



EUROPEAN CENTRAL BANK

EUROSYSTEM

Update on the Eurosystem Collateral Management System

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Dialogue meeting

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Overview

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1. Eurosystem roles in market infrastructures

The Eurosystem is committed to, and drives European integration in its roles as catalyst and operator



Operator



Overseer



Catalyst

Basic task: Promote the smooth functioning of the market infrastructure

target | T2
services

target | TIPS
services

target | T2S
services

target | ECMS
services

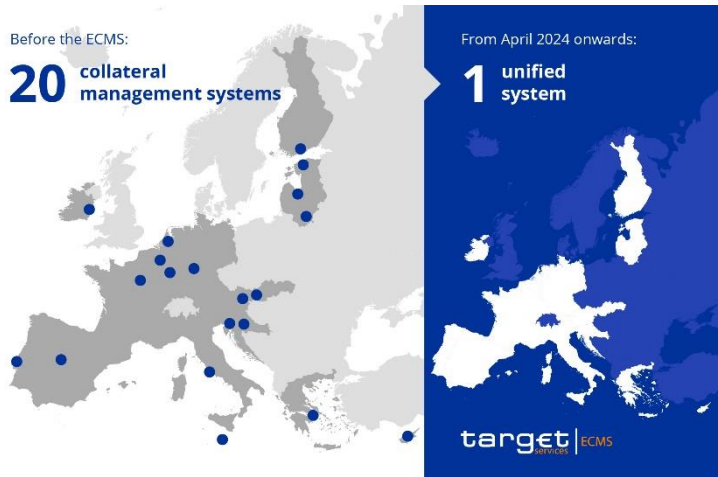
t-s
TARGET-SECURITIES



SCORE
SINGLE COLLATERAL MANAGEMENT RULEBOOK
FOR EUROPE

2. ECMS – a single, unified collateral management system

There is a single monetary policy, but it was part of Vision 2020 to create a single application for managing marketable assets and credit claims used as eligible collateral in Eurosystem credit operations.



The Eurosystem Collateral Management System (ECMS) will replace the 20 local collateral management systems of the NCBs in operation today.

The benefits of ECMS will be the harmonisation, efficiency and integration.

Go-live is planned for **18 November 2024**.

3. Key aspects of ECMS

The ECMS will work together with the other TARGET Services to ensure that cash, securities and collateral flow freely across Europe.

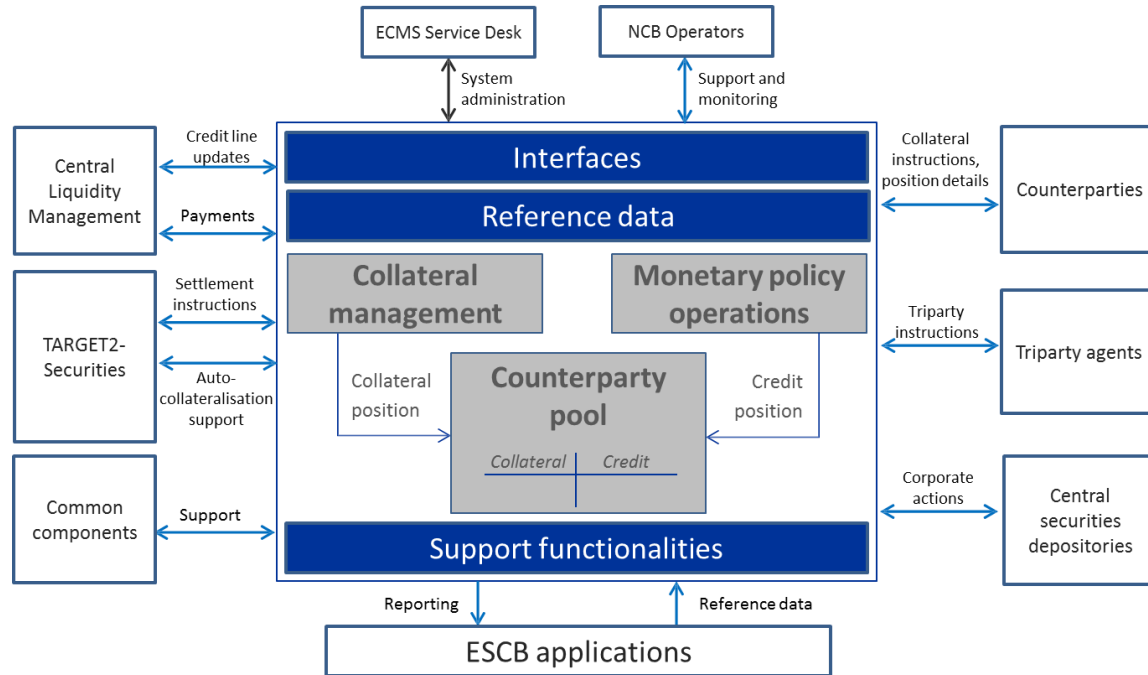
....**keeps track** of the individual collateral and credit positions of counterparties belonging to the Eurosystem national central banks.

