

FAQs on the ECMS

Frequently asked questions

Last updated: 20.12.2022

Version 2.2

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Abbreviations

Abb.	Abbreviation
A2A	Application-to-Application
CAP	Collateralmanagement Access Portal
CCBM	Correspondent Central Banking Model
CGU	Closed Group of Users
CLM	Central Liquidity Management
CRDM	Common Reference Data Management
ECMS	Eurosystem Collateral Management System
ESMIG	Eurosystem Single Market Infrastructure Gateway
GUI	Graphical User Interface
MACCs	Mobilisation and Administration of Credit Claims
MCA	Main Cash Account
TLTRO	Targeted-Longer-Term Refinancing Operations
NSP	Network Service Provider
OMTOS	OpenMarket Tender Operations System
RTGS	Real-time Gross Settlement
TARGET2	Trans-European Automated Real-time Gross settlement Express Transfer system
T2S	TARGET2-Securities
U2A	User-to-Application

1 Introduction

In December 2017 the Governing Council of the European Central Bank (ECB) approved the start of the realisation phase of the project to set up the Eurosystem Collateral Management System (ECMS). The ECMS was - scheduled to go live in November 2023. At the beginning of December 2022, against the background of the postponement of the TARGET2/T2S consolidation, the Governing Council has now also decided to postpone the ECMS project. The new start date is now April 8, 2024. Further documents on the ECMS (including the presentation from our information events) can be found on our website ([Bundesbank website](#)).

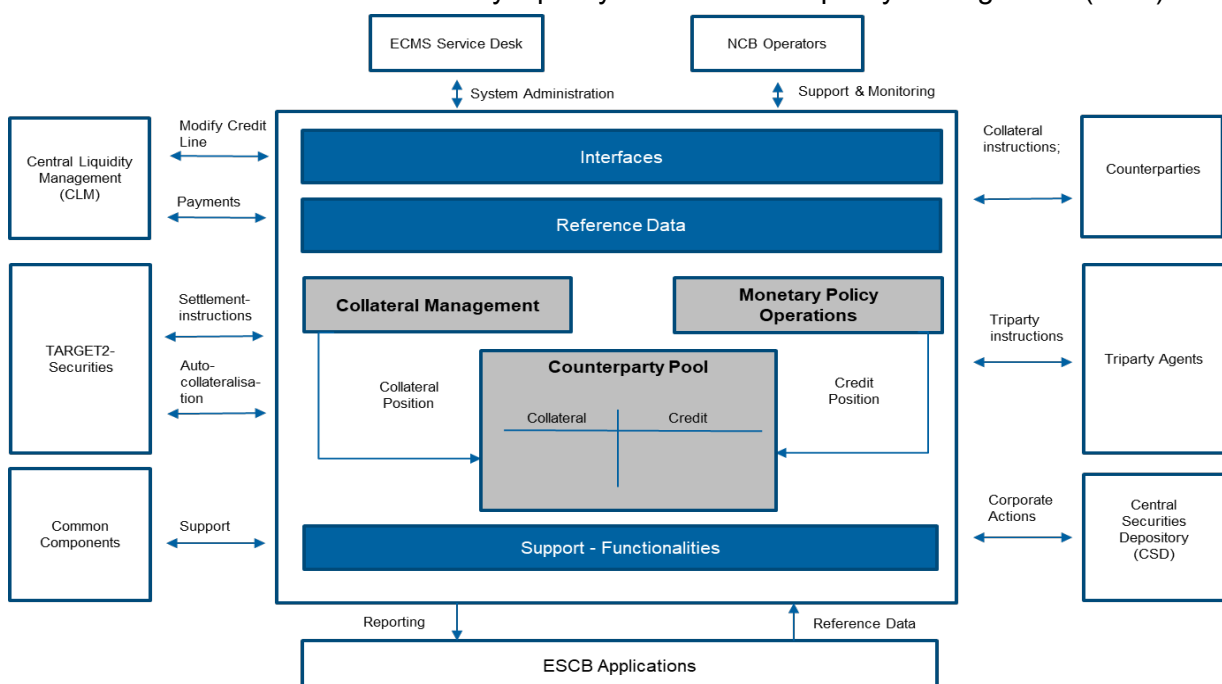
2 General questions on the ECMS

2.1 What is the scope of application of the ECMS?

The Eurosystem Collateral Management System (ECMS) is a platform for carrying out all harmonised functionalities in the area of collateral management for certain Eurosystem collateralised credit operations (monetary policy operations and intraday credit in T2). The ECMS is a Eurosystem application that enables all Eurosystem national central banks (NCBs), their counterparties and other involved parties such as central securities depositories and triparty agents to operate in a unified system with a single interface.

