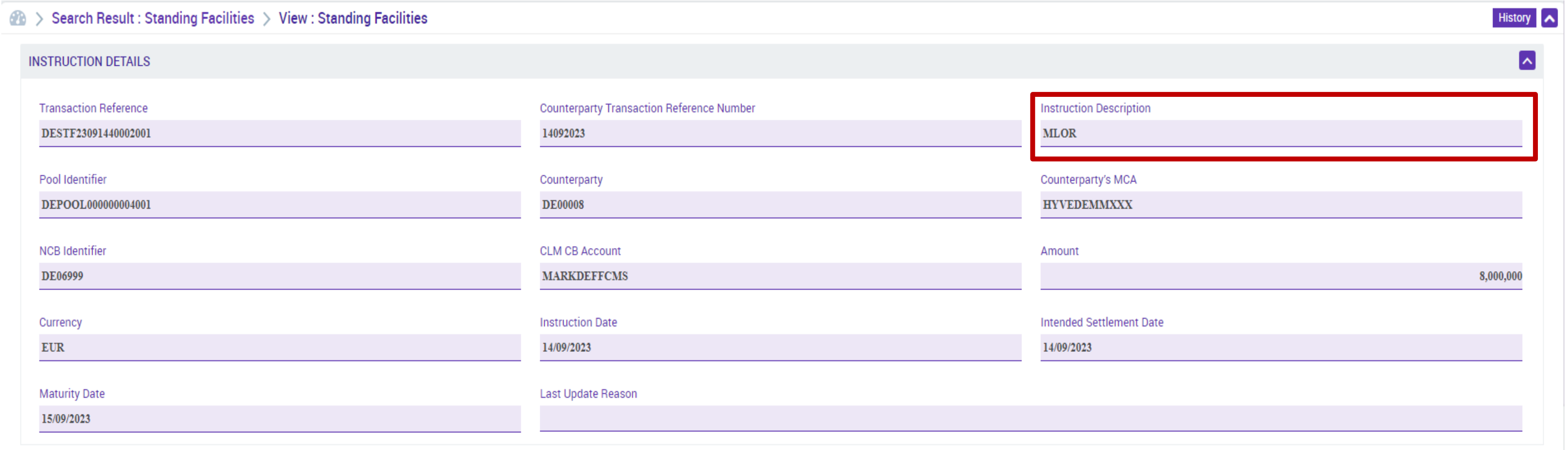
Transac…	Counter…	Counter…	Counter…	Pool Ide…	NCB Ide…	CLM CB…	Instructi…	Amount	Interest	Accrued…	Currenc…	Instructi…	Intende…	Maturity…	To Be N…	Netting	Netting	U2A	Instructi…	SubStat…	Update	Update
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		12/05/20…	FRCB-U2…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		12/05/20…	FRCB-U2…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1750000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	1500000…		0	EUR	11/05/20…	10/05/20…	11/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	STDFAC…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	MLOR	150000		0	EUR	11/05/20…	11/05/20…	12/05/20…	No			Yes	Rejected		11/05/20…	ECMS O…
STDFAC…	MLOR10…	FR30004	BNPAFR…	POOL000…	FR30001	CBXXTF…	AML	1000000	0	0	EUR	10/05/20…	10/05/20…	11/05/20…	No	NETT000…	WaitingN…	No	Closed		10/05/20…	ECMSOp…
STDFAC…	MLOR10…	FR18129	ISAEFRP…	POOL000…	FR30001	CBXXTF…	AML	1000000	0	0	EUR	10/05/20…	10/05/20…	11/05/20…	No	NETT000…	Settled	No	Closed		10/05/20…	ECMS O…

Source: ECMS CTPY UHB v1.1, p. 359

4.3 Marginal Lending Facility

View Standing Facilities Instruction (Look & Feel)

- Screen "View: Standing Facilities" (upper part) for detailed view of a standing facilities instruction (MLOR and AML)
- Collateral and Credit >> Exposure >> Standing Facilities >> Display Standing Facilities Instruction >> Click on Search Button (after entering search criteria, if required) >> Select Standing Facilities Instruction >> Click on View Button



Source: ECMS CTPY UHB v1.1, p. 365

4.3 Marginal Lending Facility MLOR Instruction Notification (Look & Feel)

- Screen "Search Result: Exposure Notification" to display (status) information about MLOR Instructions
- Collateral and Credit >> Notification >> Standing Facilities Notifications >> MLOR Instruction Notification >> Click on Search Button (after entering search criteria, if required)

Search Result : Exposures Notification

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Message Id	End-to-End Id	Instruction Id	Debtor	Instructing Ag…	Creditor	Instructed Ag…	Instruction De…	Pool Id	Amount	Currency	Settlement Da…	Notification N…	Notifications …	Update Date	Update User I…
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	MLOR/POOL00…	6000000	EUR	10/05/2022	MLOR Instructi…	Rejected	15/05/2022 19:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	15/05/2022 19:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	MLOR/POOL00…	6000000	EUR	10/05/2022	MLOR Instructi…	Rejected	10/05/2022 21:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 18:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 18:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 18:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 18:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 18:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	11/05/2022	MLOR Instructi…	Impacted	10/05/2022 11:…	ISAEFRA2A01
MSG-ISA06042…	E2E-ISA060420…	INST-ISA06042…	BDFEFRPPXXX	CBXXTFC001X	ISAEFRPPXXX	ISAEFRPPAC1	MLOR	POOL0000000…	6000000	EUR	10/05/2022	MLOR Instructi…	Impacted	10/05/2022 10:…	ISAEFRA2A01

Source: ECMS CTPY UHB v1.1, p. 371

4.3 Marginal Lending Facility

- The table below provides a mapping of the test cases in ECMS to Marginal Lending Facility for the customer test phase:

Test case ID	Domain	Functionality	Description of the test case
ECMS_TC_CPTY_19	Monetary Policy Operations	Request marginal lending	Marginal lending request successfully processed.
ECMS_TC_CPTY_20	Monetary Policy Operations	Automatic marginal lending	Successful execution of an automatic marginal lending

Source: ECMS UT Fundamental Test Cases, p. 33 ff.

Where?

- Module “Collateral and Credit”
  >> Payment and Credit Line Instruction
  >> Notification
    >> MaCL Notifications
    >> CLM Notifications

How?

- Determination of the maximum credit line
- Monitoring of credit line changes and notifications

What?

- Credit Line Management
- Maximum Credit Line

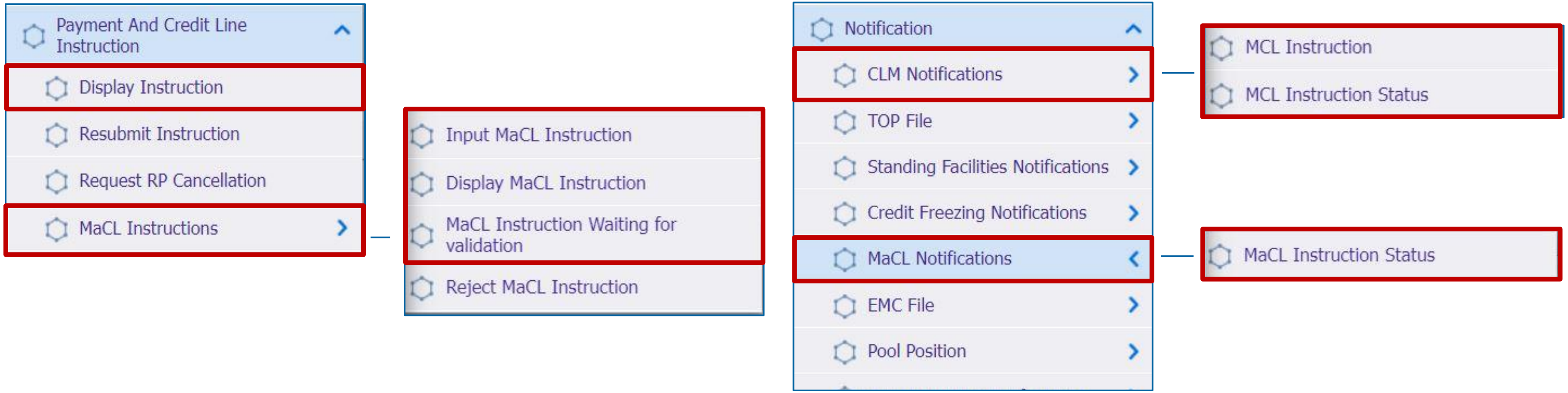
Special Features

- Only one pool can be used per counterparty to collateralize credit transactions
- Three types of credit lines available in ECMS

Source: Deutsche Bundesbank

Menu Items „Credit Line“

- Module Collateral and Credit (“MegaLend”)
  - **Menu items „Credit Line“** (Main menus„Payment and Credit Line Instruction“ and „Notification“)



Relevant ECMS user roles:

- ECMS Entity - U2A Credit Line (Execution & Read only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 26.06.2023

4.4 Credit Line

Menu Items „Credit Line“

Menu item	Submenu items	Description
Payment and Credit Line Instruction	Display Instruction	▪ Display of payments with effect on the credit line as well as updates of the credit line
	MaCL Instructions	▪ Input and view of instructions for setting up / adjusting the maximum credit line by counterparty users or NCB users as well as approval / rejection of a maximum credit line (4-eyes mode)
Notification	CLM Notifications	▪ View and, if necessary, create Modify Credit Line Instructions (camt.998) messages and view status messages
	MaCL Notifications	▪ View status messages of MaCL instructions

Source: ECMS EAC 26.06.2023

Credit Line in ECMS (1 / 3)

- Drawdown of intraday credit in the CLM is only possible against sufficiently deposited collateral.
- The **ECMS transmits** to the **CLM** the value of the **credit line** in the CLM based on the **free collateral available** in the pool.
- Only one pool per counterparty can be used to collateralize Eurosystem credit operations, including the credit line.
- The credit line must be created by the counterparty in the reference data per pool*. The Bundesbank approves the functionality of the credit line in the pool.
- **Counterparties** may set **a maximum value for the credit line (Maximum Credit Line)** to avoid that all free collateral is available for intraday credit. NCBs may also set a maximum value for the credit line in the counterparty's pool. If the **value** of the Maximum Credit Line set **by the NCB is lower than the value set by the counterparty**, ECMS uses the **value set by the NCB.**

* Screen for the creation of a credit line see annex

Source: ECMS UDFS v1.2, p. 587 ff.

