DEUTSCHE BUNDESBANK EUROSYSTEM

target services | ECMS

Open market operations

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

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    - 3.2. Collateral
    - 3.3. Exposure

1. Testing principles

Test scenarios and general assumptions

1. Testing principles

- The following fundamental test cases are part of community testing:

Test case ID	Domain	Functionality	Test case name
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

- To be able to conduct tests on open market operations, role no. 65 (ECMS Entity – U2A Open Market Operations Read Only) and role no. 72 (ECMS Entity – U2A Pool Position Execution) are required.

1. Testing principles

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

- Testing open market operations in foreign currency is only offered to counterparties, who have access to this kind of operation in the production environment at the beginning of the test period.

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

1. Testing principles

- Payments in CLM should be checked on settlement and maturity days, but it is also possible to look at them at a later date.

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

- Some counterparties may depend on their parent to provide liquidity via TARGET/CLM, if liquidity management for their MCA has been transferred to this entity. Consequently, these institutes are responsible for the provision of liquidity (just like in the production environment). The co-managers have already been informed accordingly.

- Counterparties do not have to take any action when open market operations in foreign currency reach maturity.

- Bundesbank‘s BIC code for open market operations is MARKDEFFCMS.

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

1. Testing principles

General remarks:

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

ECMS - Professional use (europa.eu)

The ECB’s “Testing conditions“ **are updated every two weeks**.

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

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

You have the opportunity to view the tenders even after the end of this campaign. The tenders will be available to you in the test environment until the next migration test.

We require confirmation of the test cases you conducted. Please complete the survey sent to you.

2. Testing period and test cases

25/11/2024 – 06/12/2024

2. Testing period and test cases
Testing period

Start: 25/11/2024

Ending: 06/12/2024

Monday, 25 November	Tuesday, 26. November	Wednesday, 27 November	Thursday, 28 November	Friday, 29 November
		FTD Settlement 20550011 (Page 10)	LTRO Settlement 20550013 (Page 13)	
		USD Settlement 20550012 (Page 12)		
Monday, 02 December	Tuesday, 03 December	Wednesday, 04 December	Thursday, 05 December	Friday, 06 December
	FTD Maturity 20550011 (Page 10)	USD Maturity 2050012 (Page 12)		
		LTRO Maturity 20550013 (Page 13)		

2. Testing period and test cases
2.1. Collection of fixed-term deposits (ECMS_TC_CPTY 17-18)

Tender ID:	**20550011**
Value Date:	**Wednesday, 27th November, from 12:00 p.m.**
Maturity Date:	**Tuesday, 03rd December**
Duration of Operation:	**6 days**
Allotment Amount:	**€2.5m**
Interest Rate:	**3.50 %**

The fixed-term deposit has effects on collateral. The collateral pool position is going to increase daily by 243.06 (accrued interest).

The booking is made in CLM via pacs 009.

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

2. Testing period and test cases
2.2. Foreign currency transaction (ECMS_TC_CPTY 15-16)

Tender ID:	**20550012**
Value Date:	**Wednesday, 27th November**
Maturity Date:	**Monday, 04nd December**
Duration of Operation:	**5 days**
EUR/USD Spot Rate:	**1.1100**
Initial Margin:	**12 %**
Allotment Amount:	**$5.5m**
Interest Rate:	**5.05 %**

The accrued interest is taken into account in a way that changes the lending value, thus the collateral position in the pool increases daily by the interest amount of €695.07.

Changes to the credit line in CLM are booked via pacs 009 as foreign currency transactions are not settled via TARGET Services.

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

2. Testing period and test cases
2.3. Longer-term refinancing operation (ECMS_TC_CPTY 13-14)

Tender ID:	**20550013**
Value Date:	**Thursday, 28th November**
Maturity Date:	**Wednesday, 04th December**
Duration of Operation :	**6 days**
Reference Entity:	**Average MRO rate**
Allotment Amount:	**€2m**
Spread:	**0 bp**

The daily accrued interest affects the collateral pool position. Therefore, the amount that has to be collateralised increases with every passing day. The MRO rate is 4.00% until 01st December and 3.65% from 02nd December onwards.

Until the day of the interest rate change on 02nd December, you will see the provisional interest amount for the maturity date of €1,333.33.

From the day after the interest rate change on 03rd December, you will see the provisional interest amount for the maturity date of €1,294.44.

The booking is made in CLM via pacs 009.

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

2. Testing period and test cases
2.3. Longer-term refinancing operation (CPTY 13-14)

Example calculation of Interest for LTRO

	November 28th	November 29th	November 30th	December 1st	December 2nd	December 3rd	December 4th
	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday
Days	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
Duration of operation: 6 Days	2.000.000,00						
Interest accrued for the previous day	0,00	222,22	222,22	222,22	222,22	202,78	202,78
Interest rate valid for this day in ECMS	4	4	4	4	3,65	3,65	3,65
Weighted average rate for calculating interest accrued (displayed in ECMS)		4	4	4	4	3,93	3,883333333
Spread	0	0	0	0	0	0	0
Interest accrued so far	0,00	222,22	444,44	666,67	888,89	1.091,67	1.294,44

Average MRO rate from Day 0 to 6

Calculation of the interest accrued so far for day 6: 2,000,000*3.88333333*6/36000

Calculation of the interest accrued so far for day 5: 2,000,000*3.93*5/36000

2. Testing period and test cases
Explanation of netting results

Monday, 25 November		Tuesday, 26. November		Wednesday, 27 November	Netting for November 07th	Thursday, 28 November	Netting for November 28th	Friday, 29 November	
				FTD Settlement 20550011 (Page 10)	-2.5 Mio	LTRO Settlement 20550013 (Page 13)	+2 Mio		
					2.5 Mio from your bank account in CLM				
				USD Settlement 20550012 (Page 12)	5,5 Mio				
					5,5 million collateral blocked		2 Mio to your bank account in CLM		

Monday, 02 December		Tuesday, 03 December	Netting for November 03rd	Wednesday, 04 December	Netting for November 04th	Thursday, 05 December		Friday, 06 December	
		FTD Maturity 20550011 (Page 10)	+2.5 Mio	LTRO Maturity 20550013 (Page 13)	-2 Mio				
					2 Mio from your bank account in CLM				
				USD Maturity 20550012 (Page 12)	5.5 Mo				
			2.5 Mio to your bank account in CLM		2 Mio from your bank account in CLM				

3. Monitoring of operations

3. Monitoring of operations
Test cases for open market operations

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

For 3.1. Pool Overview

- Please check if the settled operation is displayed in “Pool Overview“, with the correct settlement amount and the calculated interest amount.

For 3.2. Collateral

- Please check whether the calculated interest amount is displayed for outstanding fixed-term deposits.

For 3.3. Exposure

- Please check whether the calculated interest amount for outstanding open market operations is displayed in “Exposure“.

Payments should be checked in CLM on settlement and maturity days, but it is also possible to look at them at a later date.

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

3. Monitoring of operations
Test cases for open market operations

Testing activies exceeding the fundamental test cases:

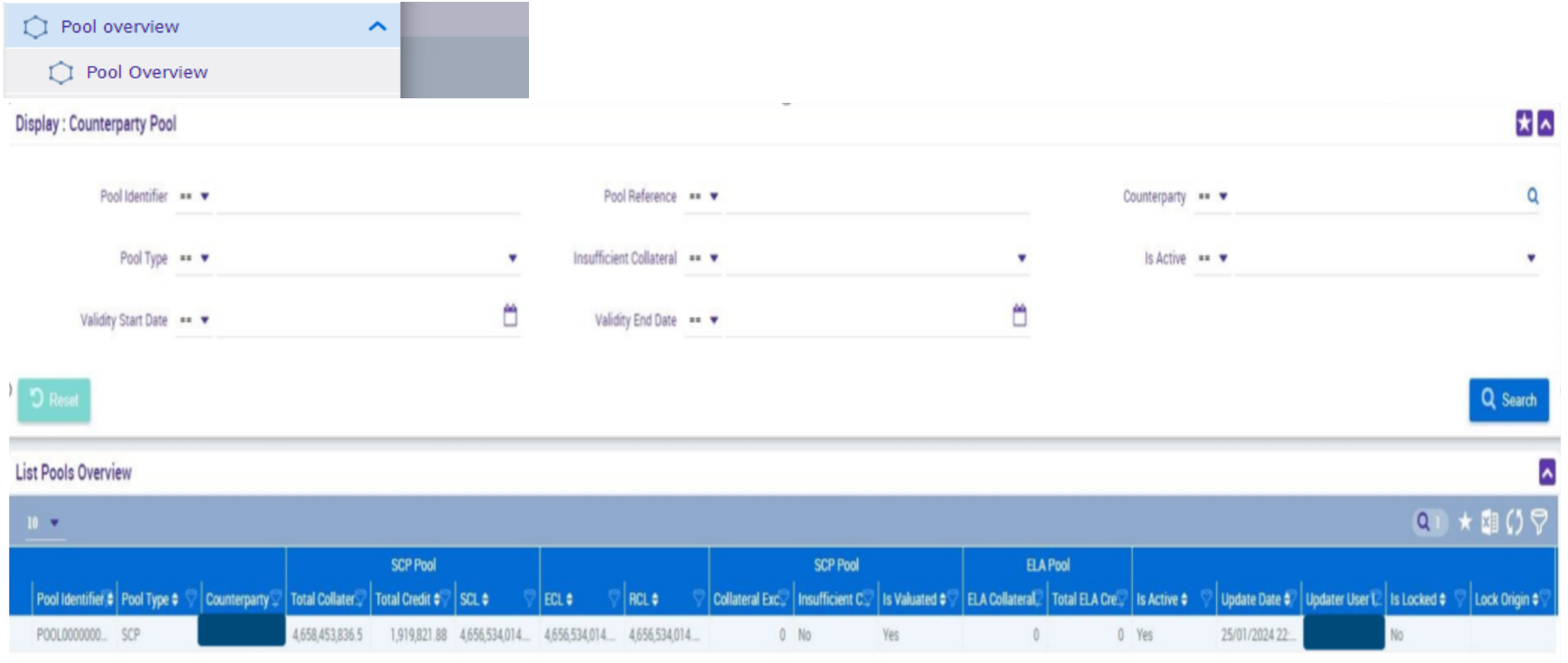
Zu 3.2. Collateral

- Please check whether the operations that have to be netted display the correct nominal, interest and netting amounts.

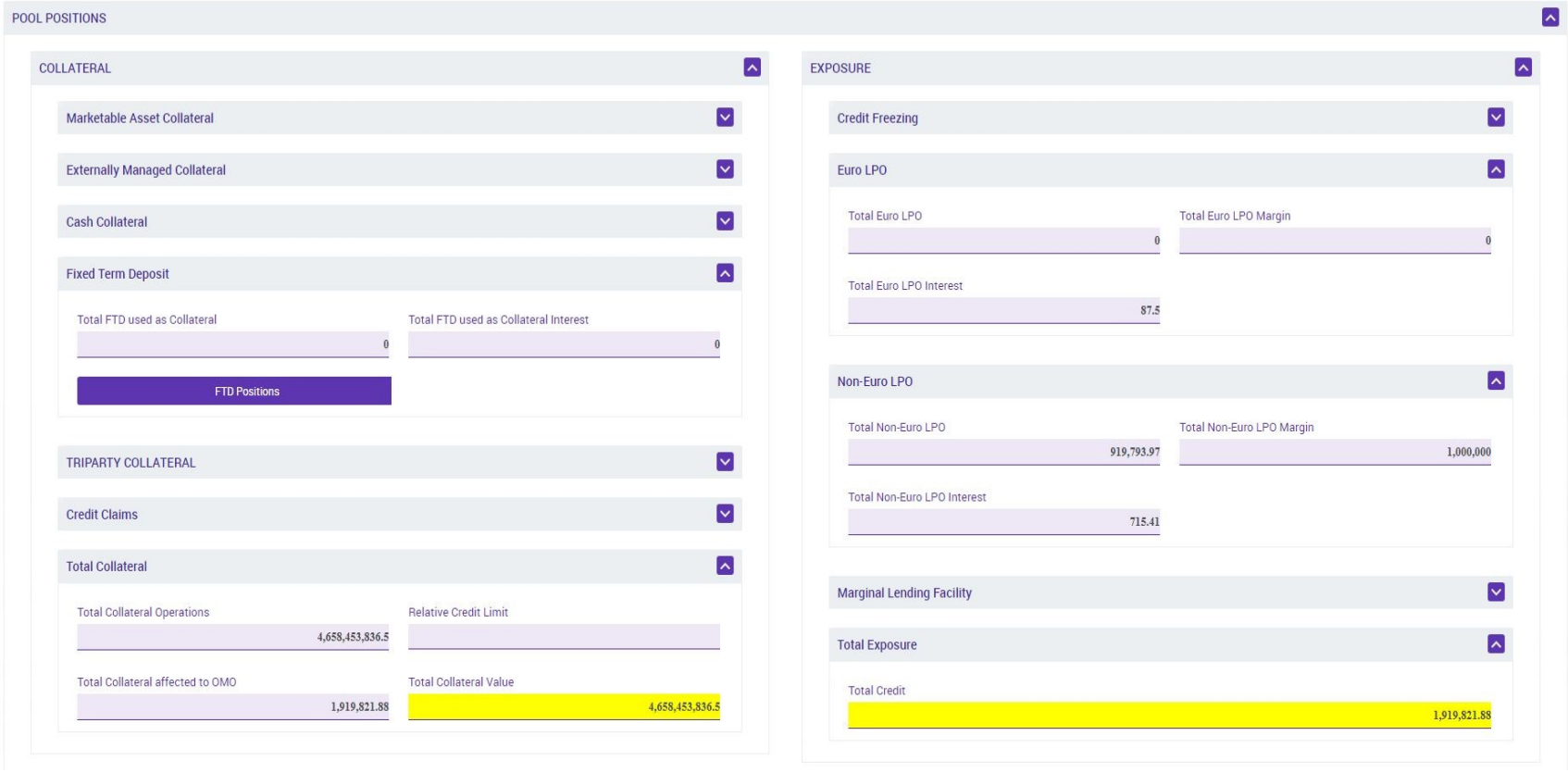
3. Monitoring of operations
3.1. Pool Overview

Module: Collateral and Credit

Screen: Pool Overview >> Pool Overview >> press button “Search“ >> select data set in “List Pools Overview“ >> press button “View“



3. Monitoring of operations
3.1. Pool Overview



“List Pools Overview“ contains the following information:

Field	Explanation
Pool Identifier	Pool ID
Pool Type	Type of pool
Counterparty RIAD Code	Equal to your MFI Code
Total Collateral Value	Consolidated collateral amount
Total Credit	Consolidated amount of open market operations and marginal lending
SCL	Current credit line

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

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

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

To view the following screen, you have to go to screen “Pool Overview” and then press button “FTD Positions”.

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

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

3. Monitoring of operations
3.1. Pool Overview

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

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

Field	Explanation
Total Non Euro LPO	Sum of all non-euro liquidity-providing operations (nominal amount)
Total Non Euro LPO Margin	Margin for all non-euro liquidity-providing operations
Total Non Euro LPO Interest	Outstanding interest amount for all non-euro liquidity-providing operations

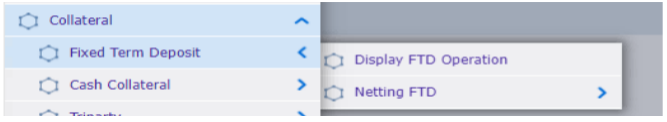
Testing activities to check for the fundamental test cases‘ success:

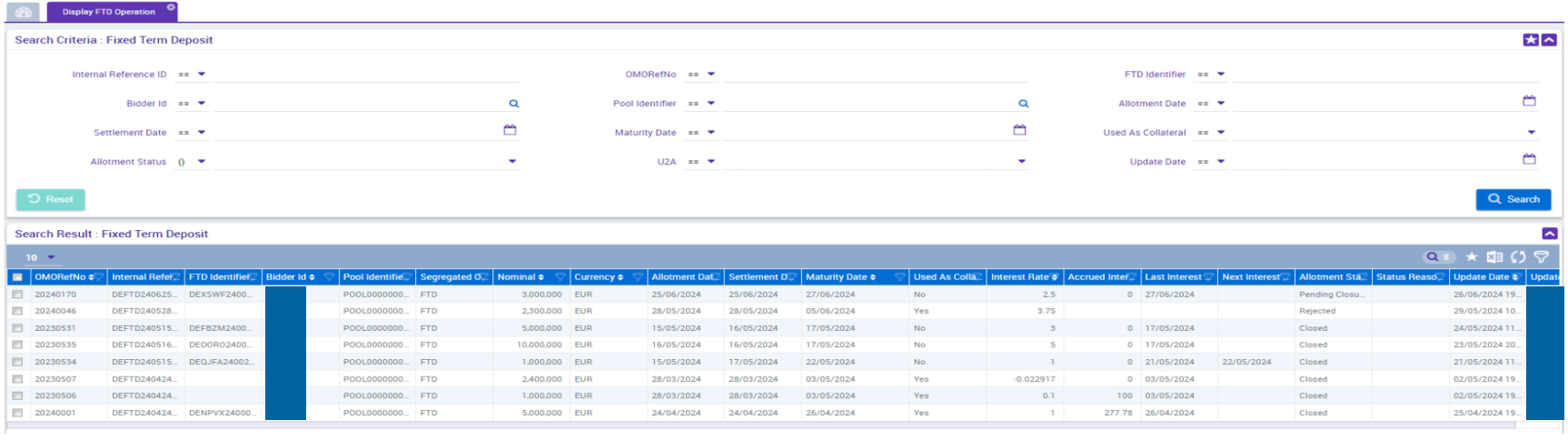
For 3.1. Pool Overview

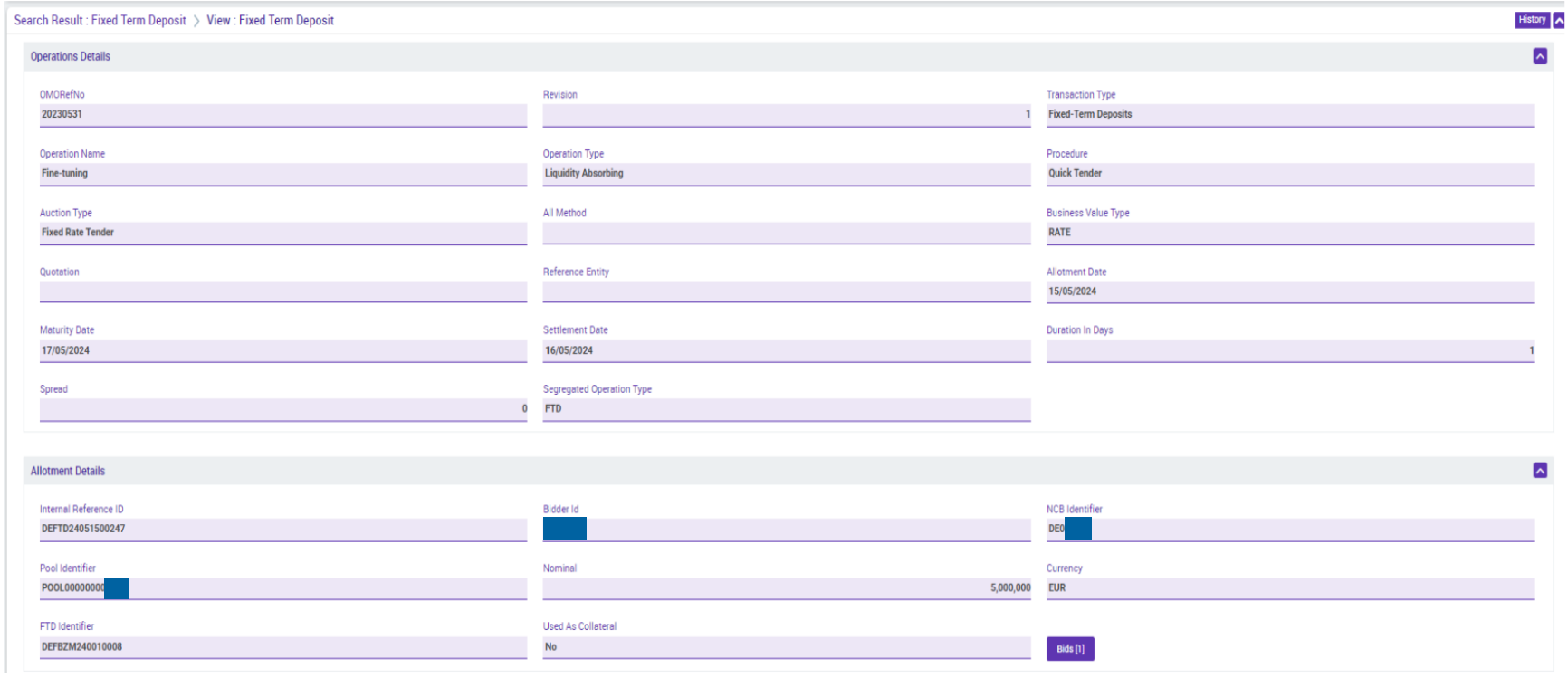
- Please check if the nominal and interest amounts for your fixed-term deposits and liquidity-providing operations match with your allotted operations.

Module: Collateral and Credit

Screen: Collateral >> Fixed Term Deposit >> Display FTD Operation >> press button “Search“ >> select data set in “Search Result: Fixed Term Deposit“ >> press button “View“



