

Co-Management & Groups

TCCG Meeting April 2019

- Co-Management
- Groups
 - Banking Group
 - Account Monitoring Group
 - Liquidity Transfer Group
 - Settlement bank account Group



Co-Management

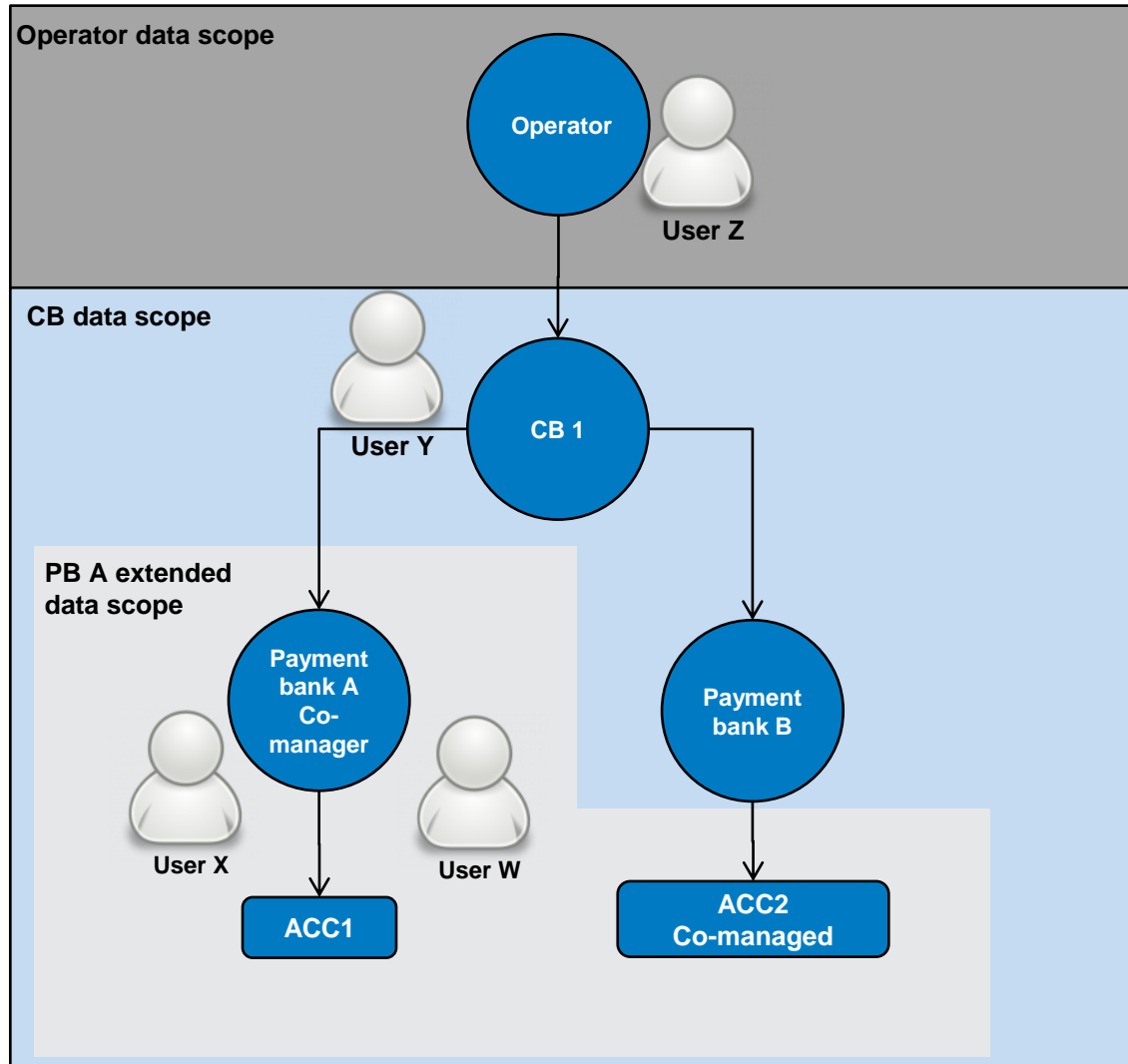
- The aim of co-management is to allow banks to manage directly their reserve requirement but delegate cash flow management to other actors.
- Co-Management is limited to CLM
- Moreover, in case the co-managed CLM Account Holder does not realise an own technical access to CLM, he can delegate all activities (including CRDM set ups) to a co-manager.
- Set up of co-management is done on MCA level.
- On MCA level two additional attributes have to be defined:
 - whether the account is co-managed (true/false)
 - If true: identification of the co-manager via Party BIC
- Through the use of these additional attributes on the marked accounts the co-manager acquires access
- Co-Manager can only be CLM Account Holder or CLM CB Account Holder.
- Co-Management is also available on cross-border basis (with CLM Account Holder under different CB)
- Some privileges/roles assigned to the user of the CLM Account Holder or CLM CB Account Holder are also applicable for the co-managed account(s)
- Therefore all users of the Co-Manager have access to this account according to their privileges (U2A and A2A)
- Privileges the user has been granted are valid for activities to the accounts in the data scope of his party and in addition for all activities related to the co-managed MCA