4.4 Credit Line

Credit Line in ECMS (2 / 3)

- The ECMS distinguishes between three types of credit lines: Suggested Credit Line / SCL, Expected Credit Line / ECL and Real Credit Line / RCL.*

Suggested Credit Line

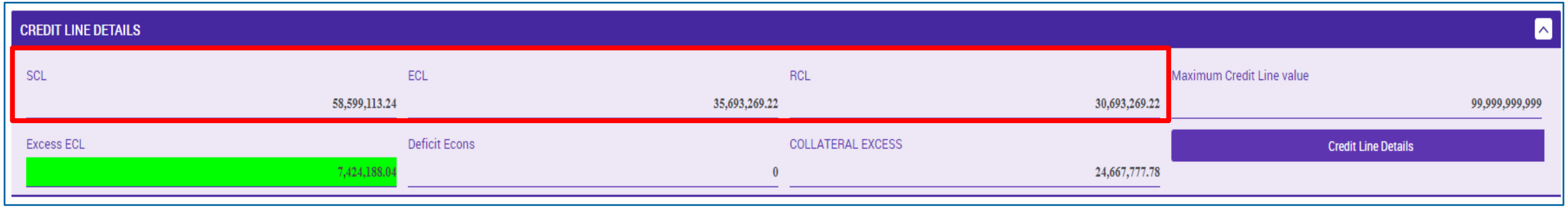
Difference between total value of available collateral and total value of loan receivables

Expected Credit Line

The last value of the credit line sent to CLM

Real Credit Line

The value of the credit line confirmed by the CLM

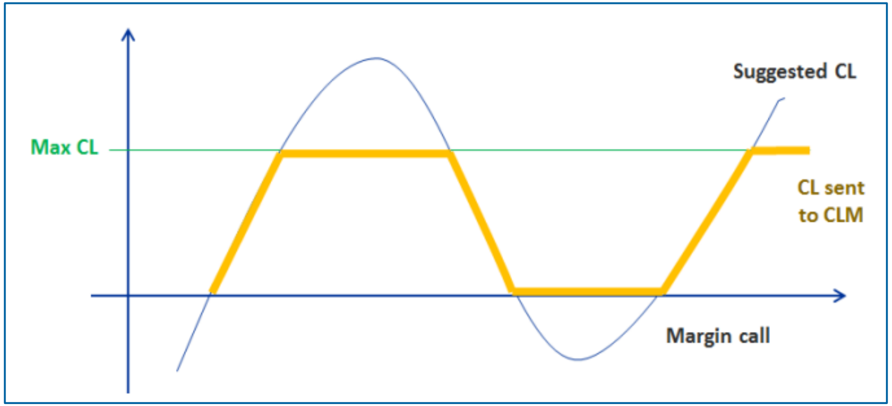


- If there is no absolute or relative credit limit, no outstanding credit line payment or adjustment, or no Maximum Credit Line (MaCL) and no margin call, the three ECMS credit lines have the same value. **
- ** See appendix for explanations of credit line types and relative / absolute credit limit.

Source: ECMS UDFS v1.2, p. 587 ff., [ECMS Information Pack - Credit Line Management]

Credit Line in ECMS (3 / 3)

- The ECMS provides for a variable credit line. Changes to the credit line can be viewed by counterparties (see next slide).
- If the **Suggested Credit Line in ECMS** is **increased**, this triggers an (up to a Maximum **automatic increase of the Credit Line in CLM** Credit Line, if defined).
- If the **Suggested Credit Line in ECMS decreases**, it will **automatically decrease** the **Credit Line** in CLM.
- A negative Suggested Credit Line triggers a Margin Call.

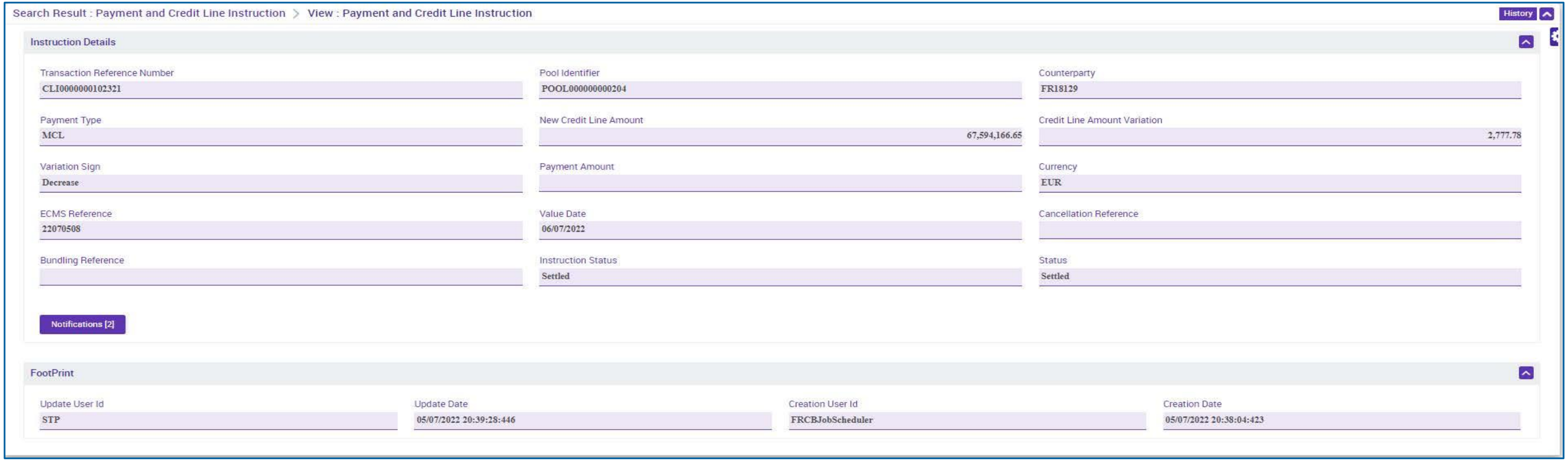


* For details on reduction in global collateral position/ increase in global credit position and impact on credit line, see Annex

Source: ECMS Information Pack - Credit Line Management

View Credit Line or Payment Instruction (Look & Feel)

- Screen "View: Payment and Credit Line Instruction" for detailed view of a Credit Line or Payment Instruction
- Collateral and Credit >> Payment And Credit Line Instruction >> **Display Instruction** >> Click on Search Button (after adjusting the search criteria) >> Select a MCL (= Modify Credit Line), CP (= Connected Payment) or RP (= Regular Payment) >> Click on View Button


Search Result : Payment and Credit Line Instruction > View : Payment and Credit Line Instruction
History

Instruction Details

Transaction Reference Number	Pool Identifier	Counterparty
CLI0000000102321	POOL000000000204	FR18129
Payment Type	**New Credit Line Amount**	**Credit Line Amount Variation**
MCL	67,594,166.65	2,777.78
Variation Sign	**Payment Amount**	**Currency**
Decrease		EUR
ECMS Reference	**Value Date**	**Cancellation Reference**
22070508	06/07/2022	
Bundling Reference	**Instruction Status**	**Status**
	Settled	Settled

Notifications [2]

FootPrint

Update User Id	Update Date	Creation User Id	Creation Date
STP	05/07/2022 20:39:28:446	FRCBJobScheduler	05/07/2022 20:38:04:423

Source: ECMS CTPY UHB v1.1, p. 406

Maximum Credit Line (1 / 2)

- The **amount of intraday credit** granted to a counterparty may **be capped**. This upper limit is **transmitted to the CLM**.
- This **credit line** is called the **Maximum Credit Line**.
- When the **ECMS** calculates the Suggested Credit Line, the Expected Credit Line is **limited** to the **value of the Maximum Credit Line (MaCL),** if defined.
- The procedure for updating the MaCL is based on a "Cancel and Replace" mode and includes the following functionalities:
  - Updating the maximum credit line in case of both an increase and a decrease in the credit line value.
  - Switching from a variable to a maximum credit line (creation of a MaCL) and vice versa (cancellation of the MaCL).
  - Updating the credit line in the CLM, if necessary.

Source: ECMS UDFS v1.2, p. 1508 ff.