2.2 How does the ECMS work?

The ECMS maintains a collateral pool – the “Counterparty Pool” – for each monetary policy counterparty to keep track of their collateral and credit positions. It uses data sourced from central securities depositories, triparty agents and ECB/Eurosystem databases. The ECMS calculates the free collateral value currently available for each counterparty and sends this information as a credit line for intraday liquidity to the central liquidity management (CLM).



2.3 What impact will the ECMS have on counterparties?

Once the ECMS goes live it will largely replace the collateral management systems currently used by the NCBs. The ECMS will have a uniform interface for all NCBs (supporting U2A and A2A communication) for communicating with their counterparties and will thus differ from the NCBs' current systems. It will use the ISO 20022 messaging standard.

2.4 What benefits will the ECMS deliver for counterparties?

The ECMS provides Eurosystem counterparties with a range of advanced, harmonised services for managing collateral in Eurosystem credit operations. The idea is to create a level playing field for all counterparties.

The ECMS is accessed via a single, common interface, which can be used across countries, thus facilitating the mobilisation of cross-border collateral. For banking groups participating in Eurosystem credit operations via several NCBs, the ECMS is likely to simplify group-wide collateral management.

2.5 Will the ECMS change business and legal relationships between counterparties and the NCBs?

No. The existing relationships between the NCBs and their counterparties remain unchanged in accordance with the principle of decentralisation laid down in Article 12.1 of the Statute of the ESCB. Counterparties can continue to turn to their existing contact persons at the NCBs if they have questions or need assistance in procedural matters.

The legal relationships governing monetary policy operations and the use of intraday credit also remain unchanged, i.e. there is no change to the legal relationships between the counterparties and their NCBs.

2.6 Will the ECMS be an internet application like CAP?

No, unlike the Collateral Management Access Portal (CAP), the ECMS cannot be accessed via the internet, only through a network service provider (SWIFT or SIA-Colt). However, counterparties that do not have a network service provider of their own can in principle use the network service provider of a third party. Like all the other TARGET Services, the ECMS will be accessible via the Eurosystem Single Market Infrastructure Gateway (ESMIG).

2.7 Will CAP be completely replaced by the ECMS?

CAP is the graphical user interface for the Bundesbank's internal collateral management system for counterparties. The graphical user interface of the ECMS (ECMS GUI) corresponds to CAP in that it will also provide all functions necessary for collateral management, but unlike CAP it will not be accessible via the internet. It will no longer be possible to use CAP for monetary policy collateral (including collateral for TARGET2 contingencies). In the future, it will only be possible to manage and view these via the ECMS.

2.8 Will all currently used counterparty accounts at the Deutsche Bundesbank be accessible via the ECMS?

Initially, only safe custody accounts and collateral accounts that are used for monetary policy operations (including those for the TARGET2 contingency) will be accessible in the ECMS. Access to these accounts will take place via ESMIG. The extent to which accounts (so-called collateral account 2¹ and 5²) used for other purposes will continue to remain in the local systems is currently still being examined. Until further notice, queries relating to these accounts can be made U2A via the ExtraNet Collateral Management Access Portal (CAP) or A2A via SWIFT in accordance with the ISO 15022 message standard. There are no plans to change A2A communication with the Bundesbank's local collateral management system to the ISO 20022 message standard.

2.9 Does ECMS connectivity have to be set up for each counterparty? Does every counterparty have to use the ECMS?

A credit institution that is not connected to the ECMS from the go-live on April 8, 2024 will no longer have access to central bank money through the Bundesbank's intraday credit and monetary policy transactions (overnight credit, open market transactions). In addition, queries of the monetary policy collateral account and the collateral account for the TARGET2 contingency case can no longer be made. Bridging in the sense of a temporary continued use of the Bundesbank's local collateral management system is not possible after ECMS go live.

2.10 If the intention is not to participate in open market operations in the future after a TLTRO-III open market operation has matured, is an ECMS connection needed at all?

This depends on when your open market operations will mature. Counterparties whose ongoing open market operations do not mature until after the ECMS go-live on April 8, 2024 must connect to the ECMS. Bridging in the sense of temporarily continuing to use the Bundesbank's local collateral management system after the ECMS go-live is not possible. Counterparties that repay their open market operations before April 8, 2024 and that do not require access to intraday credit or monetary policy credit operations can close their collateral account and do not need to connect to the ECMS. If your institution plans to proceed in this way, please send a brief, non-binding information to ECMS-Readiness@bundesbank.de.

