

Triparty Collateral Management Adaptation Plan

SIX SIS

Activity	Triparty Collateral Management
Plan submitted by	SIX SIS
NSG	Switzerland
Date	June 2021

Background

The Adaptation Plan provides information on the changes which will be implemented to meet the AMI-SeCo Standards for Triparty Collateral Management which form part of the Single Collateral Management Rulebook for Europe (SCoRE). Full details of the Triparty Collateral Management Standards can be found on the [ECB website](#).

The document is structured as follows: Section 1 (Cover Letter) provides a high-level summary of the changes in order to implement the AMI-SeCo Standards. Section 2 (Adaptation Plan Table) then provides a more detailed overview per Standard covering a feasibility assessment and the implementation milestones.

1 Cover Letter

SIX SIS is currently renewing its Triparty Services for different business types. So far Triparty Repo and Central Banking Standing Facilities have been migrated to a new TPA platform outside of the CSD Settlement System SECOM. The Triparty Collateral Management Facility (TCM) is planned to be migrated till mid of 2022 (based on SCoRE Principles and 2023 with relevant SCoRE Messaging – sending, receiving). It is currently proposed but yet NOT approved to connect to the T2S System directly as DCM for all Triparty Services. SIX SIS will of course use the harmonized TPA workflows for TCM as basis for its renewed version. Currently is our TCM Service providing a wide variety of different customization options in the workflow, which will of course be reviewed and adopted to SCoRE Standards where appropriate.

Against the background that firstly the Swiss market is an EU third country and secondly CHF not being a T2S settlement currency the design of the new Swiss Triparty Collateral Management Facility (TCM) is rather complex. SIX SIS has to consider both Swiss (incl. Liechtenstein) and - due to cross-

border activities - EU, US and Asian market practices. Thus, the ECB/EURO adaptation plan cannot directly be applied to the Swiss Market.

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For specific terminology please refer to the [ECB glossary](#) (available in English only).

2 Adaptation Plan Table

AMI-SeCo Standard			Feasibility Assessment			Implementation Milestones
No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 1	Implementation of ISO 20022 messages for triparty collateral management	<i>TPAs shall support the usage of ISO 20022 messages for triparty collateral management activities covered by the Standards.</i>	Adaptation Required	Convert messages to new standards		As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner Current plan is based on the following: The analysing work will start by End of 2022 (TPA/TCM-services including harmonized standards). The conversion facility from old messages into ISO 20022 messages is planned to be ready by the 4th Quarter of 2023.

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
Additional Information	Message Name	Message Identifier				
	Triparty Collateral Transaction Instruction	colr.019	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (but will be harmonized as proposed by the ECB)	NO	
	Triparty Collateral Status and Processing Advice	colr.020	Adaptation Required			
	Triparty Collateral Allegement Notification	colr.021	Adaptation Required			
	Triparty Collateral Collateral and Exposure Report	colr.022	Adaptation Required			
	Triparty Collateral Unilateral Removal Request	colr.023	Adaptation Required			
	Collateral Management Cancellation Request	colr.005	Adaptation Required			
	Collateral Management Cancellation Status	semt.020	Adaptation Required			

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
	Receipt Acknowledgment	admi.007	Adaptation Required			
	Approval of Debit	camt.036	N/A	N/A		
	Eligible Securities Creation Request	reda.025	N/A	N/A		
	Eligible Securities Deletion Request	reda.TBD	N/A	N/A		
	Collateral Value Creation Request	reda.024	N/A	N/A		
	Close Link Creation Request	reda.027	N/A	N/A		
	Close Link Deletion Request	reda.TBD	N/A	N/A		
	Collateral Data Status Advice	reda.028	N/A	N/A		
STANDARD 2	Initiation of a triparty transaction	<i>TPAs shall offer harmonised business processes and workflows for the initiation of a triparty collateral management transaction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (currently the transaction can be initiated from collateral giver and/or the collateral taker)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner Current plan is based on the following: The harmonization with ECB standards for the life cycle management will be ready by the 2nd Quarter of 2022