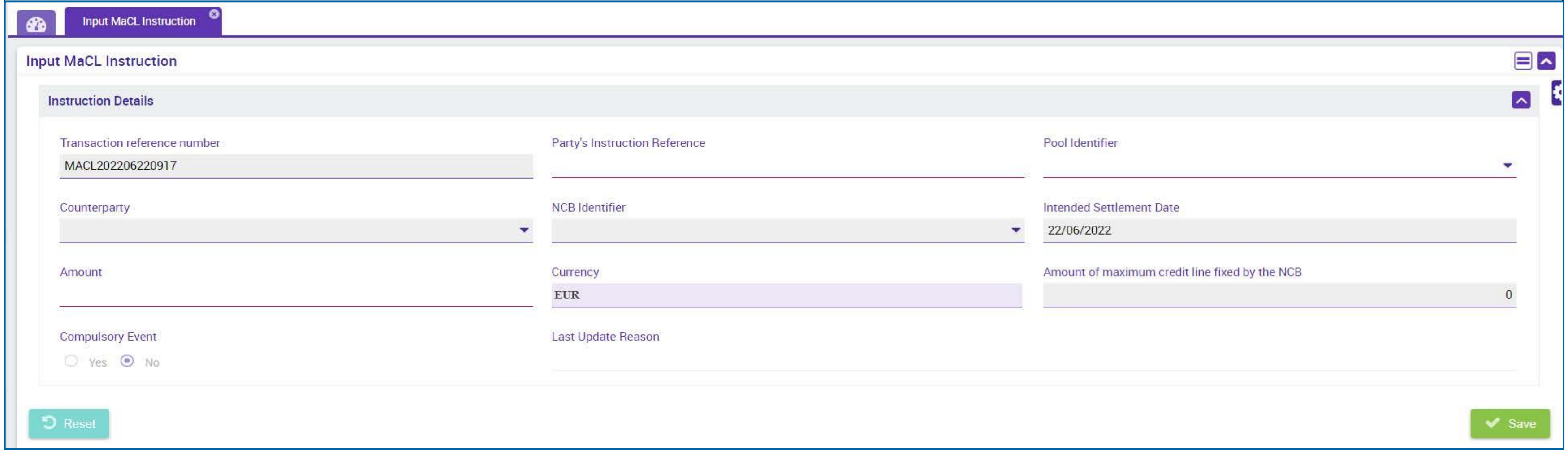
Maximum Credit Line (2 / 2)

- In principle, the **value of the credit line changes** with each incoming or outgoing delivery, with each revaluation of collateral, with the inclusion of accrued interest in open market operations as well as with maturities or repayments of credit operations.
- In order to **avoid these fluctuations**, the counterparty may - if it is eligible to do so - specify a **maximum credit line** in ECMS for the primary MCA maintained in CLM.
- The Bundesbank may also set a Maximum Credit Line for counterparties. If **the Bundesbank** has set a MaCL, the **counterparty must not exceed it**, i.e. the instruction for the MaCL transmitted by the counterparty may only be lower than the amount set by the Bundesbank.

Source: ECMS UDFS v1.2, p. 1508 ff.

4.4 Credit Line Maximum Credit Line Instruction (Look & Feel)

- Screen "Input MaCL Instruction" for setting up a maximum credit line
- Collateral and Credit >> Payment And Credit Line Instruction >> MaCL Instructions >> **Input MaCL** Instruction >> Enter the relevant information >> Click on Save button
- The instruction is entered, provided that an individual authorization (2-eyes principle) has been granted for it. If instructions are issued on the basis of the 4-eyes principle, they must be approved by another person.

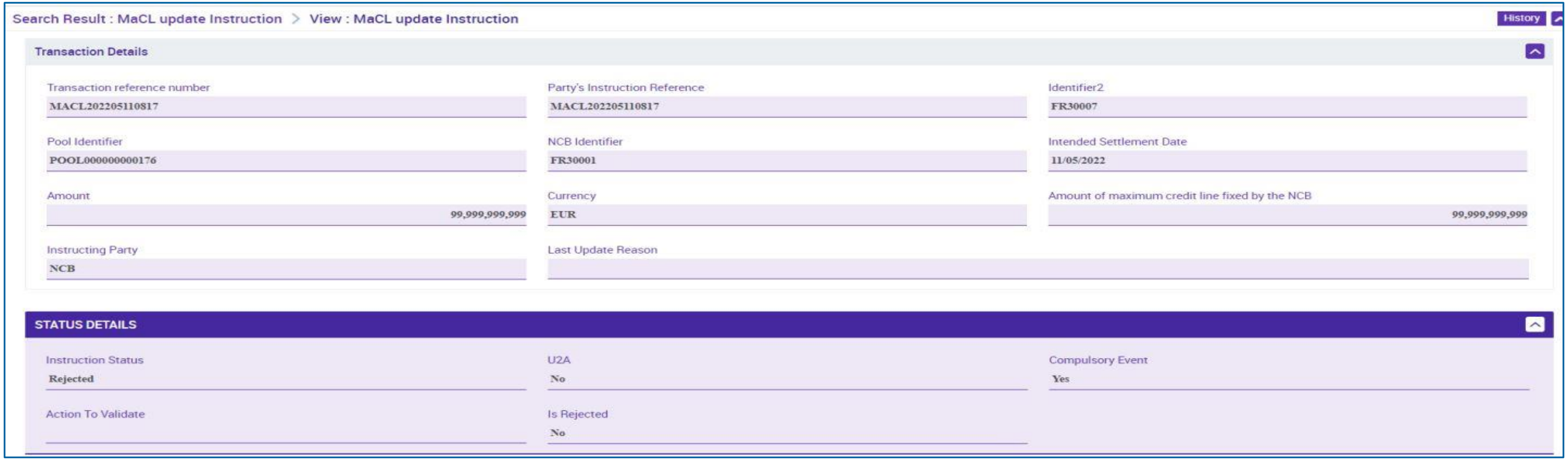


Source: ECMS CTPY UHB v1.1, p. 389

4.4 Credit Line

Maximum Credit Line Instruction Details (Look & Feel) (1 / 2)

- Screen "View: MaCL Update Instruction" in the upper part for detailed view of a Maximum Credit Line Instruction
- Collateral and Credit >> Payment And Credit Line Instruction >> MaCL Instructions >> **Display MaCL Instruction** >> Click on Search Button (after entering search criteria, if required) >> Select record >> Click on View Button

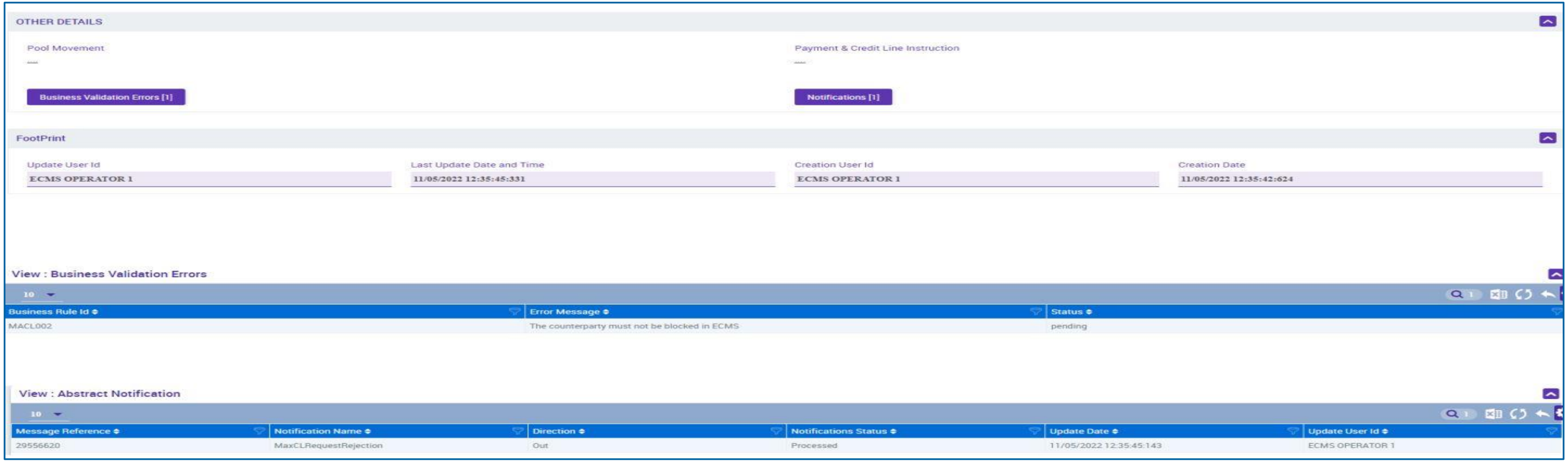


Source: ECMS CTPY UHB v1.1, p. 395

4.4 Credit Line

Maximum Credit Line Instruction Details (Look & Feel) (2 / 2)