2.11 Is it also possible to connect to ECMS at a later date, for example in 2024, if participation in open market operations or overnight lending (marginal lending) is waived in the meantime?

Every monetary policy counterparty that has a collateral account in the Bundesbank's collateral management system at the time of the ECMS go-live will get a new account, known as the counterparty pool, which will be managed in the ECMS and which corresponds to the current

¹ The collateral account 2 for BBk's own operations is maintained for the collateralisation of Bundesbank own-account transactions, such as the central bank service.

² The collateral account 5 is maintained in connection with the management of collateral in accordance with the "Einlagensicherungsgesetz" (Deposit Protection Funds).

collateral account. Without a counterparty pool in the ECMS, it is not possible to participate in monetary policy operations, to use intraday credit and to request overnight credit.

Apart from this, you can, of course, open counterparty accounts and safe custody accounts in the ECMS at a later date and then start using the ECMS.

2.12 Will the ECMS user interface or the ESMIG landing page be available in multiple languages?

The ECMS and the ESMIG landing page are only available in English.

2.13 Will the documents provided by the Bundesbank / ECB, e.g. the Connectivity Guide, also be available in German?

The published documents, such as the ECMS connectivity guide, are only available in English. Further documents are also likely to be published exclusively in English. There are no plans to translate these documents into German. However, the Bundesbank plans to provide individual, selected and particularly important information on the implementation of the ECMS in German.

2.14 Will it still be possible to use a graphical user interface (GUI) to enter instructions such as for mobilisation / demobilisation of marketable assets as collateral?

Yes. Users that do not set up A2A interfaces can also manage their counterparty pools via a U2A interface (ECMS GUI).

2.15 When will the ECMS go live? What is the scheduled timeline?

The ECMS is scheduled to start operations in April 2024. The first day of operation of the ECMS will be Monday, April 8, 2024. The Eurosystem is currently working on the adaptation of the detailed project plan, including the future milestones relevant for community readiness monitoring. We will provide you with further information in due course.

3 Interaction with the ECMS

3.1 What exactly do our counterparties need to do in order to participate in the ECMS?

The ECMS is accessed, as well as all the other TARGET Services (T2 (CLM and RTGS), TIPS and T2S), via the Eurosystem Single Market Infrastructure Gateway (ESMIG). In order to access these, you will require a network service provider (NSP). ESMIG connectivity can be either A2A and/or U2A:

- A2A (application-to-application) means direct communication between two applications, i.e. between an institution's application and the ECMS. Communication between ESMIG and the ECMS and all market participants in A2A mode is based on the ISO 20022 messaging standard.
- U2A (user-to-application) means the use of a graphical user interface (GUI) by a counterparty employee to access the ECMS.

Participants opting for A2A connectivity will always be given the option to use the U2A connectivity mode as well. Further information on the technical connection options and the steps to be taken are described in the connectivity guide. This can be downloaded from the following link: [Documentation & FAQs | Deutsche Bundesbank](#)

3.2 If there is already an A2A connection to the ECMS, does U2A access also need to be set up?

A counterparty who opts for the A2A connection always receives the additional option of being able to access the ECMS with a U2A connection. This U2A access does not have to be used permanently, but some functionalities (e.g. Pool Projection) will only be available via U2A. In addition, U2A access is also required for setting up new users, assigning roles and retrieving individual reports, among other things.

3.3 Can counterparties that connect to T2 directly via ESMIG also use this connection via the NSP for the ECMS? Can the ECMS also be accessed via a “co-management” arrangement in T2?

ESMIG is the single entry point for the TARGET Services (T2, T2S, TIPS and ECMS). If a counterparty has set up access to ESMIG via its own network service provider, this connectivity can be used for all TARGET Services after the contract with the NSP has been amended accordingly.

If a counterparty uses co-management in T2, its institution is exempted from using its own NSP to connect to T2 via ESMIG. An NSP is, however, needed for connectivity to the ECMS via ESMIG because access is not possible via co-management in T2. This means that each institution generally has to connect to the system itself or employ a third party for this purpose.

3.4 Can the U2A access to T2 be used to access ECMS? Will the user interface of ECMS be the same GUI as for T2?

As for T2, U2A access to ECMS is established via ESMIG and the ESMIG landing page. On this page, the counterparty selects the service "ECMS". This option is available if appropriate access rights have been set up for the ECMS.

In principle, a separate GUI will be available for each Target Service and thus for ECMS and T2.

