



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB
DG-MIP/MID

Impact of Eurosystem Collateral Management System (ECMS) on market participants

AMI-SeCo meeting

July 2017, Frankfurt am Main

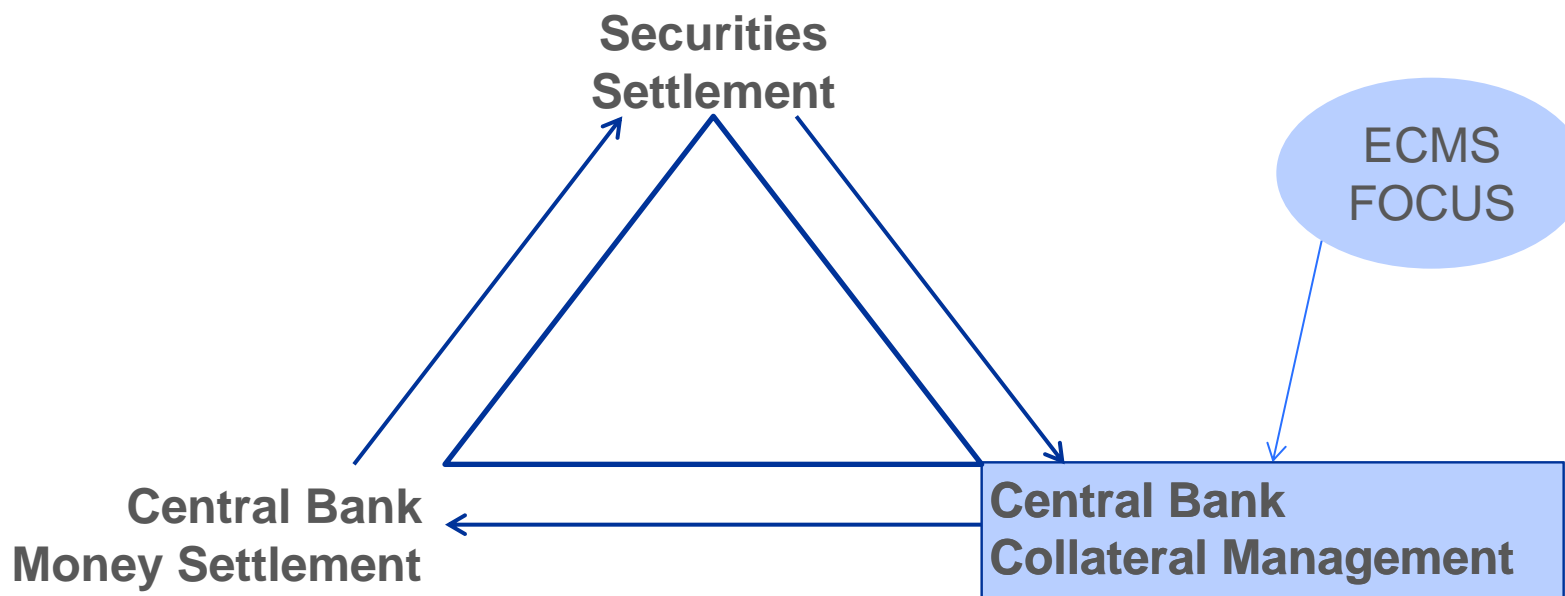
Overview

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2 Functional Key Aspects