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 3	Increase of a triparty transaction	<i>TPAs shall support harmonised business processes and workflows for the increase of a triparty collateral management transaction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (in the current CSD set-up is the workflow supporting single and 2-sided instructions for an exposure increase)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 4	Decrease of a triparty transaction	<i>TPAs shall support harmonised business processes and workflows for the decrease of a triparty collateral management transaction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (in the current CSD Set-Up is the workflow supporting single and 2-sided instructions for an exposure decrease)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 5	Revaluation of a triparty transaction	<i>TPAs shall support harmonised business processes and workflows when revaluing a triparty collateral management transaction.</i>	Adaptation Required	TCM Facility NOT yet implemented on the future TPA platform (in the current CSD set-up is revaluation available on request or 2 times daily)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 6	Cancellation of a triparty instruction	<i>TPAs shall support harmonised business processes and workflows for the cancellation of a triparty collateral management instruction.</i>	Adaptation Required	TCM Facility NOT yet implemented on the future TPA platform (in the current CSD set-up is cancellation supported as long settlement has NOT been instructed)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 7	Unilateral removal process	<i>TPAs shall support harmonised business processes and workflows for the unilateral removal of a specific asset in triparty collateral management.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (in the current CSDs set-up is the removal granted via an automated substitution when eligibility parameters are not fulfilled)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner
STANDARD 8	Reporting on flows	<i>TPAs shall support harmonised business processes and workflows for the reporting on flows in order to provide real time information on securities collateralising triparty collateral transactions.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (currently supported in CSD set-up as proposed by the ECB)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 9	Reporting on stocks	<i>TPAs shall support harmonised business processes and workflows for reporting on stocks in triparty collateral management.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (Current CSD set-up supports automated substitution & manufacture payment , fails management to be enhanced)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 10	Closure of a triparty transaction	<i>TPAs shall support harmonised business processes and workflows when closing a triparty collateral management transaction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (current CSD set-up sends availability information to TPA automatically , real-time)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 11	Handling of corporate actions	<i>TPAs shall support harmonised business processes and workflows when handling corporate actions on securities allocated to a triparty collateral management transaction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (the current CSD-set-up supports automated manufactured payments for a wide range of mandatory CA Types)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 12	Partial settlement	<i>TPAs shall support harmonised business processes and workflows for the partial settlement of a triparty collateral management instruction.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (current CSD set-up supports ECB's proposal)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 13	Reference data	<i>TPAs shall facilitate the communication of reference data by collateral givers and collateral takers using harmonised messaging.</i>	Adaptation Required	TCM Facility NOT yet implemented on the future TPA platform (current CSD set-up supports ECB's proposal)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner Current plan is based on the following: The communication of reference data will be harmonized across all TPA service types and Service Takers (timeline not yet defined).

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 14	Usage of baskets	<i>TPAs shall support the usage of customised collateral baskets by collateral givers and collateral takers.</i>	Adaptation Required	TCM Facility NOT yet implemented on the future TPA platform (in the current CSD set-up can the collateral taker and provider agree on a customized basis on the collateral basket to be applied by the TPA)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 15	Future dated processing	<i>TPAs shall support the handling of future-dated requests submitted by collateral givers and collateral takers for triparty transactions settling in commercial bank money.</i>	Adaptation Required	TCM Facility NOT yet implemented on the future TPA platform (future dated processing is supported in the current CSD set-up)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 16	Operating hours	<i>TPAs shall provide access to triparty services on those days on which the RTGS is open. Allocations to triparty transactions involving central banks as collateral taker shall be possible according to a harmonised operating schedule on those days.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (in the CSD set-up currently from 7:00 to 21:30 hour)	NO	As a third-country (not EUR but CHF Central Bank money) we follow the agenda closely and> will implement on a timely manner Current plan is based on the following: The TPA activities are fully harmonized with the Swiss RTGS opening hours for sending settlement instructions. The same for the allocation process of potential exposure orders received from ECB and it's counterparties. A direct connectivity of the TPA to T2S is NOT yet established but is currently part of our BME/Iberclear integration discussions.

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No.	Name of Standard	Standard	Adaptation Required?	Description of Changes Required	Legal Barrier Identified?	Please indicate the expected date of completion of the following activities:
STANDARD 17	Cut-off times	<i>TPAs shall offer harmonised cut-off times for triparty services involving central banks as collateral taker.</i>	Adaptation Required	TCM facility NOT yet implemented on the future TPA platform (to be set-up)	NO	As a third country (not EUR but CHF Central Bank money) we follow the agenda closely and will implement on a timely manner wherever there is a need for it.