3.5 Does the Eurosystem have specific proposals as to how credit institutions without NSP access of their own can connect to the ECMS via ESMIG?

The Eurosystem does not have any specific proposals in this regard, but counterparties do generally have the option of connecting to the ECMS via a third party providing its NSP access. It is up to the counterparties themselves to assess the availability of such services and their ability and willingness to use them. They should ensure early on that they can connect to the ECMS either on their own via a network service provider (SWIFT or SIA-Colt) or via a third party if necessary.

3.6 Is any specific information already available that counterparties can use to select appropriate NSPs? Which NSPs are available?

Both SWIFT and SIA-Colt are NSPs that the Eurosystem has certified. More detailed information on choosing an NSP can be found on the Bundesbank's website, where there is a link to the [TARGET2/T2S consolidation](#) project.

3.7 What is the deadline for counterparties to decide on a network service provider?

In mid-2021, as part of the ECMS Community Readiness Monitoring exercise, we asked our counterparties for the first time to report whether they had chosen a network service provider and concluded a corresponding contract with it ("ECMS.NSP" milestone). This is necessary because a network service provider is required by the beginning of the user test phase in 2023 at the very latest in order to participate in testing.

3.8 Can methods currently used for TARGET2 connectivity also be used to access the ECMS via ESMIG?

Migration to the new T2 system will see the method currently used to access TARGET2 being discontinued and replaced by a unified method via the ESMIG portal. The new method also enables users to obtain access rights to multiple TARGET Services (such as T2 and ECMS). Users do still have to register individually and be assigned suitable roles for each service, however. A user that already has access to T2, for example, would also need to be set up as an ECMS user and be assigned ECMS roles.

3.9 Is it sufficient to assign users to a closed group of users (CGU) in the TARGET2/T2S consolidation project also for the use of ECMS?

No, a separate assignment to an ECMS CGU is required.

A CGU is a closed user group to which the ECMS users of a counterparty are assigned by the NSP (SWIFT/SIA-Colt). The NSP has different CGUs for the production environment and for the test environments.

3.10 Will an overview of assignable roles and rights be published?

A list of the available U2A and A2A roles with their respective rights can be found at [U2A and A2A roles in the ECMS \(europa.eu\)](#).

3.11 Does every system user in the ECMS that is created by the administrator require a certificate from his NSP?

Counterparties can use the ECMS either A2A – in this case, for example, an application of the counterparty will communicate with the ECMS – or U2A, when employees of the counterparty access the ECMS GUI. In the ECMS, technical users ("system users") are created for applications or persons. Each system user requires a certificate to communicate with the ECMS. However, in the ECMS, several system users can use the same certificate.

3.12 Will the administrator always be the "user manager" that is currently stored in CAP?

Access rights will not be transferred from CAP to the ECMS. Instead, they need to be newly set up in ECMS.

3.13 Can an administrator also create other administrators or is the role of the administrator assigned to only one user? Are multiple assignments possible (e.g. for a deputy)?

The Bundesbank will configure the administrators for each counterparty. The central bank can create several administrators for each counterparty. These administrators are users of the counterparties, who then assign U2A and A2A roles to their own users in the ECMS.

3.14 Are ECMS administrators (ADMINS) the same users as T2 administrators or are they different?

The ECMS is based on its own rights and roles concept, and it is therefore necessary to set up separate ECMS administrators. However, these can be the same users as the administrators in T2.

3.15 Can ADMIN users for CRDM in T2 also create ECMS users?

No. As the ECMS is based on its own rights and roles concept. Therefore it is necessary to set up ECMS administrators separately.

3.16 Are master data maintained directly in the ECMS or in CRDM like the rest of the master data?

Although the ECMS will receive certain master data from the Common Reference Data Management (CRDM) component, most of the master data needed for collateral management will be maintained directly in the ECMS.

3.17 Is the master data created in the same way as in T2?

The detailed registration process and further information on the collection and creation of master data are still under discussion by the Eurosystem. We will inform our counterparties in due course.

3.18 The institution is currently not connected to "T2S", inter alia, to mobilise securities. Is it absolutely necessary to connect to "T2S" to use the ECMS?

Today, as in future after the ECMS go-live, counterparties do not need a direct T2S connection for the submission and delivery of securities as collateral. In addition to being connected to the respective collateral management system (today: the Bundesbank's local system; in future: ECMS), institutions only require access to the central securities depository or custodian where the securities they are submitting to the Bundesbank as collateral are kept in safe custody.