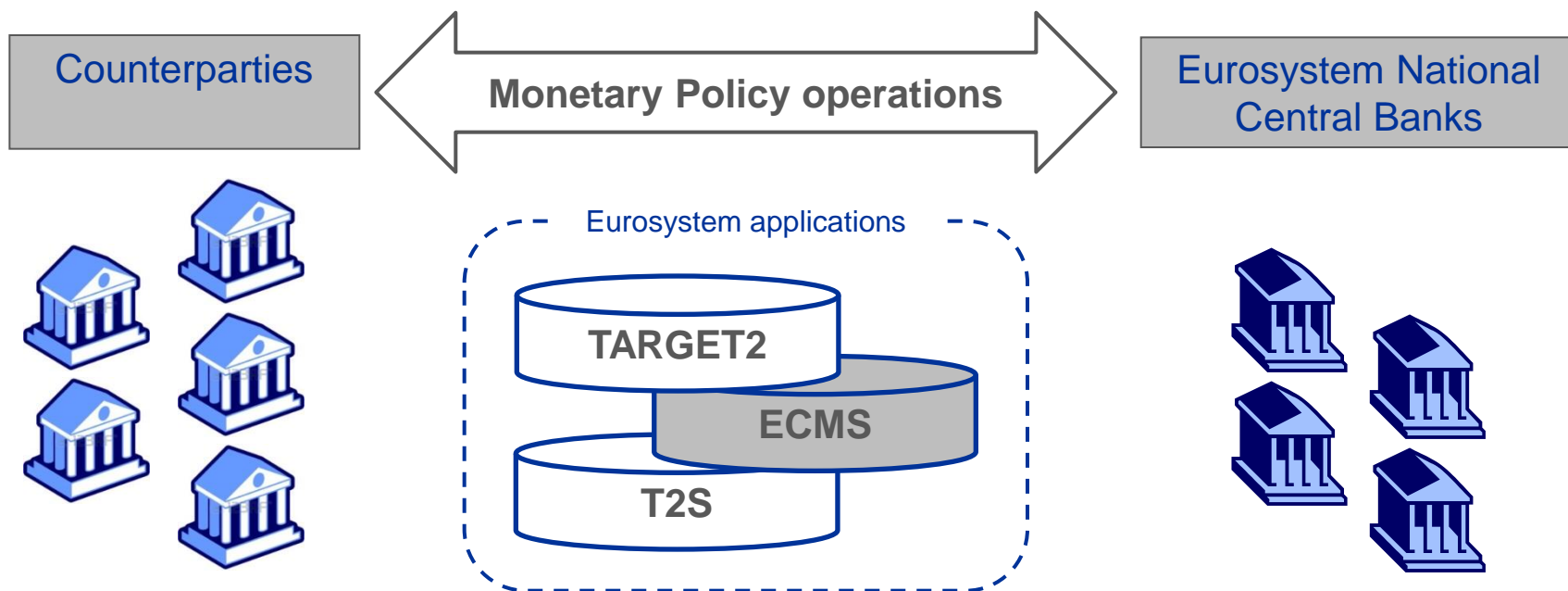
Fundamental drivers of the Eurosystem

- The key function of Eurosystem market infrastructures is to ensure the exchange of securities, collateral and liquidity between financial market counterparties with liquidity being the fuel to effectively facilitate the exchange:

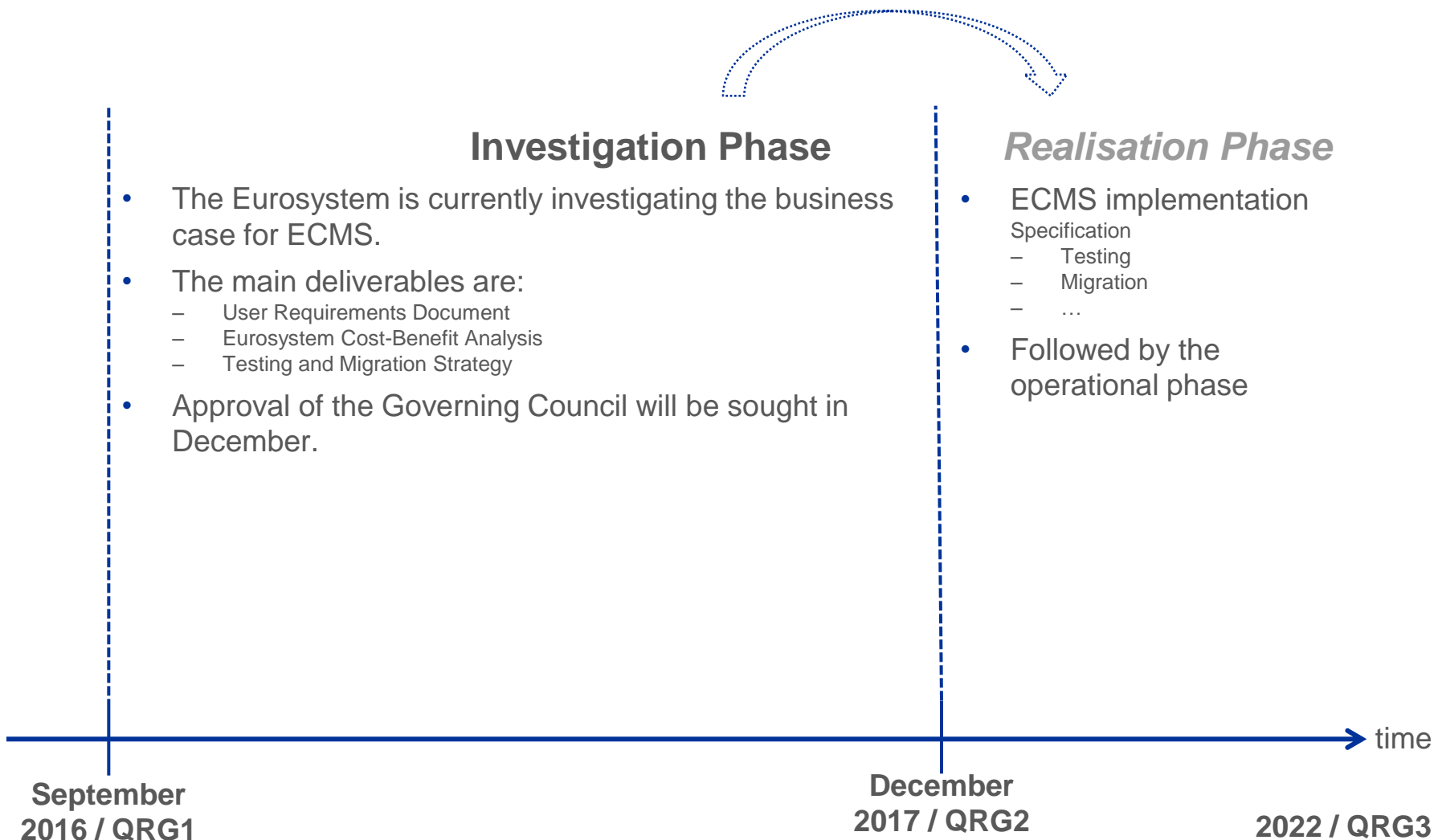


WHAT is Eurosystem Collateral Management System?

- A single ECMS for managing **eligible assets as collateral** in Eurosystem monetary policy operations.
- The ECMS would include to the largest possible extent **harmonised functions and services**.



