

4 September 2018

1. Questions and Answers

Question: *What will be the scope of the ECMS?*

Answer: The scope of the ECMS covers harmonised collateral management activities with regards to a set of collateralized Eurosystem credit operations (monetary policy operations and intraday credit in T2). The ECMS will be a Eurosystem application allowing all Eurosystem National Central Banks (NCBs), their counterparties and other relevant actors (e.g. CSDs, triparty agents), to operate on one single system with a single interface.

Question: *Will the ECMS also be used for submitting the bids on tenders?*

Answer: No, the submission of bids is not part of the ECMS scope and will continue to be handled in the bidding systems already in place at NCBs. Counterparties will be able to initiate a request for access to the Marginal Lending Facility through the ECMS and to view also in the ECMS their amounts outstanding in Eurosystem credit operations.

Question: *Will the ECMS also be used for other purposes than Eurosystem credit operations?*

Answer: The scope of the ECMS also covers other collateral management activities of NCBs for eligible assets that are generally maintained in different pools than those assets used as collateral for Eurosystem credit operations.

Question: *Will the ECMS change the business and legal relationship between the counterparty and its NCB?*

Answer: No, the existing relationships between NCBs and their counterparties will remain the same, pursuant to the principle of decentralisation laid down in Article 12.1 of the Statute of the ESCB. When needed, counterparties will still contact their usual interlocutors at the NCB for queries/procedures. Furthermore the contractual relationship as regards monetary policy operations and intraday credit will remain unchanged, i.e. contract between the counterparty and its NCB.

Question: *When will the ECMS go live?*

Answer: The ECMS go-live is planned for November 2022.

Question: *By when do the counterparties have to make their systems ready for the ECMS?*

Answer: Information on relevant ECMS functionalities will be made available timely by sharing relevant sections of the User Detailed Functional Specifications (UDFS), Connectivity Guide and/or training materials with counterparties. Approximately one year prior to the go-live, NCBs will start conducting testing activities with their counterparties to make sure they are ready for migration to the new system.

Question: *What will be the ECMS migration approach?*

Answer: The ECMS will migrate using a big-bang approach. That means that all the NCBs and their respective counterparties using the ECMS will be migrated simultaneously, i.e. all participants will use the ECMS from the start. All the relevant collateral and credit positions will be migrated from NCBs systems to the ECMS at the go-live date.

Question: *What is the impact for counterparties?*

Answer: As of the ECMS go-live, NCBs will replace their current collateral management systems with the ECMS. The ECMS will provide a single interface (with the possibility of communication in U2A and A2A) that will be different from what NCBs might have in place nowadays. ECMS will also rely on ISO 20022 as the messaging standard.

Question: *Will the ECMS also be used for the management of credit claims used as collateral?*

Answer: The ECMS will include functionalities for the management of credit claims as of the go-live. However, due to national specificities, some NCBs may still handle credit claims outside the ECMS in their local credit claims collateral management systems.

Question: *Will it still be possible to input marketable asset mobilisation/demobilisation instructions via a GUI?*

Answer: Yes, users that do not see the need to establish A2A interfaces should still be able to manage their collateral pools via the U2A interface.

Question: *How will the U2A access to the ECMS be implemented?*

Answer: The access to the ECMS will be made available through the Eurosystem Single Market Infrastructure Gateway (ESMIG), the common entry point for all interaction with the Eurosystem Market Infrastructures (T2, T2S, TIPS and potential future services). Based on common technical specifications, ESMIG will allow participants to connect through one or multiple service providers for both A2A and U2A interfaces, offering cost-effective and secure access to the various services.

Question: *Will the ECMS allow for additional channels to mobilise collateral?*

Answer: The ECMS will support all the current existing [mobilisation channels](#).

Question: *What are the advantages of the ECMS from a counterparty perspective?*

Answer: The ECMS will offer to Eurosystem counterparties a set of advanced and harmonised services for the management of collateral for Eurosystem credit operations, ensuring a level-playing field for all

counterparties; it will be accessible via a single interface that will be common across jurisdictions and will facilitate the mobilisation of cross-border collateral. For banking groups that access Eurosystem credit operations through more than one NCB, the ECMS should ease the management of collateral across the group.

Question: *In its June 2018 meeting, the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) endorsed a number of proposals on collateral management harmonisation. How is this work related to the ECMS?*

Answer: As a general principle, the ECMS will rely on harmonised processes, workflows and messaging. In addition, as one of the largest collateral takers in the world, the Eurosystem has a keen interest on initiatives that foster harmonisation in the area of collateral management. Thus, harmonisation endorsed by the AMI-SeCo, as well as any follow-up on the work for needs identified with respect to the management of Eurosystem eligible collateral, that is relevant for the ECMS will be taken into account, in line with project considerations.

Question: *How will it be guaranteed that the AMI-SeCo harmonisation proposals on corporate actions and triparty collateral management are taken into account?*

Answer: CSDs and triparty agents will be invited to provide input on the ECMS UDFS sections related to triparty and corporate actions (only relevant parts shall be shared with external actors, e.g. details of the exchange/business flows). Further details, on how this interaction with external actors is to be conducted, will be communicated soon.

Question: *Will there be an open consultation to the market on the full ECMS documentation?*

Answer: No consultation with the market is foreseen at this point.