



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Eurosystem collateral management system (ECMS)

Presentation to the AMI-SeCo

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Introduction

Current situation

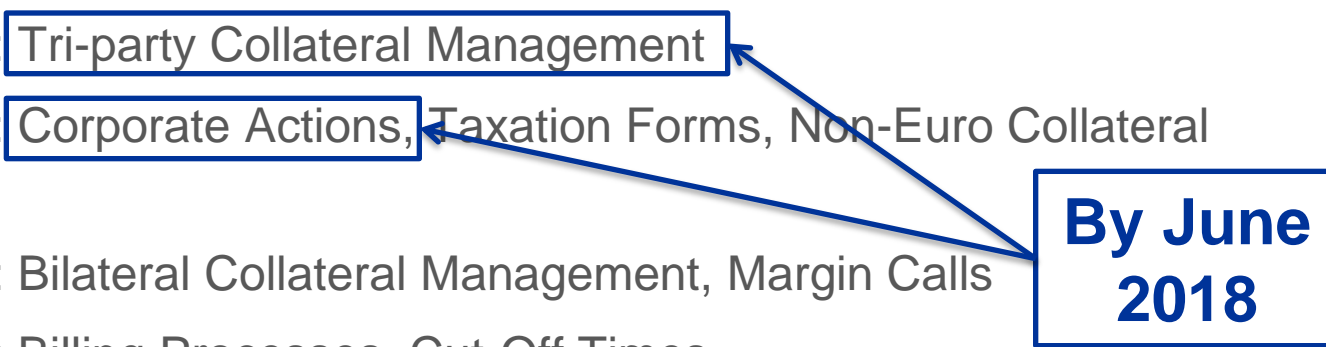
Currently, there are **19 different local systems** used for managing eligible assets mobilised as collateral in Eurosystem monetary policy operations.



With the ECMS, there will be a **single system** for managing those assets as collateral in Eurosystem monetary policy operations.

Future situation

Harmonisation: feeding into ECMS

- Ongoing harmonisation work is important for the market and the ECMS:
 - Sub-stream 1: Tri-party Collateral Management
 - Sub-stream 2: Corporate Actions, Taxation Forms, Non-Euro Collateral Management
 - Sub-stream 3: Bilateral Collateral Management, Margin Calls
 - Sub-stream 4: Billing Processes, Cut-Off Times
 - Sub-stream 5: Collateral Dynamic and Static Data
 - Harmonisation proposals: sufficient level of detail → What are the business processes (i.e. not how an IT system should work).
 - ECMS can also be a driver for harmonisation → weight of the Eurosystem as a user can contribute to harmonise market practices
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- By June 2018**

Harmonisation: detailed input

- Tri-party collateral management (CMH-TF sub-stream 1):
 - Agreement on a single harmonised triparty model for mobilising marketable assets in Eurosystem credit operations (describing business processes, workflows and messages).
- Corporate actions management (CMH-TF sub-stream 2):
 - Information received from CSDs delivered in an harmonised way and key processes such as usage of a standardised calculation formula, handling of rounding differences, workflows for mandatory and elective CA events.
- General expectation for ISO20022:
 - Used for all communications between ECMS and all market participants.

Harmonisation: Timeline

- Certainty on harmonisation proposals required during the specification and development phase which starts in January 2018.
- **June 2018:** Harmonised business processes and workflows for Tri-party and corporate actions to be presented to the AMI-SeCo.
- Other sub-streams to progress in parallel.
- ECMS to interact only based on harmonised processes (i.e. no national specificities) to ensure the same level playing field for counterparties and same market practices among the Eurosystem.
- Counterparties/CSDs to implement proposals in time for ECMS go-live.

→ Way forward: further details on the overall CMH-TF timeline to be presented in the next CMH-TF meeting.