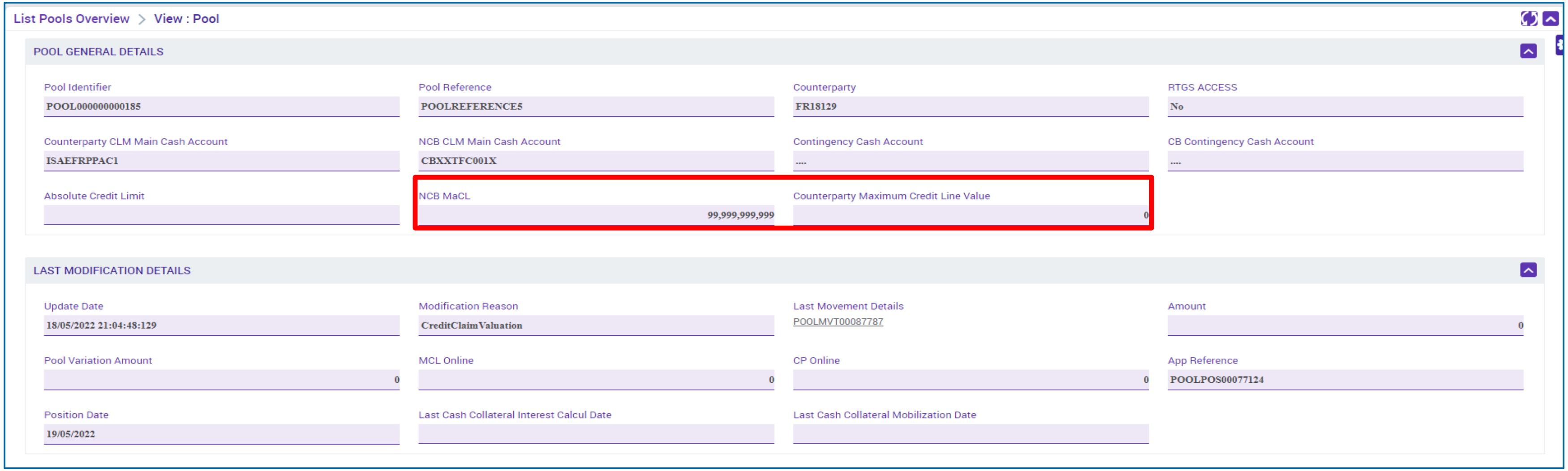
- Screen "View: MaCL Update Instruction" in the **lower part** for detailed view of a Maximum Credit Line Instruction
- Collateral and Credit >> Payment And Credit Line Instruction >> MaCL Instructions >> **Display MaCL Instruction** >> Click on Search Button (after entering search criteria, if required) >> Select data set >> Click on View Button



Source: ECMS CTPY UHB v1.1, p. 395

View Maximum Credit Line (Look & Feel)

- Screen "View: Pool" in the upper part of the screen View of the maximum credit line set by the counterparty and/or the NCB
- Collateral and Credit >> Pool Overview >> **Pool Overview** >> Click on Search Button (after entering search criteria, if required) >> Select a Pool >> Click on View Button



Source: ECMS CTPY UHB v1.1, p. 793

4.4 Credit Line

- In the table below you will find an assignment of test cases in ECMS to Credit Line for the customer test phase:

Test case ID	Domain	Functionality	Description of the test case
ECMS_TC_CPTY_11	Global credit and collateral position	Update maximum credit line value	Successful increase of the maximum value of the intraday credit line with increase of the credit line

Source: ECMS UT Fundamental Test Cases, p. 24 f.

4.5 Margin Call

Where?

- Module “Collateral and Credit”
  >> Pool Overview >> Display Margin Call
  >> Notification >> Pool Position >> Margin Call Notification

What?

- If the collateral value measured on a regular basis falls below a certain level, the NCB requires the counterparty to provide additional collateral or cash

What?

- Display of a collateral deficit in the counterparty pool

Special Features

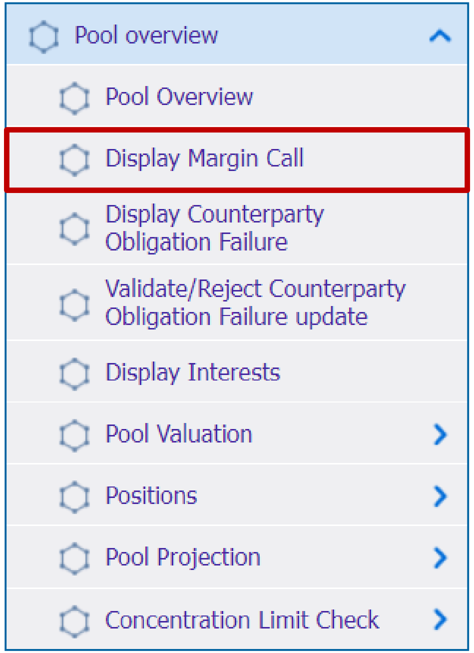
- Automatic mobilization of cash (cash collateral) if the margin call is not covered.
- In A2A mode, margin call messages in ISO 20022 standard are used.

Source: Deutsche Bundesbank

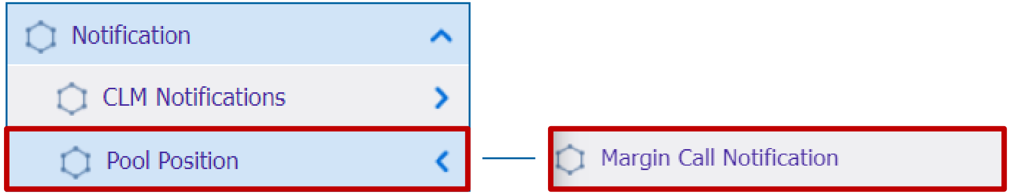
4.5 Margin Call

Menu Items „Margin Call“

- Module Collateral and Credit (“MegaLend”)
  - **Menu items „Margin Call“** (Main menus „Pool Overview” & “Notification”)



Menu item	Submenu items	Description
Pool Overview	Display Margin Call	▪ View of Margin Calls
Notification	Pool Position / Margin Call Notification	▪ View of Margin Call Notifications



Relevant ECMS user roles:

- ECMS Entity U2A Pool Position a. o. (Execution & Read Only)

Source: ECMS EAC 24.05.2023

Margin Call in ECMS (1 / 3)

- The **margin call (call for collateral reinforcement)** is a procedure in connection with variation margin payments. If the regularly measured collateral value in the counterparty pool falls below a certain level, the NCB requires the counterparty concerned to provide additional collateral or cash in the same.
- The ECMS procedure for determining a collateral shortage at the counterparty pool level at any time of day is as follows:
  - ECMS determines a collateral shortage.
  - The shortage triggers the calculation of a margin call value
  - ECMS checks whether a margin call is already pending
  - ECMS creates the margin call and notifies the NCB users and the counterparty (U2A via dashboard) of its existence
  - ECMS sends a **margin call notification** (colr.003) to the counterparty
  - ECMS manage the status of the margin call.
- During the ECMS business day, many events can trigger the reduction of the collateral position or the increase of the credit position and consequently cause a deficit and a potential margin call.

Source: ECMS UDFS v1.2, p. 1513 ff.

Margin Call in ECMS (2 / 3)

- A deficit (collateral shortfall) in the counterparty pool exists if the credit position is not covered by the collateral position:

Collateral Value in the pool (for Margin Call < 0) =

Collateral Value – (Credit Position x (1 – Threshold *))

* Threshold is a threshold value that can range from 0 - 0.5% and is a system parameter for the margin call procedure. It is set for **all** counterparties connected to an NCB at NCB level by the NCB user.

- If ECMS has identified a shortage of collateral, it calculates the deficit or the value of the margin call according to the following formula:

Deficite / Margin Call (in Euro > 0) =

Credit Position (in Euro) – Collateral Value (in Euro)

Source: ECMS UDFS v1.2, p. 1513 ff.

Margin Call in ECMS (3 / 3)

- Margin adjustments may be carried out during the ECMS business day by the counterparty. This can be done by increasing its collateral position (by mobilizing collateral or cash) or decreasing its credit position.
- If the margin call is not covered, a mobilization of liquid assets as collateral, i.e. **cash collateral** (see chapter 3.2), can be triggered in two cases to resolve the margin call:
  - When the cut-off time is reached at the end of the ECMS business day (16:40), an **automatic mobilization of cash as collateral** occurs to resolve the outstanding margin call;
  - If the NCB user decides at any time during the ECMS business day before the cut-off time (16:40) to manually **trigger such mobilization of cash as collateral** to resolve the outstanding margin call.

Source: ECMS UDFS v1.2, p. 1513 ff.

4.5 Margin Call

View Margin Call (Look & Feel)

- Screen "Search Result: Margin Call" to display the search results for margin calls
- Collateral and Credit >> Pool Overview >> **Display Margin Call** >> Click on Search Button (after entering search criteria, if required)

Search Result : Margin Call

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	Transaction Reference	Pool Identifier	Identifier2	Margin Call Date	Margin Call Amount	Currency	Creation Date	Creation User Id
☑	MTOM00002991	POOL000000000185	FR18129	14/06/2022 07:11:40:442	6,000,000	EUR	14/06/2022 07:11:40:473	ECMSOperationalDaySch...
☐	MTOM00002990	POOL000000000171	FR18129	14/06/2022 07:11:24:437	4,500,000	EUR	14/06/2022 07:11:24:495	ECMSOperationalDaySch...
☐	MTOM00002989	POOL000000000084	FR18129	14/06/2022 07:09:19:729	1,436,000	EUR	14/06/2022 07:09:19:871	ECMSOperationalDaySch...
☐	MTOM00002988	POOL000000000020	FR50007	14/06/2022 07:08:12:806	70,310,000	EUR	14/06/2022 07:08:12:996	ECMSOperationalDaySch...
☐	MTOM00002987	POOL000000000010	FR50007	14/06/2022 07:07:47:594	46,000,833.33	EUR	14/06/2022 07:07:47:927	ECMSOperationalDaySch...
☐	MTOM00002986	POOL000000000185	FR18129	14/06/2022 01:01:59:363	6,000,000	EUR	14/06/2022 01:01:59:392	ECMSOperationalDaySch...
☐	MTOM00002985	POOL000000000171	FR18129	14/06/2022 01:01:21:921	4,500,000	EUR	14/06/2022 01:01:22:008	ECMSOperationalDaySch...
☐	MTOM00002984	POOL000000000020	FR50007	14/06/2022 00:55:50:630	70,310,000	EUR	14/06/2022 00:55:50:810	ECMSOperationalDaySch...
☐	MTOM00002983	POOL000000000010	FR50007	14/06/2022 00:55:12:120	46,000,833.33	EUR	14/06/2022 00:55:12:293	ECMSOperationalDaySch...
☐	MTOM00002982	POOL000000000185	FR18129	14/06/2022 00:49:11:401	6,000,000	EUR	14/06/2022 00:49:11:454	ECMSOperationalDaySch...