Background: Project phases



Overview

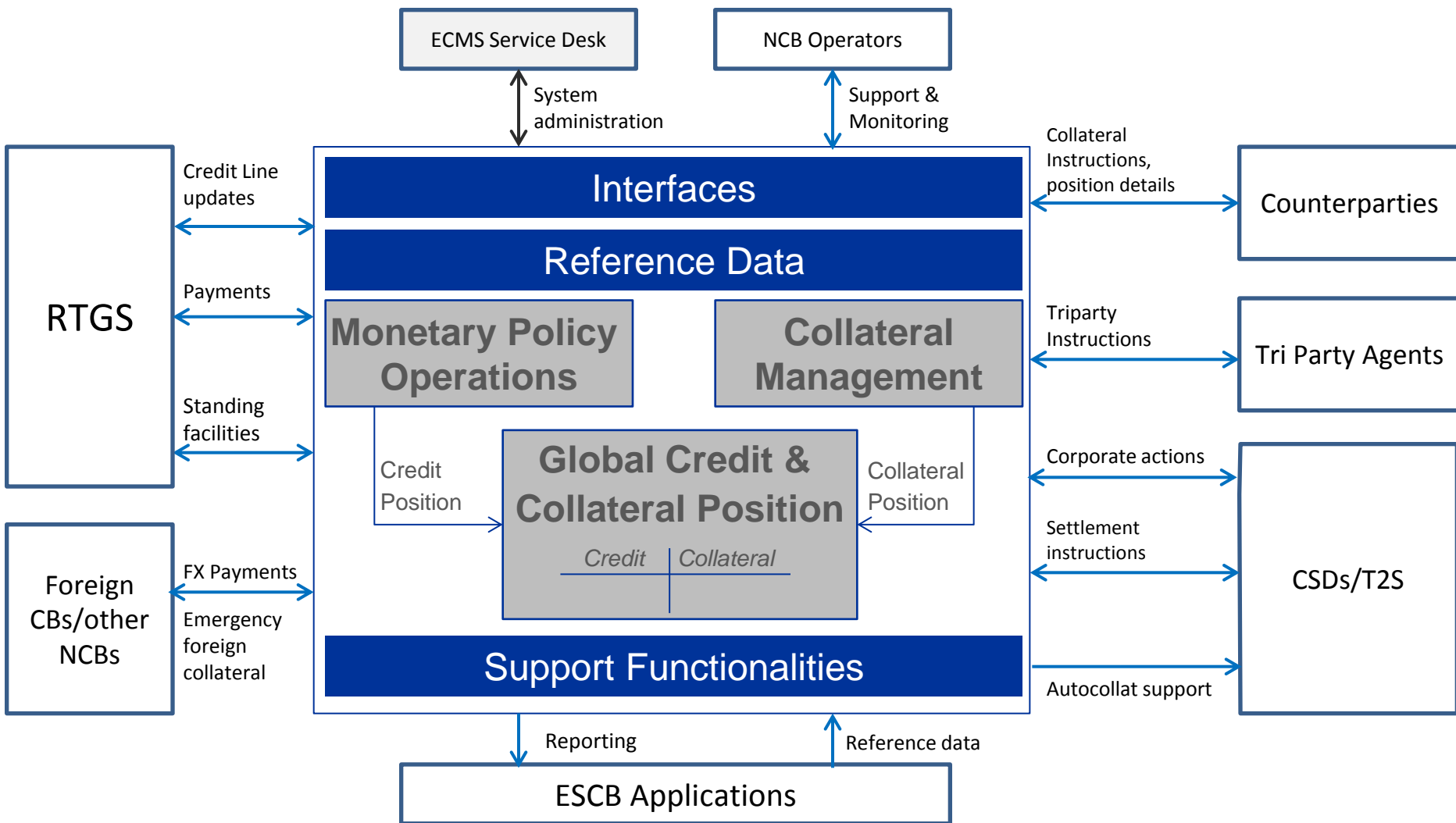
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Project overview

2

Functional Key Aspects

Components and interaction with the market



Functional areas of interest addressed via ECMS

- Usage of ISO 20022 for all communication between ECMS and all market participants (CSDs, Triparty, counterparty)
- Tri-party collateral management services used when mobilising marketable assets in Eurosystem credit operations
- Credit claim management
- Corporate action management
- Collateral management framework implementation

ECMS will benefit from Harmonisation

- The general principle of harmonisation triggers changes for all involved parties. Benefits for market participants as given below:
 - One common approach of interacting with the Eurosystem in terms of systems and operations leading to increased efficiency and reduction in operational risk.
 - ISO 20022 standard - one common, state of the art communication standard resulting in more efficient communication channels.
 - Single interface for Eurosystem collateral management operations in the course of monetary policy implementation.
 - Embedding collateral management operations into the lifecycle of liquidity management for Eurosystem counterparts.

➤ Market updates via AMI-SeCo and other fora to be planned.