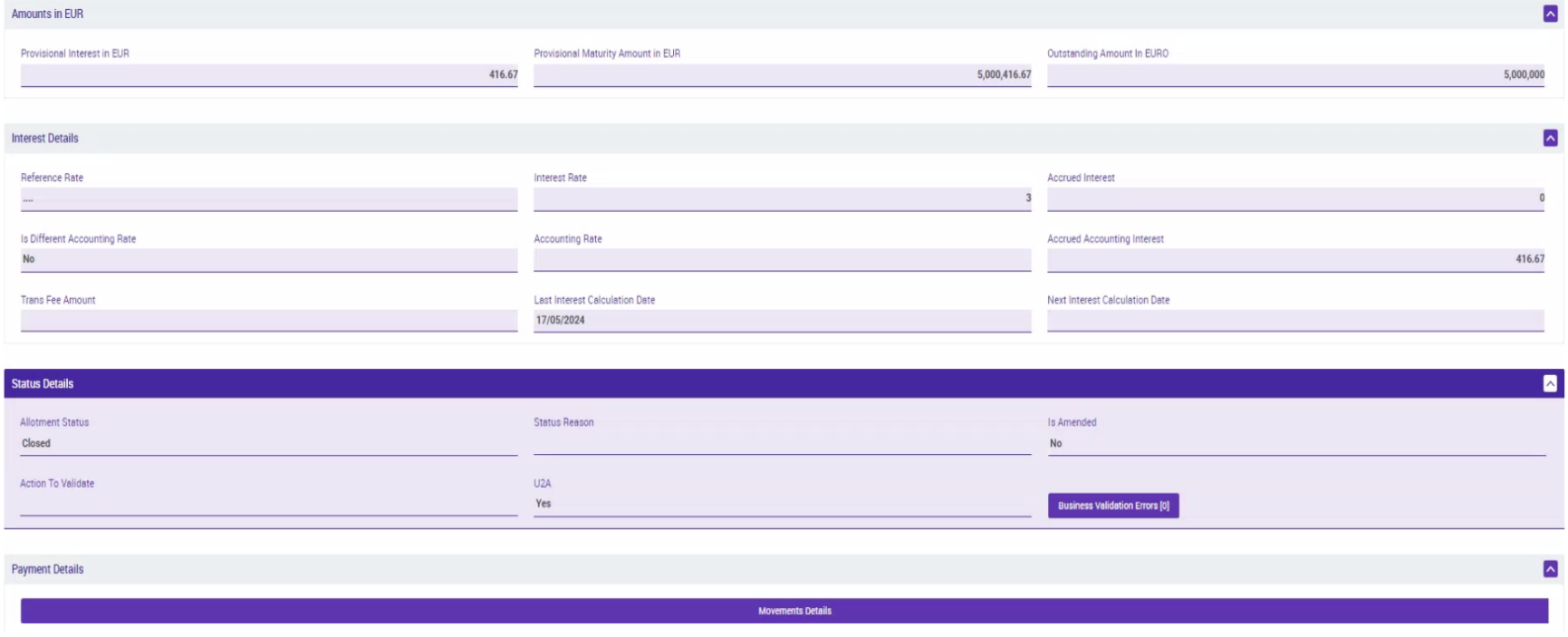


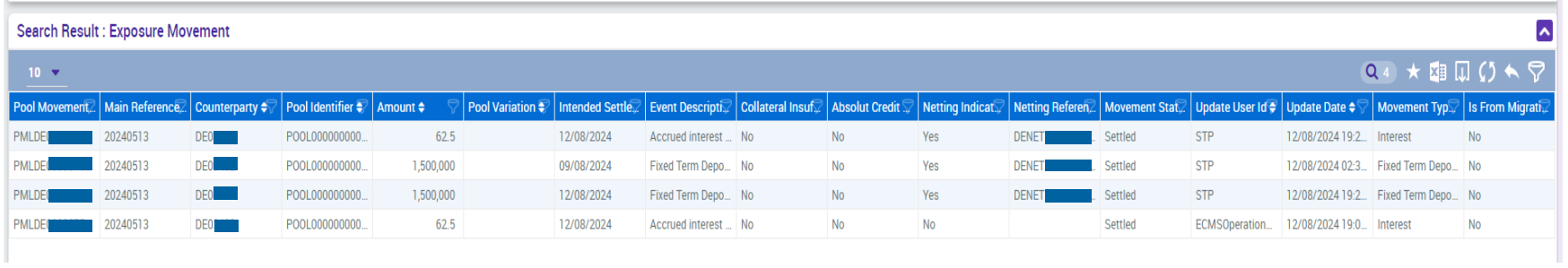

Search Result : Fixed Term Deposit > View : Fixed Term Deposit
History
Operations Details
OMORefNo
20230531
Revision
1
Transaction Type
Fixed-Term Deposits
Operation Name
Fine-tuning
Operation Type
Liquidity Absorbing
Procedure
Quick Tender
Auction Type
Fixed Rate Tender
All Method
Business Value Type
RATE
Quotation
Reference Entity
Allotment Date
15/05/2024
Maturity Date
17/05/2024
Settlement Date
16/05/2024
Duration In Days
1
Spread
0
Segregated Operation Type
FTD
Allotment Details
Internal Reference ID
DEFTD24051500247
Bidder Id
NCB Identifier
Pool Identifier
Nominal
5,000,000
Currency
EUR
FTD Identifier
DEFBZM240010008
Used As Collateral
No
Bids [1]

3. Monitoring of operations
3.2. Collateral

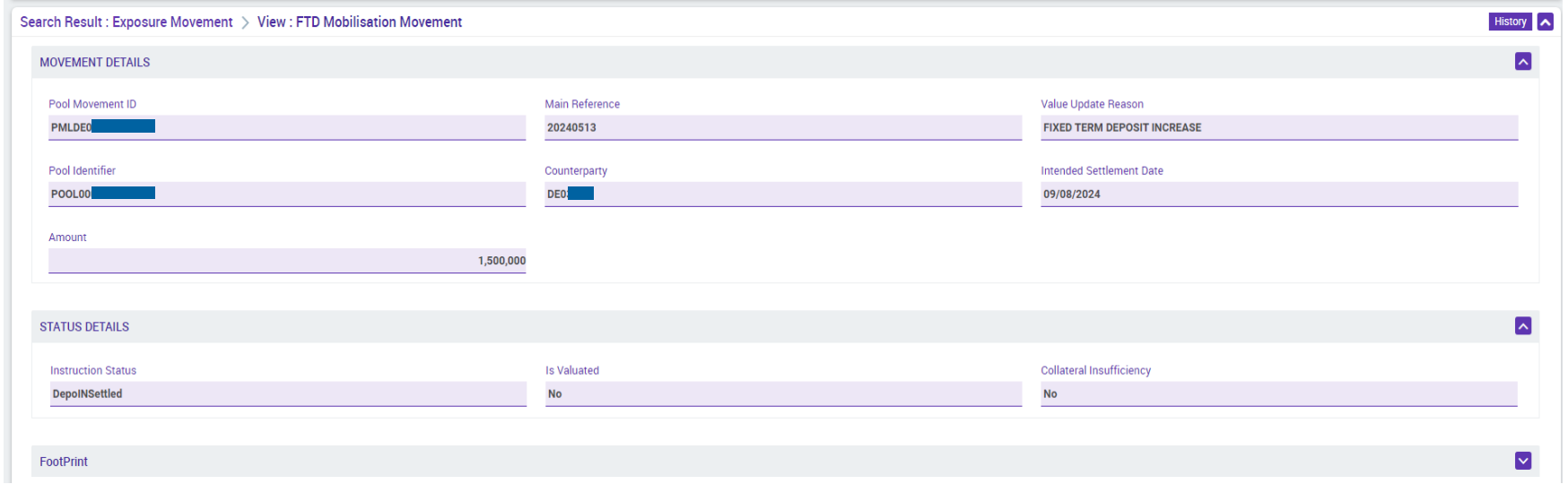
Module: Collateral and Credit

Screen: Display FTD Operation >> scroll downwards >> press button “Movements Details“ >> select data set in “Search Result: Exposure Movement“ >> press button “View“





Pool Movement	Main Reference	Counterparty	Pool Identifier	Amount	Pool Variation	Intended Settle	Event Descripti	Collateral Insuf	Absolut Credit	Netting Indicat	Netting Referen	Movement Stat	Update User Id	Update Date	Movement Typ	Is From Migrati
PMLDE[redacted]	20240513	DE0[redacted]	POOL000000000...	62.5		12/08/2024	Accrued interest ...	No	No	Yes	DENET[redacted]	Settled	STP	12/08/2024 19:2...	Interest	No
PMLDE[redacted]	20240513	DE0[redacted]	POOL000000000...	1,500,000		09/08/2024	Fixed Term Depo...	No	No	Yes	DENET[redacted]	Settled	STP	12/08/2024 02:3...	Fixed Term Depo...	No
PMLDE[redacted]	20240513	DE0[redacted]	POOL000000000...	1,500,000		12/08/2024	Fixed Term Depo...	No	No	Yes	DENET[redacted]	Settled	STP	12/08/2024 19:2...	Fixed Term Depo...	No
PMLDE[redacted]	20240513	DE0[redacted]	POOL000000000...	62.5		12/08/2024	Accrued interest ...	No	No	No		Settled	ECMSOperation...	12/08/2024 19:0...	Interest	No



Search Result : Exposure Movement

10

Pool Movement ID	Main Reference	Counterparty	Pool Identifier	Amount	Pool Variation	Intended Settleme...	Event Description	Collateral Insuffici...	Absolut Credit Limi...	Netting Indicator	Netting Reference	Movement Status	Update User Id	Update Date	Movement Type	Is From Migration
PMLDE[redacted]	20230531	[redacted]	POOL000000[redacted]	0		17/05/2024	Accrued interest on ...	No	No	Yes	DENET2405177001 4...	Settled	[redacted]	16/05/2024 19:19:59...	Interest	No
PMLDE[redacted]	20230531	[redacted]	POOL000000[redacted]	5,000,000		16/05/2024	Fixed Term Deposit ...	No	No	Yes	DENET2405165001 5...	Settled	[redacted]	15/05/2024 19:34:14...	Fixed Term Deposit	No
PMLDE[redacted]	20230531	[redacted]	POOL000000[redacted]	5,000,000		17/05/2024	Fixed Term Deposit ...	No	No	Yes	DENET2405177001 4...	Settled	[redacted]	16/05/2024 19:19:56...	Fixed Term Deposit	No
PMLDE[redacted]	20230531	[redacted]	POOL000000[redacted]	416.67		17/05/2024	Accrued interest on ...	No	No	No		Settled	[redacted]	16/05/2024 19:13:12...	Interest	No

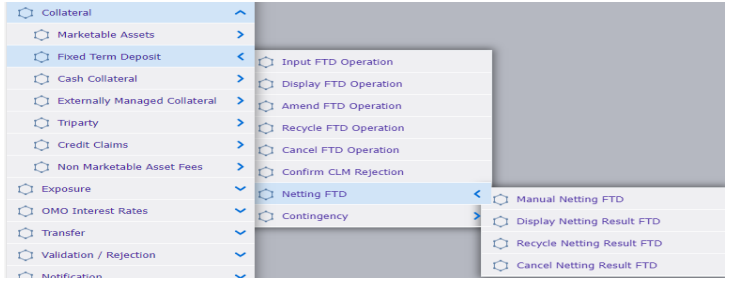
“View Screen“ contains the following information:

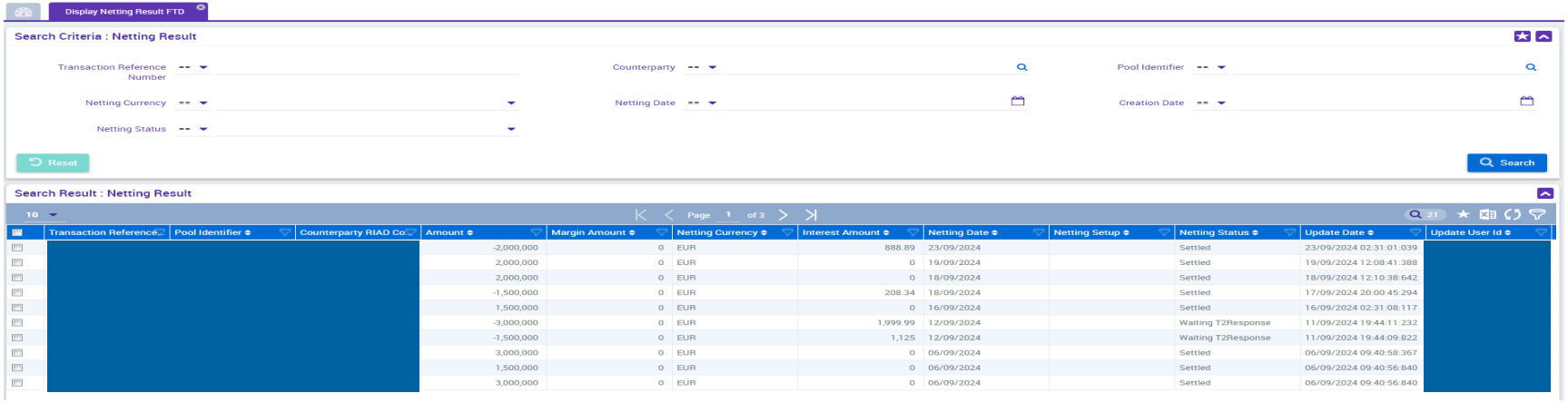
Field	Explanation
Provisional Interest	Provisionally calculated interest amount to be paid at maturity
Outstanding Accrued Interest	Interest amount accumulated so far
Total Accounting Interest	Final interest amount from an accounting perspective
Amount prepared for Accounting	Interest amount accumulated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

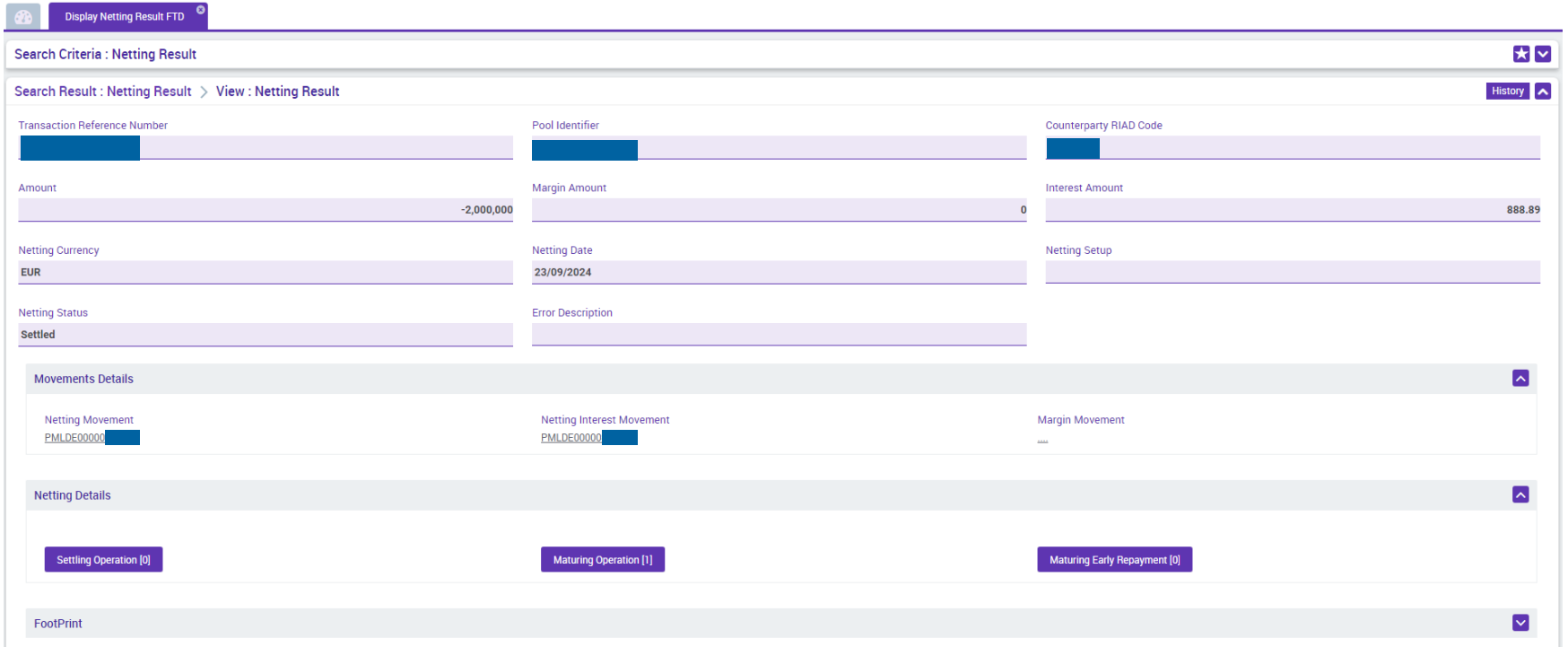
3. Monitoring of operations
3.2. Collateral

Modul: Collateral and Credit

Screen: Collateral >> Fixed Term Deposit >> Netting FTD >> „Display Netting Result FTD“ >> press button „Search“ >> select data set in „Search Result: Netting Result“ >> press button „View“






Display Netting Result FTD
Search Criteria : Netting Result
Search Result : Netting Result > View : Netting Result
History
Transaction Reference Number
Pool Identifier
Counterparty RIAD Code
Amount
-2,000,000
Margin Amount
0
Interest Amount
888.89
Netting Currency
EUR
Netting Date
23/09/2024
Netting Setup
Netting Status
Settled
Error Description
Movements Details
Netting Movement
PMLDE00000
Netting Interest Movement
PMLDE00000
Margin Movement
Netting Details
Settling Operation [0]
Maturing Operation [1]
Maturing Early Repayment [0]
FootPrint

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

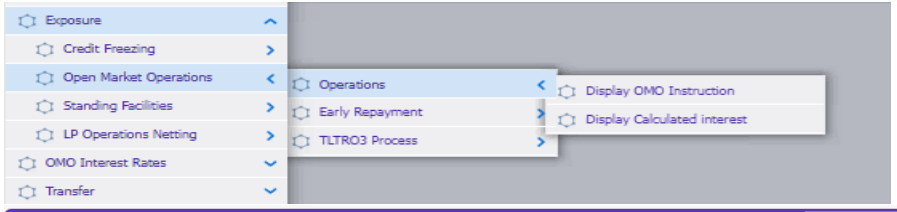
For 3.2. Collateral:

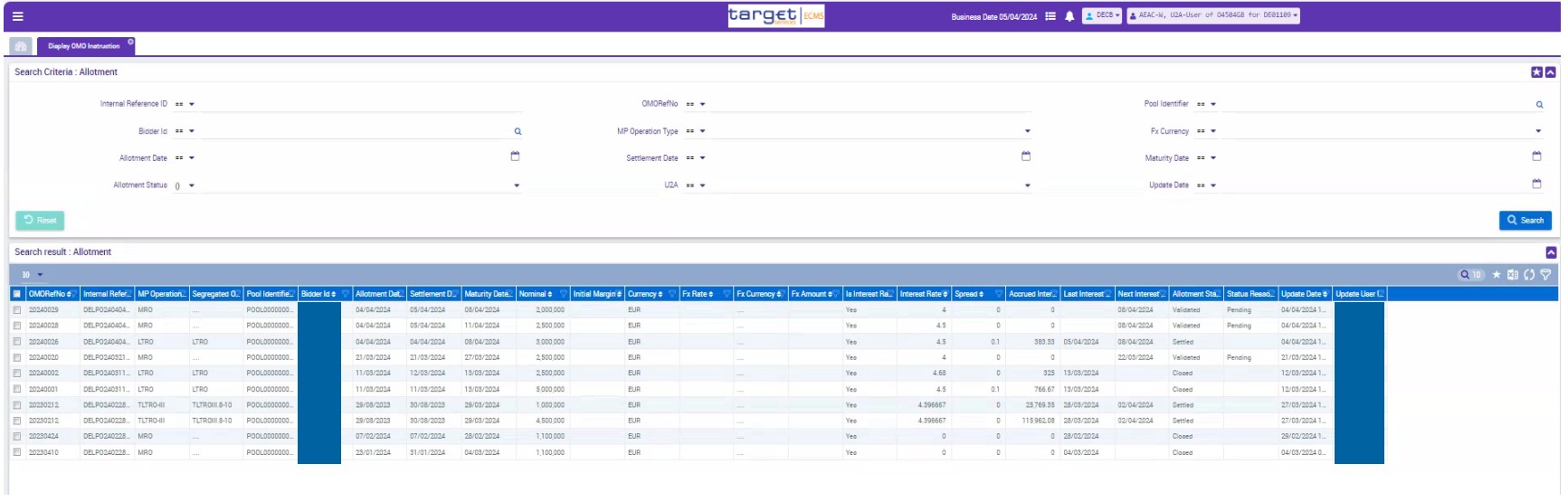
- Please check if the calculated interest amounts match your allotted operations on a daily basis and at maturity.

3. Monitoring of operations
3.2. Collateral

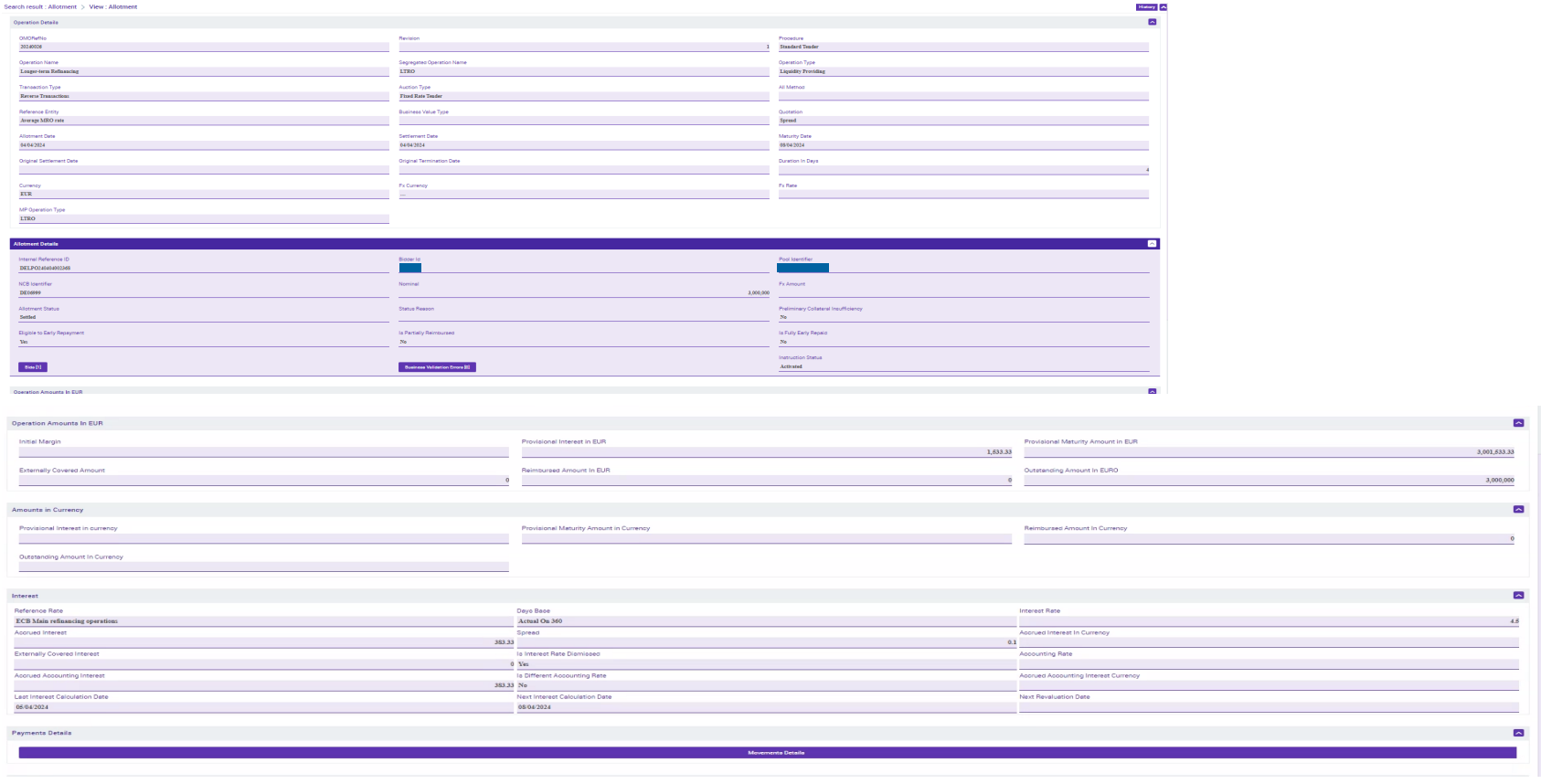
Module: Collateral and Credit

Screen: Exposure >> Open Market Operations >> Operations >> Display OMO Instruction >> press button “Search“ >> select data set in “Search Result: Allotment“ >> press button “View“





3. Monitoring of operations
3.2. Collateral



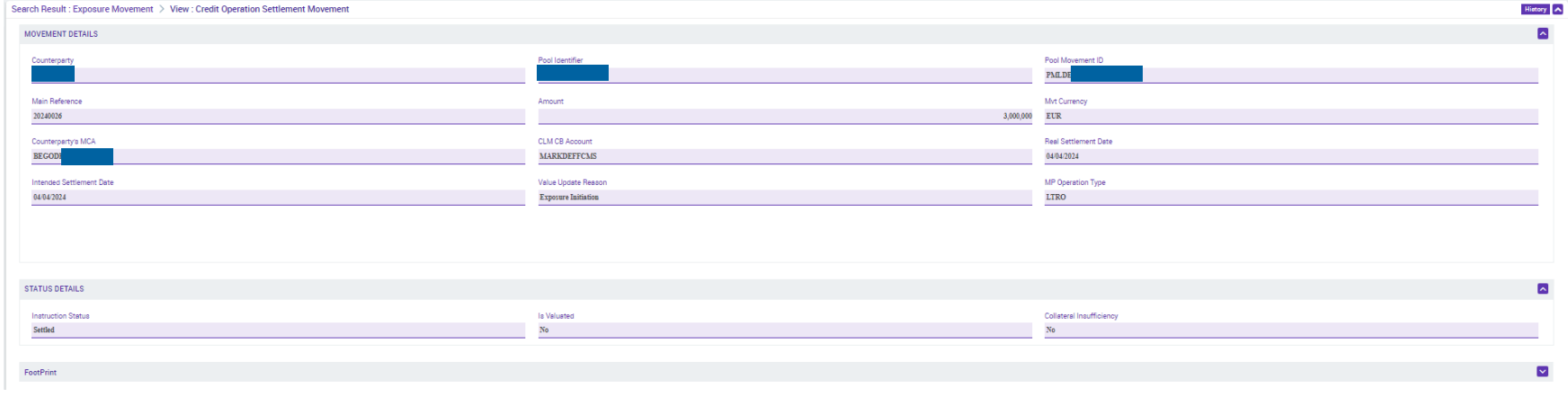
3. Monitoring of operations
3.3. Exposure

Module: Collateral and Credit

Screen: Display OMO Instruction >> scroll downwards >> press button “Movements Details“ >> select data set in “Search Result: Exposure Movement“ >> press button “View“