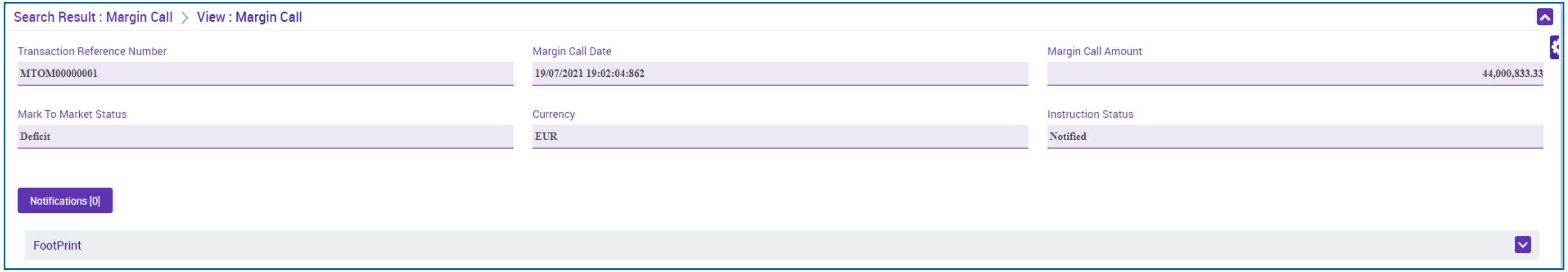
View

Source: ECMS CTPY UHB v1.1, p. 410

4.5 Margin Call

View Margin Call (Look & Feel)

- Screen "View: Margin Call" to view a Margin Call
- Collateral and Credit >> Pool Overview >> **Display Margin Call** >> Click on Search Button (after entering search criteria, if required) >> Select Margin Call >> Click on View Button



Source: ECMS CTPY UHB p. 411

4.5 Margin Call View Margin Call Notification (Look & Feel)

- Screen "Search Result: Margin Call Notification" to display the search results for margin call notifications
- Collateral and Credit >> Notification >> Pool Position >> **Margin Call Notification** >> Click on Search Button

Search Result : Margin Call Notification

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Message Id	Transaction Id	NCB BIC	Counterparty BIC	Pool Identifier	Margin Call date	Margin Call Amount	Currency	Error Description	Notifications Status...	Updater User Id	Update Date
165556620	MTOM00003845	BDFEFRPPXXX	ISAEFRPPXXX	POOL000000000084	27/07/2022 07:08:48:...	1,436,000	EUR		Processed	ECMSOperationalDay...	27/07/2022 07:08:52:...
165546620	MTOM00003844	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000020	27/07/2022 07:07:50:...	15,564,028.92	EUR		Processed	ECMSOperationalDay...	27/07/2022 07:07:57:...
165536620	MTOM00003843	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000010	27/07/2022 07:07:22:...	46,000,833.33	EUR		Processed	ECMSOperationalDay...	27/07/2022 07:07:30:...
165526620	MTOM00003841	BDFEFRPPXXX	ISAEFRPPXXX	POOL000000000084	27/07/2022 21:02:34:...	1,436,000	EUR		Processed	ECMSOperationalDay...	26/07/2022 21:02:39:...
165516620	MTOM00003840	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000020	27/07/2022 21:01:37:...	15,564,028.92	EUR		Processed	ECMSOperationalDay...	26/07/2022 21:01:44:...
165506620	MTOM00003839	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000010	27/07/2022 21:01:16:...	46,000,833.33	EUR		Processed	ECMSOperationalDay...	26/07/2022 21:01:22:...
165296620	MTOM00003836	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000020	27/07/2022 19:19:52:...	15,564,028.92	EUR		Processed	ECMSOperationalDay...	26/07/2022 19:20:00:...
165286620	MTOM00003835	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000010	27/07/2022 19:19:12:...	46,000,833.33	EUR		Processed	ECMSOperationalDay...	26/07/2022 19:19:19:...
165276620	MTOM00003833	BDFEFRPPXXX	ISAEFRPPXXX	POOL000000000084	27/07/2022 19:12:06:...	1,436,000	EUR		Processed	ECMSOperationalDay...	26/07/2022 19:12:10:...
165266620	MTOM00003832	BDFEFRPPXXX	CPTYTFPPX05	POOL000000000020	27/07/2022 19:11:10:...	15,564,028.92	EUR		Processed	ECMSOperationalDay...	26/07/2022 19:11:16:...

Download

Source: ECMS CTPY UHB v1.1, p. 412

4.6 Credit Position

Important Documents (1 / 2)

Public information (in chronological order)

- ECMS Info Pack - Credit Freezing (2020/01, in English)
- ECMS Info Pack - Credit Line Management (2020/01, in English)
- ECMS Info Pack - Settlement of Open Market Operations (2020/01, in English)
- ECMS Message Usage Guide (v1.2.1, 2021/04, in English)
- Business Description Document for the ECMS (v1.3, 2022/12, in English)
- ECMS Catalogue of Messages and Credit Claim Files (Extracted from UDFS v1.3, 2023/05, in English)
- ECMS User Testing - Fundamental Test Cases (2023/05, in English)

Source: Deutsche Bundesbank

4.6 Credit Position

Important Documents (2 / 2)

Public information (in chronological order)

- ECMS User Handbook Counterparties, ECMS UHB CTPY v1.1 (2023/03, in English)
  - Chapter 3.3.3.3 Standing Facilities (Detailed information on all screens), p. 356 ff.
  - Chapter 3.3.4.1 Credit Freezing (Detailed information on all screens), p. 378 ff.
  - Chapter 3.3.4.2 Credit Line and impacts (Detailed information on all screens), p. 388 ff.
  - Chapter 3.3.4.3 Margin Call and impacts (Detailed information on all screens), p. 1097 ff.
  - Chapter 3.3.3.2 Open Market Operations (Detailed information on all screens), p. 317 ff.
  - Chapter 4.3.1 Standing Facilities (Step-by-step user actions for typical workflows), p. 874 ff.
  - Chapter 4.5.1.1 Credit Freezing (Step-by-step user actions for typical workflows), p. 900 f.
  - Chapter 4.5.1.2 Credit Freezing Notifications (Step-by-step user actions for typical workflows), p. 901 f.
  - Chapter 4.5.2.1 MaCL for the Counterparty (Step-by-step user actions for typical workflows), p. 902 ff.

Source: Deutsche Bundesbank

Q&A

If you have any questions or wish to say something,

please use the chat function.

Agenda

5. **ECMS | Multi-Pooling**
   (Overview, Menu Item “Multipooling Instruction“, Menu Item “Transfer“, Multi-Pooling in ECMS, Important Documents)

5. Multi-Pooling

What?

- Module “Instructions and Positions” >> Instructions and Positions >> Multipooling Instruction
- Modul “Collateral and Credit” >> Transfer

How?

- Transfer instructions of intraday transfers by counterparties and NCBs
- Display of transfers and transfer instructions

What?

- Transfer of marketable assets and credit claims between counterparty accounts by counterparties or NCB users
- Transfers between counterparties or counterparties and NCB only by NCB users

Special Features

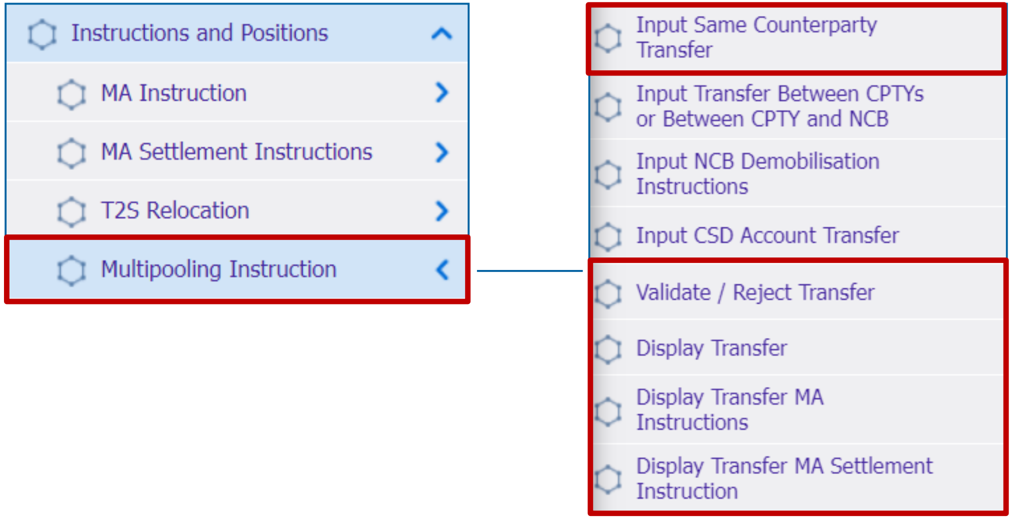
- N/A

Source: Deutsche Bundesbank

5. Multi-Pooling

Menu Items „Multipooling Instruction“

- Module Instructions and Positions (“MegaCustody”)
  - **Menu item „Multipooling Instruction“** (Main menus „Instructions and Positions”)