Example:

Co-Manager payment bank A and co-managed MCA(s) of payment bank B

- CRDM set up for payment bank A
 - User X and user W
 - Both users have the Privilege „Send Liquidity Transfer“
 - Both users can send LTs for MCAs of payment bank A
- CRDM set up for payment bank B
 - Co-managed account of payment bank B
 - Co-manager is payment bank A
 - Data scope of payment bank A is extended (including the co-managed account)
 - User X and user W of payment bank A can also send LTs for the co-managed MCAs of payment bank B
- Remark: From a pure technical perspective co-management can be used across CBs (but only in the same currency)

Example:



Set up in CRDM for the co-manager or by the co-manager

- CB has to set up
 - the payment bank and the account to be co-managed (according to the example PB B)
 - on party level the Party Technical Address (PTA) of the co-manager is used
 - default routing for the PTA and network service of the co-manager
- Co-manager can set up for the co-managed account
 - Message subscription,
 - Report Configuration,
 - DN-BIC Routing,
 - Standing Order Liquidity Transfer Order,
 - Standing Orders for Reservation,
 - link the co-managed account to groups



Groups

- A Banking Group allows a number of parties acting as CLM or RTGS and TIPS Account Holder and T2S payment banks (belonging to one or multiple CBs) to be viewed collectively for certain business purposes, such as oversight and regulation.
- A Banking Group is an optional group of parties for pure liquidity monitoring purposes for CBs;
- It is not used for the context of payment orders or liquidity transfer orders settlement.
- The CB creating the Banking Group will be defined as Leader Party of this Group.
- Each CB can optionally link a party for which it is responsible to a Banking Group.
- The parties can be linked to different settlement services (e.g. CLM, RTGS, T2S).
- A Party (including all its cash accounts) can be linked to one and only one Banking Group at the same time.
- A banking group is identified by an unique Name to be used by CBs for adding or removing parties
- For each party linked to a Banking Group, a validity period must be provided
- Business rules will prevent the same Party to be added to more than one Banking Groups within the same validity period

- An Account Monitoring Group is an optional clustering of accounts (MCA(s) and DCA(s)) for pure liquidity monitoring purposes;
- they are not used for the context of payment orders or liquidity transfer orders settlement between accounts in the same group.
- An account can be included in one or several Account Monitoring Groups.
- An Account Monitoring Group can include accounts owned by several parties, which have been opened in the books of different CBs.
- It is up to CLM Account Holders to set up and maintain their Account Monitoring Groups and define the accounts (among the ones they own or co-manage) linked to each Account Monitoring Group.
- The CLM Account Holder creating the Group is defined as Leader Parties of this Account Monitoring Group.
- A CLM Account Holder can include its accounts to the Account Monitoring Group.
- An Account Monitoring Group is identified by a unique Name to be referenced by CLM Account holders for adding or removing accounts (MAC(s) and DCA(s))
- For each account linked to an Account Monitoring Group, a validity period must be provided

- A Liquidity Transfer Group is an optional grouping of MCAs in CLM and DCAs in RTGS.
- CBs can set up Liquidity Transfer Groups for the purpose of arranging intra-service liquidity transfers between them (not for liquidity monitoring purposes).
- Intra-service liquidity transfers (between two MCAs or two DCAs) can only take place between accounts belonging to the same Liquidity Transfer Group.
- An MCA can be included in one or several Liquidity Transfer Group(s).
- A Liquidity Transfer Group can include MCAs/DCAs owned by several parties belonging to one or multiple CBs.
- In case a Liquidity Transfer Group contains MCAs belonging to multiple CBs (held in the same currency), it is up to the different CBs to include the accounts for which they are responsible for to the Liquidity Transfer Group.
- A Liquidity Transfer Group is identified by an unique Name to be referenced by CBs for adding or removing accounts
- For each account linked to a Liquidity Transfer Group, a validity period must be provided

target Settlement bank account services Group



- A Settlement Bank Account Group is an optional grouping of cash accounts linked to an Ancillary System.
- Central Banks will have the option to link accounts with type RTGS DCA and RTGS sub-account to Settlement Bank Account Groups defined for Ancillary System under their responsibility and any Settlement Bank Account Group defined in the CRDM.
- A Settlement Bank Account Group can include cash accounts owned by different Parties, which may be associated with more than one CB.
- The AS itself will be defined as Leader Party of the Settlement Bank Account Group.
- An AS will be able to act as Leader Party for one or many Settlement Bank Account Group at any given time.
- It will be possible to link the same Account to multiple Settlement Bank Account Groups at the same time.
- A Settlement Bank Account Group is identified by a unique Name to be referenced by CBs for adding or removing accounts
- For each account linked to a Settlement Bank Account Group, a validity period must be provided