....**calculates** the credit line available to each counterparty and send this information to the central liquidity management tool (CLM).

.... **converts** counterparties' (de-) mobilisation instructions into settlement instructions which are sent to and settled in TARGET2-Securities (T2S).

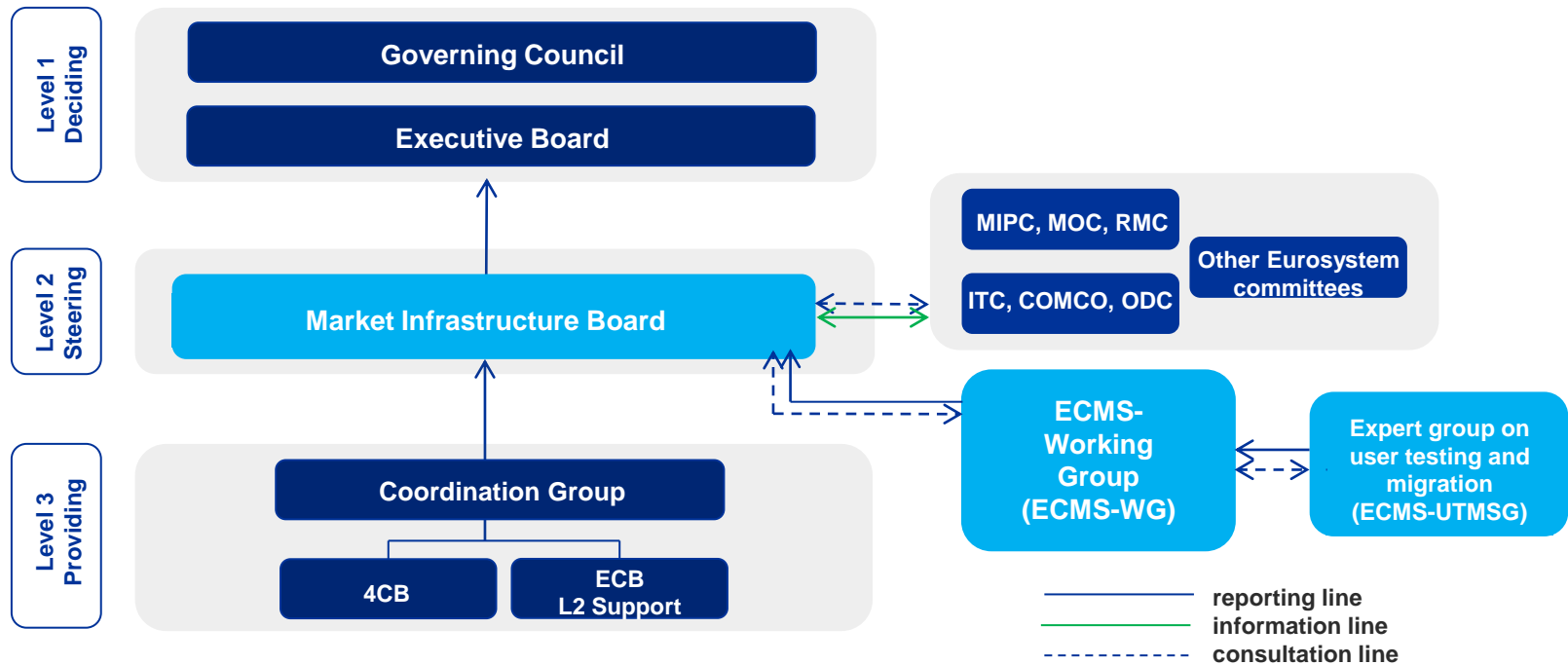
4. Interaction of the ECMS with other services & actors