Relevant ECMS user roles:

- ECMS Entity U2A Marketable Asset (De)mobilization (Execution & Read Only)
- 4-Eyes (Execution) in connection with above role (Execution)

Source: ECMS EAC 07.06.2023

5. Multi-Pooling

Menu Item „Multipooling Instruction“

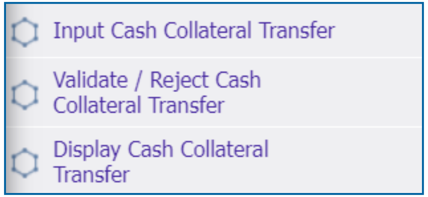
Menu item	Submenu items	Description
Multipooling Instruction	Input Same Counterparty Transfer	▪ Creation of a Marketable Asset Transfer within a counterparty linked to the same NCB and to the same CSD by counterparties or NCB users (transfer between two Internal Counterparty Asset Accounts or between two External T2S Securities Accounts for Regular Collateral)
	Validate / Reject Transfer	▪ Confirmation / rejection of transfer instructions(4-eyes mode)
	Display Transfer	▪ Display of above transfers
	Display Transfer MA Instructions	▪ Display of instructions for transfer of Marketable Assets
	Display Transfer MA Settlement Instruction	▪ Display of instructions sent to T2S for the settlement of transfers of marketable assets

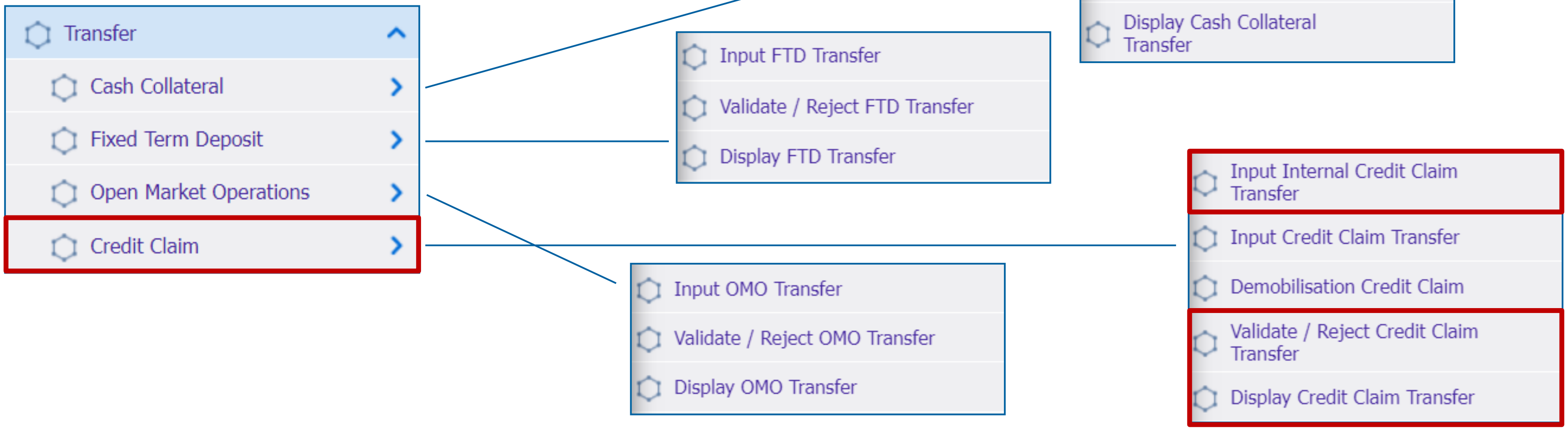
Source: ECMS EAC 07.06.2023

5. Multi-Pooling

Menu Item „Transfer“

- Module Collateral and Credit (“MegaLend”)
    - **Menu item „Transfer“** (Module-Main menu)





Relevant ECMS user roles:

- ECMS Entity U2A Credit Claim Management (Execution & Read Only)
- 4-Eyes (Execution) in connection with NCB Roles (Execution)

Source: ECMS EAC 07.06.2023

5. Multi-Pooling

Menu Item „Transfer“

Main menu item	Submenu items	Description
Transfer	Credit Claim	▪ Creation, confirmation / rejection (4-eyes mode) and display of credit claim transfers within counterparty

Source: ECMS EAC 07.06.2023

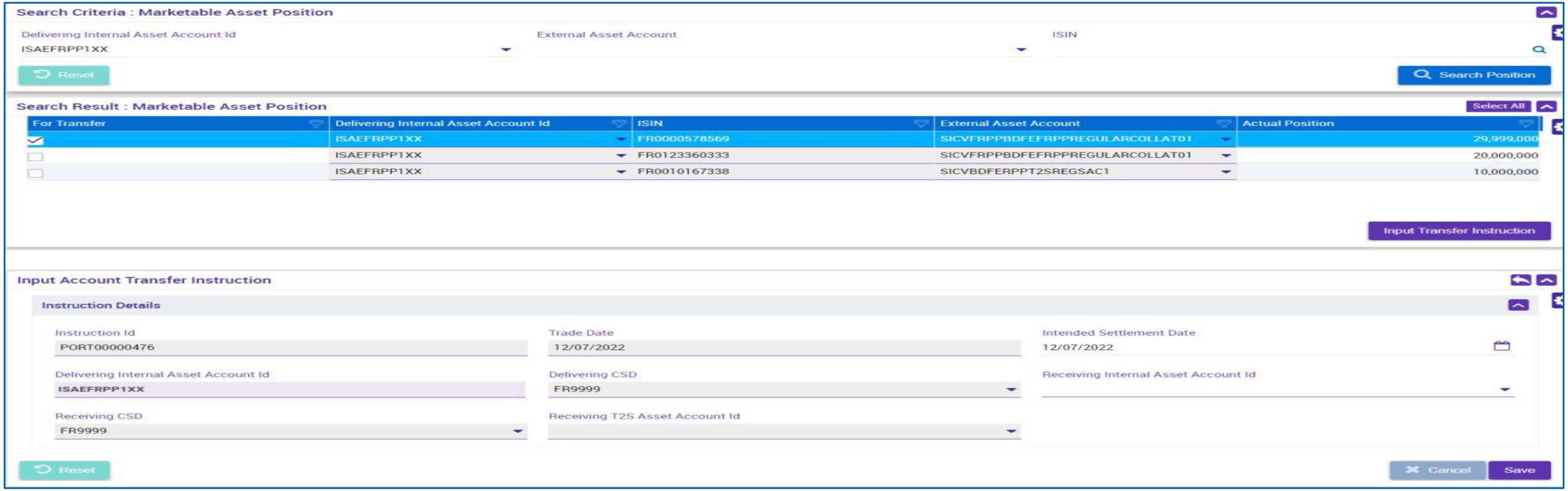
Multi-Pooling in ECMS

- The **multi-pooling functions** are available to **NCB users** and, in some cases, counterparties via **U2A** during **daytime processing** of the ECMS business day.
- The following **four ways** of transferring assets are available in ECMS:
  - **Transfer of marketable assets and credit claims between accounts of a counterparty** by the counterparty or NCB user. These accounts may be linked to the same pool or to two different pools of the same counterparty.
    Marketable assets: Instructions and Positions >> Instructions and Positions >> Multi-Pooling Instructions >> Input Same Counterparty Transfer
    Credit Claims: Collateral and Credit >> Transfer >> Credit Claim >> Input Internal Credit Claim Transfer
  - **Transfer of marketable assets between External T2S Securities Accounts for Regular Collateral of the same NCB at the same CSD** or another CSD by an NCB user. Such collateral belongs to a specific counterparty and there is no movement into or between pools or counterparty asset accounts.
  - **Transfer of marketable assets, credit claims, fixed-term deposits used as collateral, cash collateral and open market operations between different counterparties of the same NCB**, or **of marketable assets and credit claims from a counterparty to its NCB (or vice versa)**, of all or individual positions by an NCB user. The affected accounts are ECMS Counterparty Asset Accounts (or ECMS NCB Asset Accounts) and External T2S Securities Accounts for Regular Collateral.
  - **Demobilization of marketable collateral and credit claims from an ECMS NCB Asset Account** by an NCB user. This involves a transfer from an External T2S Securities Account for Regular Collateral to another account of the same or another CSD.

Source: ECMS UDFS v1.2, p. 529 ff.

