



EUROPEAN CENTRAL BANK

EUROSYSTEM

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# **Eurosystem Collateral Management System (ECMS)**

Presentation to the AMI-SeCo

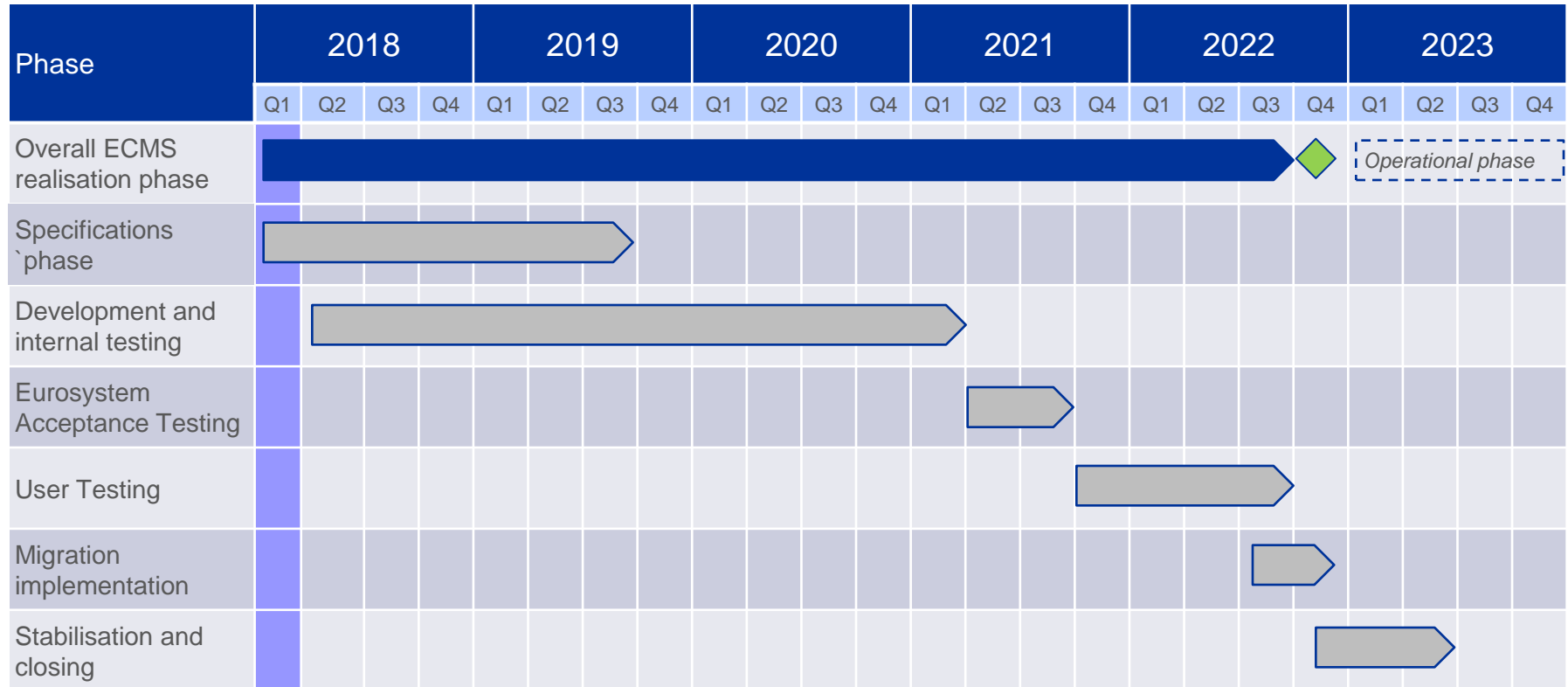
Frankfurt, Tuesday, 20 March

## Project overview

- ECMS (Eurosystem Collateral Management System) will be a single system for managing eligible assets used as collateral for Eurosystem credit operations.
- ECMS is an Eurosystem application that will be used by market participants (in their role as counterparties):
  - similar role as in the existing national collateral management systems; and
  - as opposed to a platform to which market participants outsource their business, like T2S.
- Realisation phase of the ECMS was approved by the Governing Council in December 2017.

## High-level planning for the realisation phase

Go-live: November 2022



## **ECMS governance structure**

- Eurosystem-internal working group on ECMS (ECMS-WG), with the representatives of each of the 19 National Central Banks, has been formed and had its kick-off meeting in February 2018.
- ECMS-WG reports directly to the Market Infrastructure Board (MIB).

## Collaboration with AMI-SeCo

- Interaction with market participants will be accomplished through the AMI-SeCo and the CMH-TF in addition to the interaction of NCBs with their respective counterparties.
- Dependency on the CMH-TF to submit **harmonised business processes and workflows for Triparty and corporate actions** to the AMI-SeCo by *June 2018*.
- ECB's ECMS Project Team participated in the CMH-TF meeting as observer. It can contribute to the CMH-TF work by:
  - Providing a status update on the project at each CMH-TF meeting;
  - Indicating whether the CMH-TF harmonised business processes and workflows provide a sufficient basis to prepare the ECMS UDFS

## **Current status of ECMS work - UDFS**

- Drafting of User Detailed Functional Specifications (UDFS) – provides the functional description and design of ECMS and how the user requirements will be implemented – has started on the Service Provider side.
- UDFS drafting work will run through 2018 and into Q3 2019. Work will be split into 8 iterations, each focusing on a different theme/part of the scope of the system.

## **Interaction of counterparties with the ECMS**

- As of the ECMS go-live, NCBs will be able to replace their current collateral management systems with the ECMS. The ECMS will provide a single interface (with the possibility of communication in U2A and A2A) that will be different from what NCBs might have in place nowadays.
- Key decision has been made for ECMS to rely on harmonised functionalities and ISO 20022 as the messaging standard.

## Relevant activities for ECMS counterparties

- Information on relevant ECMS functionalities will be made available timely by sharing relevant sections of the User Detailed Functional Specifications (UDFS), Connectivity Guide and/or training materials with counterparties.
- Agreed harmonisation will still require timely implementation → important to monitor the progress of important ECMS actors (e.g. counterparties, CSDs, Triparty Agents).
- One year prior to the go-live, NCBs will start conducting testing activities with their counterparties to make sure they are ready for migration to the new system.