The ECMS interacts with many other services (ESCB, TARGET Services etc) to provide Eurosystem NCBs and their communities with common and harmonised functionalities for managing collateral. The resulting IT-synergies are expected to benefit NCBs and all other ECMS actors.



5. ECMS governance

NCB participation in all three groups is key to successful decision making



6. Project status

*The launch of the Eurosystem Collateral Management System (ECMS) has been rescheduled from 8 April 2024 to **18 November 2024**. The decision, taken by the Governing Council of the European Central Bank (ECB), followed an assessment by the ECB's Market Infrastructure Board, which found that users need more time to complete testing of the ECMS functionalities in a stable environment.*

The additional time will ensure greater system stability and user readiness, as well as facilitate a smooth migration to the new platform.

<https://www.ecb.europa.eu/paym/intro/news/html/ecb.mipnews231130.en.html>

The MIB (with support from the ECMS-UTMSG and ECMS-WG) have decided to report frequently to the Governing Council on project progress to ensure that the situation is monitored closely.

7. NCB contributions so far



The ECMS project has used (and will continue to use) existing ECB and NCB staff resources. The **ECMS WG** (i.e. NCBs), supported by the ECMS-UTMSG (expert group on testing and migration), continuously drives project activities and deliverables. **NCB experts** have been involved in drafting groups, the EAT Virtual team and user testing test manager calls.



Having concluded connectivity testing, **NCBs** started **Central Bank Testing** (CBT) on 16 January 2023. **NCB experts** continue to provide vital feedback on the functioning of the test system works, thereby contributing heavily to ensuring the future stability of the live ECMS system.



In 2023, ECMS training modules designed to “train the trainer” provided **NCBs** with operational information on how to use the ECMS, which they will then pass on to their communities.

8. Future role of NCBs



NCBs are the main users of the ECMS, and the ECMS-WG have carefully **validated** all ECMS scope defining documents. This role will not change - **NCB staff will continue to play a key role** in all **functional, operational, testing and migration** preparations, including preparing and prioritising change requests for the ECMS and making recommendations to the MIB.



The role of NCBs in the **operational phase** is described in the ECMS Manual of Procedures (MOP). Each NCB will have an **ECMS National Service Desk**, fulfilling roles in both normal operations and in incidents or crises.