Creating Transfer within Counterparty (Look & Feel)

- Screen "Input: Account Transfer Instruction" to create a transfer of marketable assets or credit claims within a counterparty
- Instructions and Positions >> Multipooling Instruction >> **Input Same Counterparty Transfer** >> Selection of Delivering Internal Asset Account, External Asset Account and ISIN >> Click on Search Button >> Selection of Marketable Asset Position >> Click on Input Transfer Instruction Button

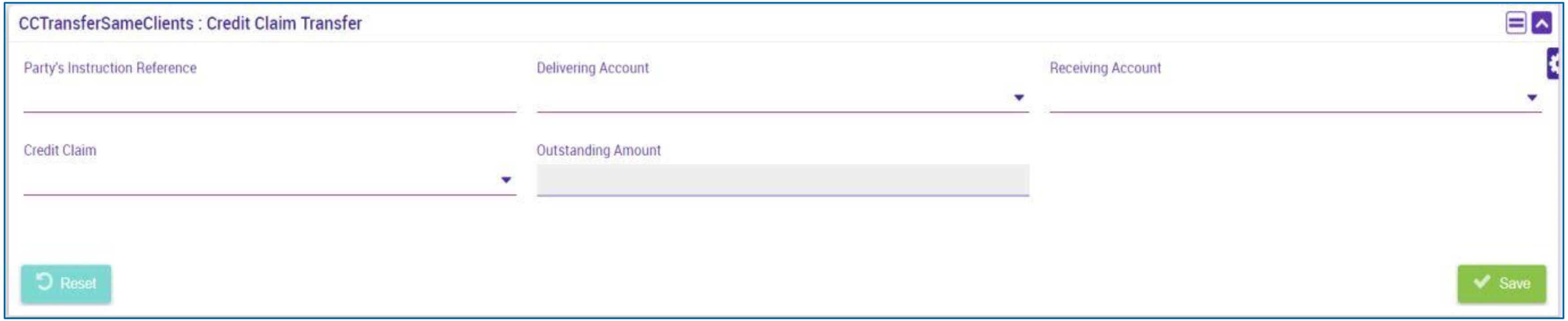


Source: ECMS CTPY UHB v1.1, p. 466

5. Multi-Pooling

Creating Transfer within Counterparty (Credit Claims) (Look & Feel)

- Screen "CCTransferSameClients: Credit Claim Transfer" to create a transfer of a credit claim between accounts of a counterparty
- Collateral and Credit >> Transfer >> Credit Claim >> **Input Internal Credit Claim Transfer**



Source: ECMS UHB v1.1, p. 1228

5. Multi-Pooling

Important Documents

Public information (in chronological order)

- Business Description Document for the ECMS (v1.3, 2022/12, in English)
- ECMS User Handbook Counterparties, ECMS UHB CTPY v1.1 (2023/03, in English)
  - Chapter 3.4.6 Multi-pooling (Detailed information on all screens), p. 460 ff.
  - Chapter 4.4.5 Multi-pooling (Step-by-step user actions for typical workflows), p. 894 ff.

Source: Deutsche Bundesbank

Q&A

If you have any questions or wish to say something,

please use the chat function.

Training course feedback

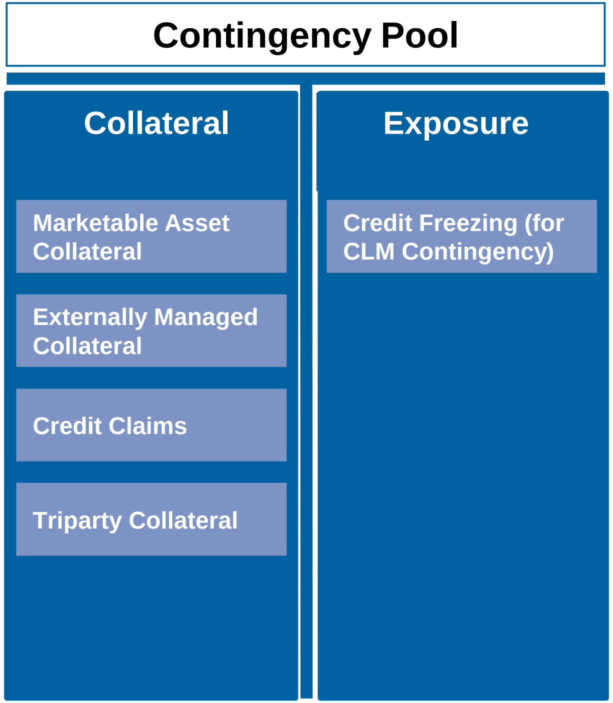
- When you were invited to this event, you were sent a link to a standardised and anonymised feedback form.
- The feedback form contains 11 questions with a multi-level response scale. It should take a maximum of 5 minutes to complete.
- Once the event has ended, please take a few moments to fill out the questionnaire and give us honest feedback on this training course. Thank you!


Thank you for your attention ...
ecms-training@bundesbank.de
… and all the best working with ECMS!

- T2S Relocation (2 x)
- Correspondent Central Banking Model (CCBM) (2 x)
- Decrease in global collateral position
- Increase of global credit position
- Credit limit (Relatives / Absolutes)
- Creation of a Credit Line (Excursus) (Look & Feel)
- Types of Credit Lines (2 x)
- Excess ECL & Collateral Excess
- Events as triggers for Modify Credit Line (x2)
- Events as triggers for Connected Payments

Annex

- The **Contingency Pool** (see figure on the right) does not map all functionalities of the Counterparty Pool, but the one necessary for the contingency case.



Annex — Correspondent Central Banking Model (CCBM) (1 / 2)

- The **Correspondent Central Banking Model (CCBM)** is a procedure applied by the ECB to ensure that eligible assets used in monetary policy operations or to provide liquidity in the T2 system are available to the relevant counterparties irrespective of the location of the assets.
- Eligible counterparties for Eurosystem credit operations can obtain **credit** only from the central bank of the country in which they are established - their **home central bank (HCB)** - by mobilizing eligible marketable and non-marketable assets as collateral.
  - Through the CCBM, eligible **counterparties can use assets issued or held in other countries**, with the respective local central bank acting as the **correspondent central bank (CCB).**
  - The collateral is then provided to the central bank of the country in which the relevant SSS/PSP is located (i.e., the CCB), and the CCB holds the collateral for the lending central bank (i.e., the HCB). In this respect, the **CCB-NCB** * serves as a proxy for the actual **HCB-NCB** with which the credit transaction itself is settled.

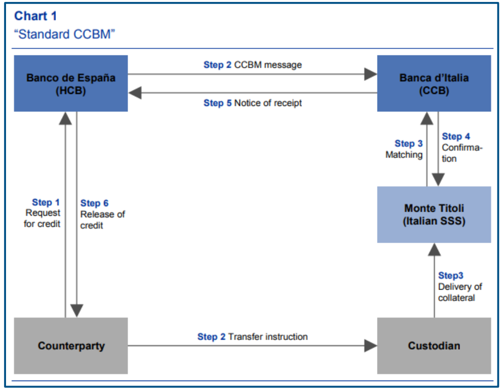
*** Note:** Different types of collateral techniques (repo, assignment, pledge, or floating charge) and methods of holding collateral (pooled and earmarked collateral) are used throughout the euro area, and where applicable, a CCB applies a different procedure than the HCB.

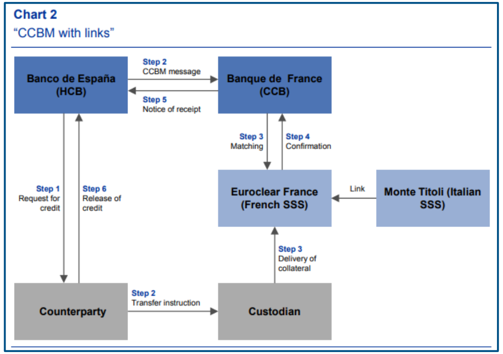
Source: https://www.ecb.europa.eu/pub/pdf/other/ecb.ccbmprocedureseurosystemcounterparties201801.en.pdf

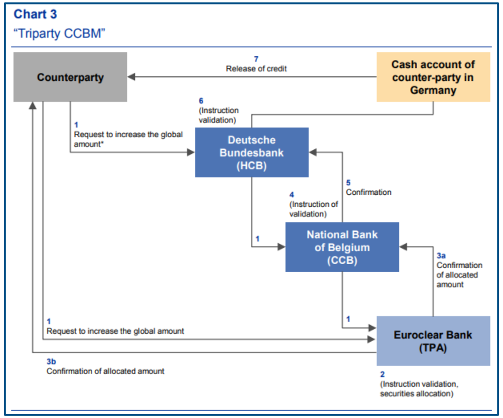
Annex

Correspondent Central Banking Model (CCBM) (2 / 2)

- For marketable assets, each eligible asset may have one or more CCBs. In principle, the CCB is:
  - the NCB of the euro area country in which the collateral was issued (in an SSS that meets the relevant eligibility standards established by the Eurosystem) **[standard CCBM**].
  - each Eurosystem NCB, provided that (one of) its domestic Securities Settlement Systems (SSSs) has an eligible (direct/delayed) link to the issuer's SSS **[CCBM with Links]**
  - the NCB of the euro area country where the collateral is mobilized via triparty services provided by a triparty agent that meets the relevant eligibility standards set by the Eurosystem [**Triparty CCBM**].







Source: https://www.ecb.europa.eu/pub/pdf/other/ecb.ccbmprocedureseurosystemcounterparties201801.en.pdf

Reduction of the Global Collateral Position

- If the **collateral reduction exceeds** the relative (or absolute) **credit limit**, the ECMS **warns** the **NCB user** via U2A and offers following possibilities:

  (1) increase the credit limit or

  (2) refuse the reduction of the collateral, or

  (3) to allow partial settlement of the loans associated with the collateral reduction.

- If the collateral reduction is rejected, the reduction in the collateral position will not be processed.
- If the relative (or absolute) limit is increased, ECMS performs the relative (or absolute) credit limit check again.
- If there is no violation of the relative (or absolute) limit, ECMS reduces the collateral position.

