



EUROPEAN CENTRAL BANK

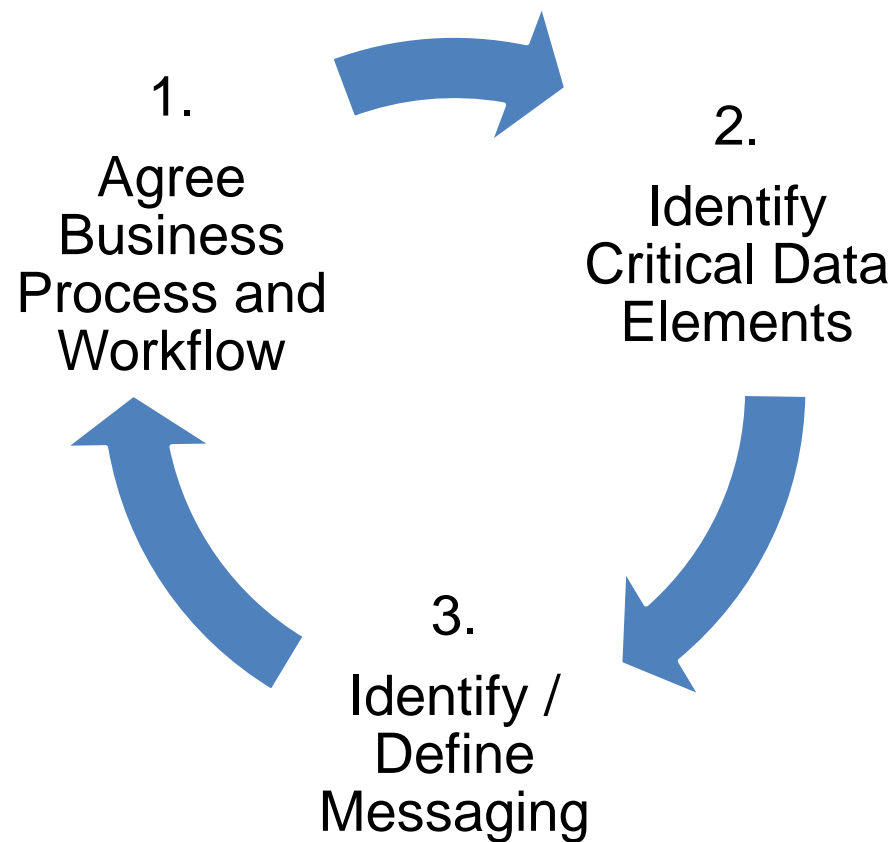
EUROSYSTEM

Organisation of CMH-TF Work on CMHAs

Proposed 3 Step Approach

CMH-TF 23 August 2017

Organisation of CMH-TF Work – 3 Step Approach



For each functional area a 3-step approach would be followed with the work structured as follows:

1. Define and agree the harmonised business process and workflow
2. For each business process identify the critical data elements necessary for the functioning of this process
3. Identify / define an ISO20022 market standard message by which these data elements should be transmitted

Mapping Preliminary CMHAs to the 3 Step Approach

ID	FUNCTIONAL AREA	CMHA	BUSINESS PROCESS	REQUIRED DATA ELEMENTS	ISO20022 MESSAGING
1	TRIPARTY COLLATERAL MANAGEMENT	1, 12, 15, 19	TBD	TBD	TBD
2	BILATERAL COLLATERAL MANAGEMENT	2, 8	TBD	TBD	TBD
3	CORPORATE ACTIONS	3, 16	TBD	TBD	TBD
4	TAXATION	4, 17	TBD	TBD	TBD
5	MARGIN CALLS	5	TBD	TBD	TBD
6	FEE AND BILLING PROCESSES	6, 14	TBD	TBD	TBD
7	REPORTING	7	TBD	TBD	TBD
8	COLLATERAL DYNAMIC AND STATIC DATA	9, 10, 11, 13	TBD	TBD	TBD
9	NON-EURO COLLATERAL MANAGEMENT	20	TBD	TBD	TBD
10	CUT-OFF TIMES	18	TBD	N/A	N/A

Example 1 – Corporate Actions

> Business Process, Data Elements and ISO20022 Messaging

	Corporate Action Notification <i>Before Record Date</i>	Corporate Action Entitlement <i>On Record Date</i>	Corporate Action Confirmation <i>Payment Date</i>
B U S I N E S S	<ul style="list-style-type: none"> - The process of notifying the account owner of an upcoming corporate action. It provides corporate action details including options (if any). The notification is validated by the account servicer who then passes on the information to the account owner. 	<ul style="list-style-type: none"> - The process by which the account servicer pre-advises the account owner of upcoming postings to be made to its cash and/or securities account(s) as a result of a corporate action 	<ul style="list-style-type: none"> - The process of confirming that a corporate action event has been completed and that the appropriate postings to the account owner's safekeeping account(s) have been effected.
E L E M E N T S	<ul style="list-style-type: none"> - Record Date - Payment Date - ISIN - Interest Rate - Nominal Holding of Security - Cash Movement - Security Movement - (Non-Exhaustive List) 	<ul style="list-style-type: none"> - Record Date - Payment Date - ISIN - Interest Rate - Nominal Holding of Security - Cash Movement - Security Movement - (Non-Exhaustive List) 	<ul style="list-style-type: none"> - Record Date - Payment Date - ISIN - Interest Rate - Nominal Holding of Security - Cash Movement - Security Movement - (Non-Exhaustive List)
I S O 2 0 0 2 2	<ul style="list-style-type: none"> - CorporateActionNotificationV06 (seev.031.001.06) 	<ul style="list-style-type: none"> - CorporateActionMovementPreliminaryAdviceV07 (seev.035.001.07) 	<ul style="list-style-type: none"> - CorporateActionMovementConfirmationV07 (seev.036.001.07)

Example 2 – Triparty Collateral Management

> Business Process, Data Elements and ISO20022 Messaging

	Increase of Global Amount	Confirmation of Increase	Revaluation
B U S I N E S S	<ul style="list-style-type: none"> - A market participant sends a triparty instruction to the triparty agent to request the increase of the global amount. 	<ul style="list-style-type: none"> - The triparty agent validates the message, automatically allocates eligible securities to the extent collateral is available and confirms the increase of the global amount to the relevant parties to the transaction. 	<ul style="list-style-type: none"> - After the daily valuation of collateral, the triparty agent will send a new message to the relevant parties to the transaction to reflect the change in the value of collateral.
E L E M E N T S	<ul style="list-style-type: none"> - Collateral Giver - Collateral Taker - Account No. - Requested Amount - (Non-Exhaustive List) 	<ul style="list-style-type: none"> - Collateral Giver - Collateral Taker - Account No. - Requested Amount - Granted Amount - (Non-Exhaustive List) 	<ul style="list-style-type: none"> - Collateral Giver - Collateral Taker - Account No. - Requested Amount - Granted Amount - ISIN - (Non-Exhaustive List)
I S O 2 0 0 2 2	<ul style="list-style-type: none"> - To be defined 	<ul style="list-style-type: none"> - To be defined 	<ul style="list-style-type: none"> - To be defined