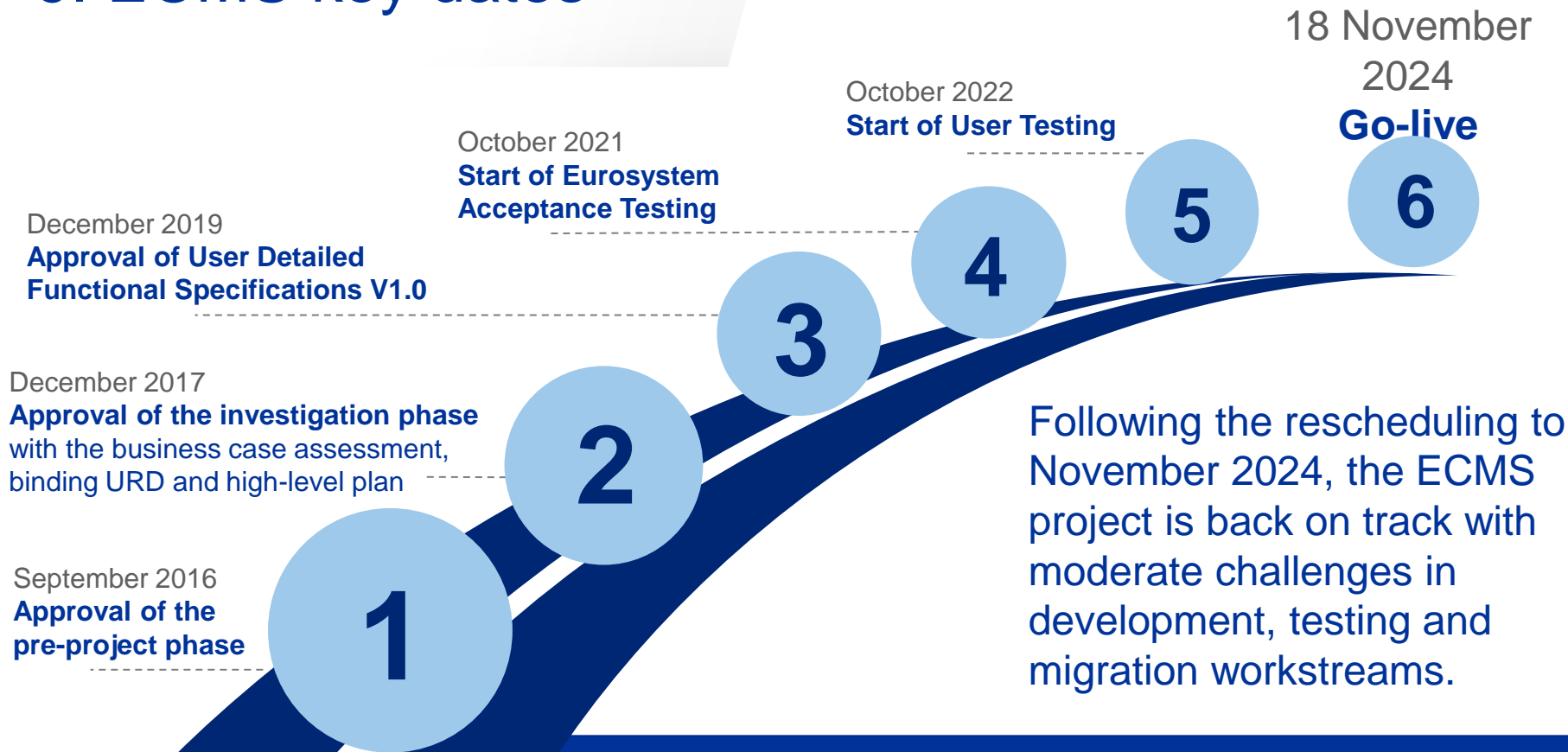


After go-live, the focus of NCBs will change from running their own national CMS systems to providing specialized knowledge on collateral and maintaining the vital close contact with NCB communities. NCB staff will also continue to be deeply involved in the evolution and development of the ECMS, which will interact with other ESCB systems and TARGET Services



NCBs remain the first contact point for their community, legally responsible for maintaining relationships with their counterparties, their CSDs and their TPAs. NCBs act as a **vital conduit** for the ECMS, in meetings with stakeholders, via CSD-TPA workshops and in the AMI-SeCo.

9. ECMS key dates



10. Conclusions

- The ECMS does not change the NCB relationship with counterparties and communities.
- The ECMS project will be achieved using existing ECB and NCB staff resources.
- NCB staff have been involved in many project workstream and governance groups, and will continue to play a key role in the evolution and the operation of the ECMS.

Q&A

Thank you for your attention!