Search Result : Exposure Movement

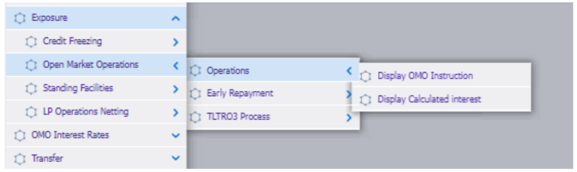
Pool Movement ID	Main Reference	Counterparty	Pool Identifier	Amount	Pool Variation	Intended Settlement Date	Event Description	Collateral Insufficiency	Absolut Credit Limit Breac...	Netting Indicator	Netting Reference	Movement Status	Update User Id	Update Date	Movement Type
PMLDE[redacted]	20240026	[redacted]	[redacted]	1,533.33		08/04/2024	Credit Operation Interest	No	No	No		Prepared	[redacted]	04/04/2024 19:12:57.789	Interest
PMLDE[redacted]	20240026	[redacted]	[redacted]	3,000,000		04/04/2024	Credit Operation Settlement	No	No	No	DENET2404041000200 1	Settled	[redacted]	04/04/2024 12:02:41.874	Cash
PMLDE[redacted]	20240026	[redacted]	[redacted]	983.33	-983.33	05/04/2024	Credit Operation Interest	No	No	No		Settled	[redacted]	04/04/2024 19:19:43.674	Interest

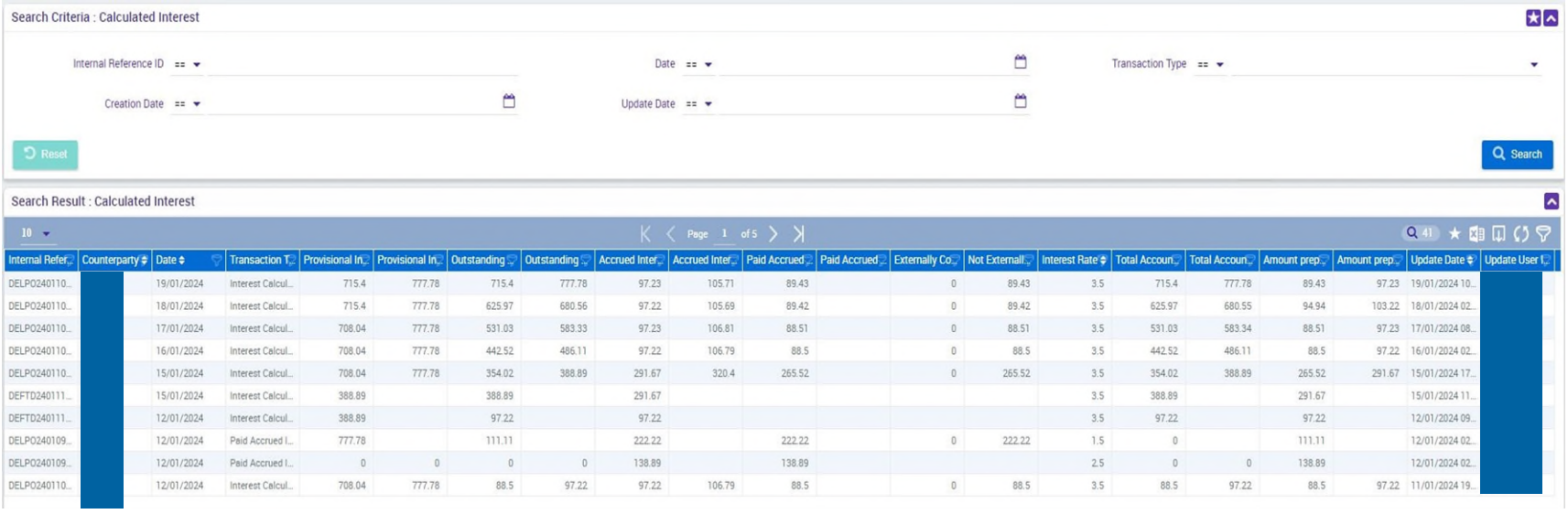


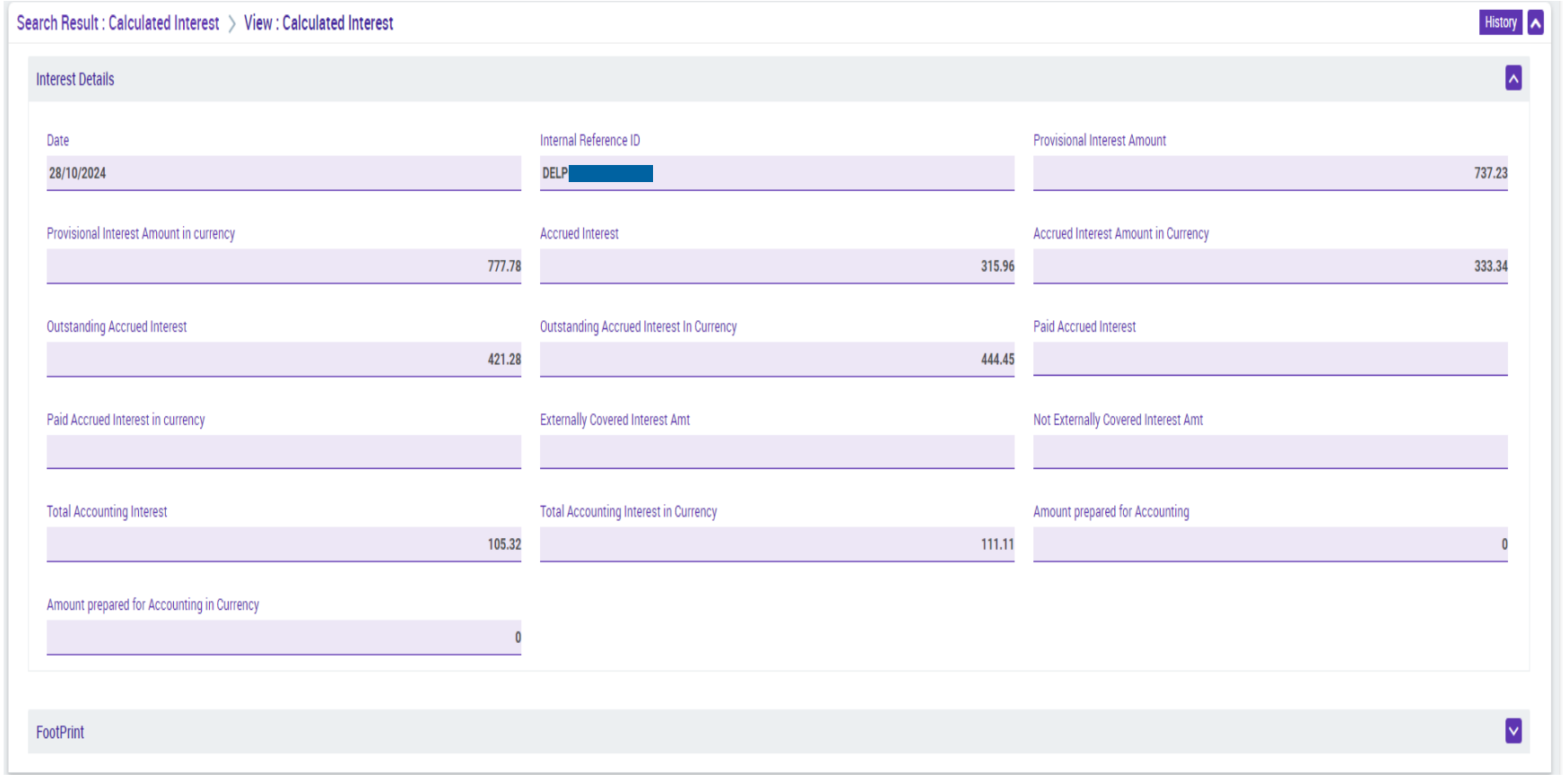
3. Monitoring of operations
3.3. Exposure

Module: Collateral and Credit

Screen: Exposure >> Open Market Operations >> Operations >> Display Calculated Interest >> press button “Search“ >> select data set in “Search Result: Calcualted Interest“ >> press button “View“






Search Result : Calculated Interest
View : Calculated Interest
History
Interest Details
Date
28/10/2024
Internal Reference ID
DELP
Provisional Interest Amount
737.23
Provisional Interest Amount in currency
777.78
Accrued Interest
315.96
Accrued Interest Amount in Currency
333.34
Outstanding Accrued Interest
421.28
Outstanding Accrued Interest In Currency
444.45
Paid Accrued Interest
Paid Accrued Interest in currency
Externally Covered Interest Amt
Not Externally Covered Interest Amt
Total Accounting Interest
105.32
Total Accounting Interest in Currency
111.11
Amount prepared for Accounting
0
Amount prepared for Accounting in Currency
0
FootPrint