Source: ECMS UDFS v1.2, p. 610 ff.

Annex

Increase of the Global Credit Position

- If the **credit increase** exceeds the relative (or absolute) **credit limit**, ECMS **warns** the **NCB user** via U2A and offers following possibilities:

  (1) increase the credit limit or

  (2) reject the credit increase or

  (3) allow a partial offset of the credit associated with the credit increase.

- If the relative (or absolute) credit limit is increased, the ECMS performs the relative (or absolute) credit limit check again.
- If there is no violation of the relative (or absolute) limit, ECMS reduces the collateral position.
- If the **credit limit needs to be updated in CLM**, ECMS sends to CLM depending on the type of events:
  - **camt.998** for a Modify Credit Line (MCL) or
  - **pacs.010** for a payment (Direct Payment (DP) / Connected Payment (CP))

Source: ECMS UDFS v1.2, p. 595 ff.

T2S Relocation in ECMS (1 / 2)

- **Relocation** of collateral is performed by **T2S** during the **end-of-day** cash management process if the available amount in the **counterparty's T2S DCA (= Dedicated Cash Account)** is **not sufficient** to **reimburse** the **amount of outstanding intraday credit** provided by auto-collateralization.
- The ECMS increases the collateral position in the ECMS Counterparty Pool (and its Credit Line, if established), and sends a **Connected Payment** to debit the counterparties' CLM account.
- When the payment is confirmed by CLM, ECMS notifies the counterparty that the relocation has been processed (sese.025).
- In addition, counterparties **can display** the **instructions** associated with the relocation in **ECMS**: Instructions and Positions >> Instructions and Positions >> T2S Relocations

Source: ECMS UDFS v1.2, p. 376 ff.

T2S Relocation Test Set (2 / 2)

- The table below shows a mapping of the test cases in ECMS to T2S Relocation for the customer test phase:

Test case ID	Domain	Functionality	Description of the test case
ECMS_AC_TC_Func_1	Collateral management	T2S relocation of collateral	T2S Relocation was executed properly (Yes)

Source: Deutsche Bundesbank

Credit Limit (Relative Credit Limit) (1 / 2)

- The relative credit limit is set as **a percentage** when a counterparty pool is created.
- When calculating the total collateral value of the ECMS pool, ECMS applies this relative limit to the **sum of the collateral positions** of a pool.
- If no **relative credit limit** is set, ECMS applies **100% of the sum of the collateral positions as the total collateral value**.
- The relative credit limit **does not take into account fixed term deposits** that are not used as collateral.

Source: ECMS UDFS v1.2, p. 544 ff.

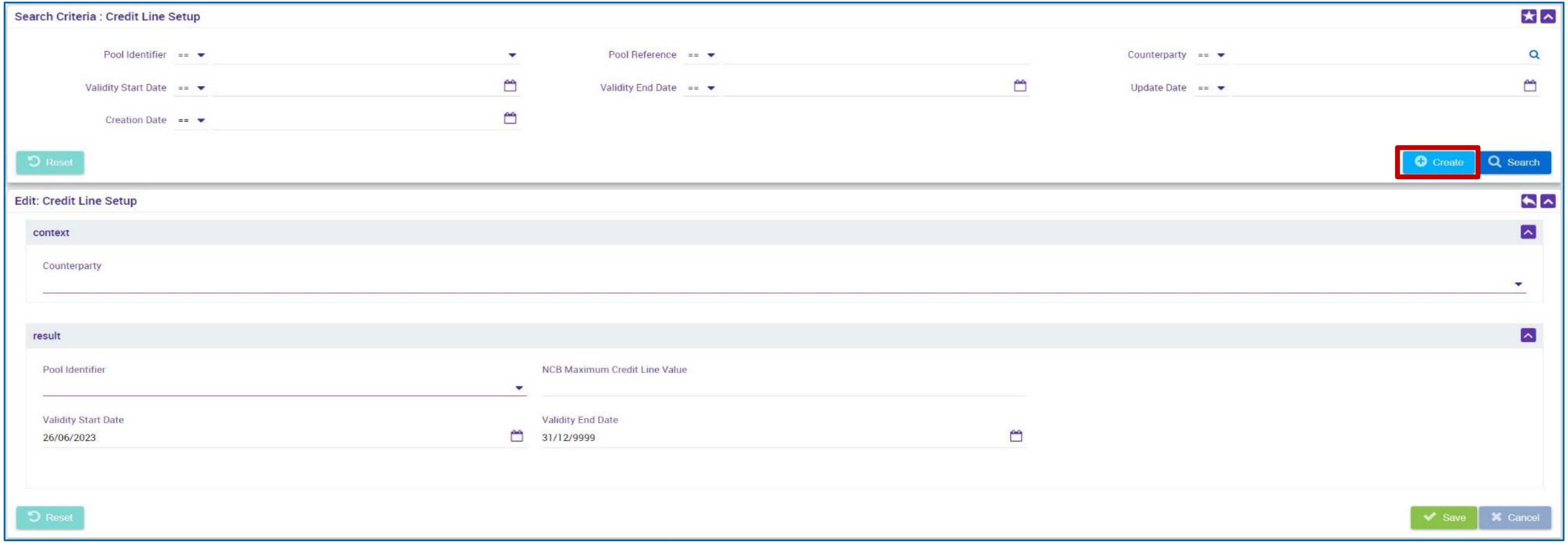
Credit Limit (Absolute Credit Limit) (2 / 2)

- **Maximum amount of credit** that can be granted to a counterparty.
- This attribute is set as an **absolute amount** when a counterparty pool is created.
- ECMS prevents the total credit position of the pool (including the credit line sent to CLM) from exceeding this limit.
- If a new liquidity-providing transaction exceeds this limit, it is queued for the NCB user to either increase this limit or modify the transaction.
- The credit limit sent to CLM is limited to the following value: Value of the absolute credit limit minus the total value of outstanding credit operations.
- If the absolute credit limit is **not set**, ECMS does not take it into account and considers the **total value of collateral as the absolute credit limit**.
- The absolute credit limit **takes into account** the **accrued interest of open market operations**.
- The absolute credit limit does **not take into account fixed term deposits** (FFTD) that are not used as collateral.

Source: ECMS UDFS v1.2, p. 544 ff.

Creating Credit Line (Excursus) (Look & Feel)

- Screen "Edit: Credit Line Setup" for creating a credit line.
- Collateral and Credit >> Pool Structure >> Other Credit Positions >> **Pool – Credit Line Setup Create / Display** >> Click on the "Create" button.



Source: ECMS EAC 26.06.2023

Types of Credit Lines (1 / 2)

Suggested Credit Line (SCL)

- **Calculated** by the ECMS **after all events** affecting the collateral position or credit position.
- The Suggested Credit Line (SCL) is the result of the **difference** between the **total value of the collateral position** (considering the relative limit) and the **total value of the credit position**.
- If the **total value of the credit position exceeds the total value of the collateral position**, the SCL is negative, and the ECMS triggers a **collateral deficiency.**
- If the **collateral deficiency** is due to a **mandatory event**, a **Margin Call (MC)** is initiated (taking into account the threshold to be set by the NCBs ranging from 0 to 0.5 percent).

Source: ECMS UDFS v1.2, p. 587 ff.

Types of Credit Lines (2 / 2)

Expected Credit Line (ECL)

- Corresponds to the **last value of the Suggested Credit Line (SCL**) **sent to the Central Liquidity Management (CLM) in the case of a variable credit line** or the **Maximum Credit Line (MaCL)** considering the absolute limit, if applicable.
- Not **relevant for counterparties without their own MCA** (Value always = 0).

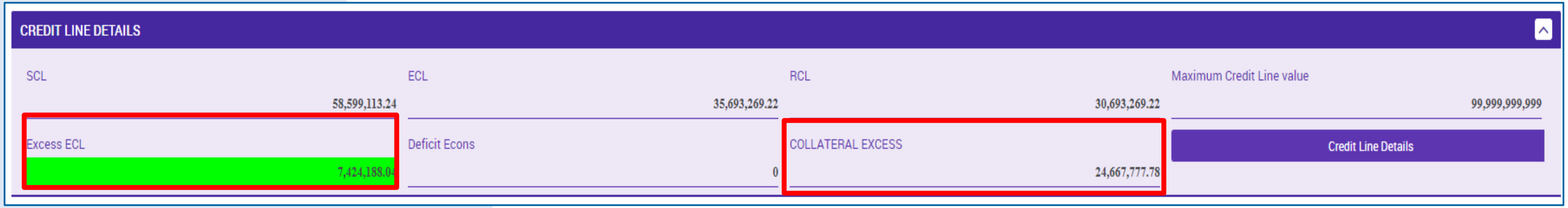
Real Credit Line (RCL)

- The Real Credit Line corresponds to **the latest credit line settled in the CLM** and confirms the credit line value received from the CLM in the ECMS.
- It may differ from the ECL value if at least one change to the credit line has not been settled in the CLM yet.

Source: ECMS UDFS v1.2, p. 587 ff.

Excess ECL & Collateral Excess

- Excess Expected Credit Line: This value is fulfilled when the ECL in the CLM is capped due to the Maximum Credit Line (MaCL) or the absolute limit.
- Collateral Excess: This value reflects the amount of unused collateral.



Source: ECMS UDFS v1.2, p. 587 ff.