To be able to match the calculated interest amounts with the tender operations, you need the “Internal Reference ID” from the “Display OMO Instruction Screen” (for more, please go to page xx)

“View Screen“ contains the following information:

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

“Display Calculated Interest“ contains the following information:

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

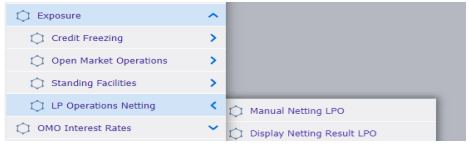
Testing activities to check for the fundamental test cases‘ success:

For 3.3. Exposure:

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

Module: Collateral and Credit

Screen: Exposure >> LP Operations Netting >> “Display Netting Result LPO“ >> press button “Search“ >> select data set in “Search Result: Netting Result“ >> press button “View“



Pool Overview | Display Netting Result LPO

Search Criteria : Netting Result

Transaction Reference Number == | Counterparty == | Pool Identifier ==
Netting Currency == | Netting Date == | Creation Date ==
Reset | Search

Search Result : Netting Result

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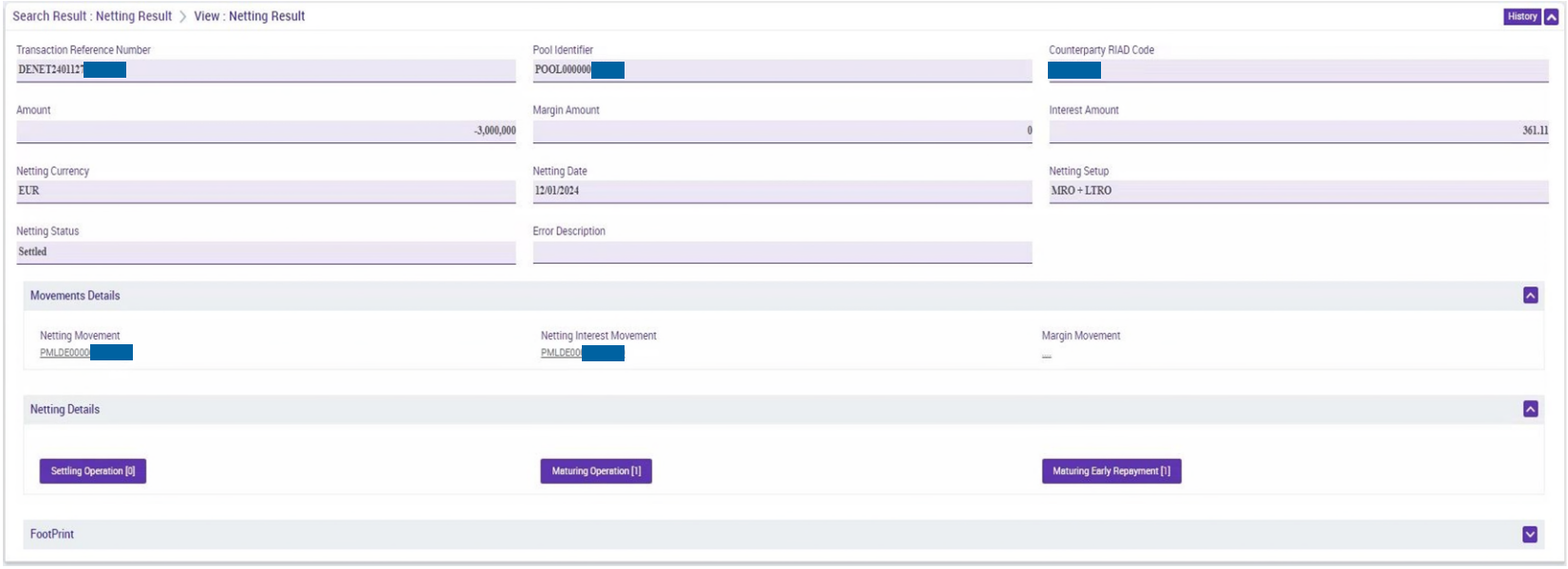
Transaction Reference	Pool Identifier	Counterparty RIAD Co	Amount	Margin Amount	Netting Currency	Interest Amount	Netting Date	Netting Setup	Netting Status	Update Date	Update User Id
DENET	POOL	DE	-919,793.97	-110,375.28	USD	715.4	19/01/2024		Waiting FXPayment	19/01/2024 07:03:05:774	
DENET	POOL	DE	-3,000,000	0	EUR	361.11	12/01/2024	MRO + LTRO	Settled	12/01/2024 02:26:21:996	
DENET	POOL	DE	910,332.27	109,239.87	USD	0	11/01/2024		Settled	11/01/2024 08:47:26:620	
DENET	POOL	DE	3,000,000	0	EUR	0	10/01/2024	MRO + LTRO	Settled	09/01/2024 19:15:58:090	
DENET	POOL	DE	0		EUR		24/11/2023		Failed	24/11/2023 17:00:56:041	
DENET	POOL	DE	-1,000,000	0	EUR	138.89	17/11/2023	MRO + LTRO	Settled	17/11/2023 10:50:45:870	
DENET	POOL	DE	1,000,000	0	EUR	0	15/11/2023	MRO + LTRO	Settled	15/11/2023 08:02:36:970	
DENET	POOL	DE	2,000,000	0	EUR	0	14/11/2023	MRO + LTRO	Settled	14/11/2023 10:00:41:152	
DENET	POOL	DE	1,500,000	0	EUR	0	25/10/2023		Settled	24/10/2023 19:17:07:033	
DENET	POOL	DE	2,000,000	0	EUR	0	29/09/2023	MRO + LTRO	Settled	29/09/2023 15:11:47:547	

3. Monitoring der Geschäfte
3.3. Exposure (Netting)



“Netting Results LPO“ contains the following information:

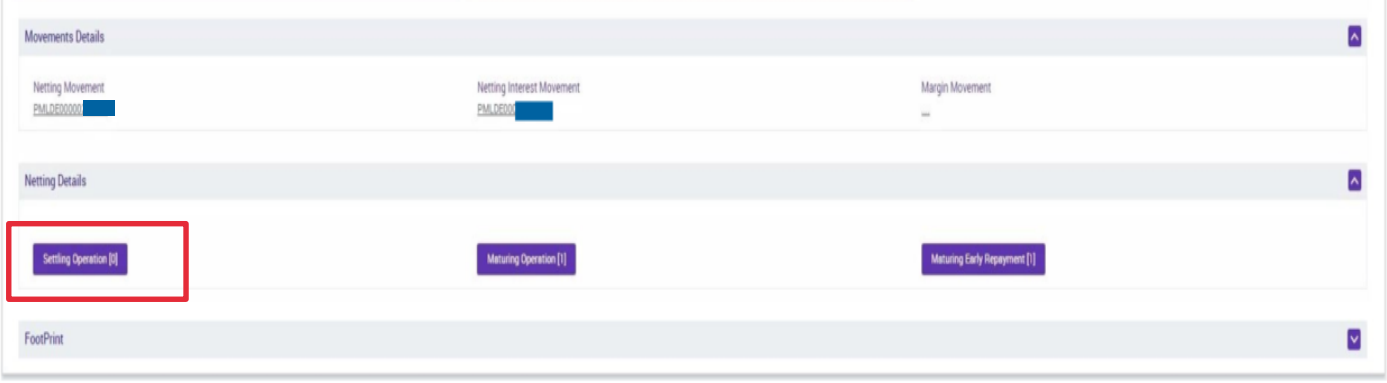
Field	Explanation
Amount	Nominal netted amount in Euro
Margin Amount	Netted margin of foreign currency transactions in Euro
Netting Currency	Currency of operations that have to be netted
Interest Amount	Netted interest payments in Euro
Netting Date	Date of netting
Netting Setup	Type of netted operations

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

3. Monitoring of operations
3.3. Exposure (Netting)

Module: Collateral and Credit

Screen: Exposure >> LP Operations Netting >> “Display Netting Result LPO“ >> press button “Search“ >> select data set in “Search Result: Netting Result“ >> press buttin “View“ >> press button “Settling Operation“



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

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

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

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

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

Testing activies exceeding the fundamental test cases:

Additionally, for 3.3. Exposure:

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

Additional information

- Please send an e-mail to ***ecms-test@bundesbank.de*** in case of questions or if you notice any bugs or abnormalities.
- We require confirmation of the test cases from page 4 you conducted. Please complete the survey sent to you.