3.19 Who can be consolidated into an ECMS “banking group”?

Various groups of counterparties of the same central bank can be defined as an “ECMS banking group”. In this case, one of the counterparties is defined as the manager of the banking group, which has access to the consolidated view of the counterparty pool positions. This function is only available in U2A mode.

3.20 Does the ECMS "Banking Group" need to be mentioned in the registration form?

Currently, no registration forms are available. We will inform our monetary policy counterparties in due course when the submission of registration forms is required.

3.21 Can A2A reports be processed in "push mode" (i.e. daily at a fixed time, for example)?

Most reports can be obtained in A2A in push mode and are usually made available at the end of the day; it is not envisaged that the time can be freely set.

3.22 Which reports are available in the ECMS?

The ECMS offers various reports to counterparties, which are available either in U2A (with export option) in various formats, but also in A2A.

The following overview shows the reports available to the counterparties in the ECMS:

Assets losing eligibility	Pending actions	daily via U2A
Users and access rights		weekly via U2A
Statement of pool position	Statement of transactions	daily / weekly / monthly yearly(*) / on request via A2A/U2A <small>(*) except for statement of transactions</small>
Statement of holdings	Statement of pending transactions	

3.23 Will sample messages of sese messages used in the ECMS be updated regularly in MyStandards?

The exchange of sese messages relates to communication in A2A mode. The MyStandards platform provided by SWIFT allows users to view the content of the various message formats. The sample messages are updated regularly.

In addition, section 3 of the [ECMS catalogue of messages and credit claim files \(europa.eu\)](http://ecms.europa.eu) information on the message formats used and their content.

4 Monetary policy operations

4.1 What should a counterparty do if it wishes to continue submitting collateral and CAP is no longer available?

The ECMS will offer a graphical user interface with functions comparable to CAP and providing the entire range of administrative functionalities for the counterparty pool. This change is necessary because the ESMIG portal will be the single entry point for the ECMS in future, just as it will be for all the TARGET Services (i.e. T2, T2S, TIPS and ECMS). A network service provider is required for connectivity via ESMIG, i.e. access via SWIFT or SIA-Colt. Counterparties can generally use an access point of their own or technical connectivity via a third party.

4.2 Will the ECMS cover all the functionalities currently available in CAP (e.g. security pledges, collateral acct. monitoring, etc.)?

CAP will be replaced by the ECMS GUI, which will then cover all necessary functions for managing monetary policy collateral.

4.3 Will there be any changes to mobilisation and demobilisation instructions or are the delivery channels predetermined on account of the depository?

CAP will no longer be available for monetary policy operations after the ECMS goes live. All mobilisation and demobilisation instructions will then need to be set up in the ECMS via ESMIG. The entry of instructions using standard settlement instructions will change with the ECMS. We will provide further information on this in time.

4.4 Will the launch of the ECMS change the mobilisation channels in use?

Broadly speaking, the channels for mobilising marketable assets currently available to counterparties can also be used with the ECMS. For example, it will still be possible to mobilise collateral by pledging securities to the Bundesbank via Clearstream Banking. For the cross-border mobilisation of marketable assets, i.e. the use of eligible collateral held in other Member States, direct or relayed links between securities settlement systems will remain available. To do this, the foreign CSD or custodian must be instructed to transfer the collateral to the Deutsche Bundesbank's securities account at Clearstream Banking. It is also still possible to submit collateral for cross-border use via the Correspondent Central Banking Model (CCBM). The national central banks maintain safe custody accounts with each other for this purpose. Furthermore, securities can continue to be pledged to the Bundesbank via triparty agents that have been assessed as eligible. However, the requirements for triparty agents will change with the introduction of the ECMS.

4.5 How will transfers from collateral account 1³ to collateral account 2⁴ take place in the future? Does it then have to be instructed in both ECMS for collateral account 1 and CAP for collateral account 2?

As long as both collateral accounts are held in different systems, positions cannot be transferred internally. Mobilisation and demobilisation instructions must be submitted to the respective system (i. e. the ECMS for collateral account 1 and CAP for collateral account 2).

4.6 Can foreign securities also be submitted to CASCADE in future?

Eligible collateral from other Eurosystem member states may still be transferred to the Bundesbank via eligible links between security settlement systems (SSSs). For securities held by a foreign depository up to this point, this depository must be instructed to transfer the collateral to the Deutsche Bundesbank's T2S-CASCADE account. A list of eligible links can be found on the ECB's page using the following link: [List of eligible links \(europa.eu\)](https://www.europa.eu). In addition, it is still possible to transfer foreign securities to other central banks in the Eurosystem via the CCBM procedure.

4.7 Will transfers from the counterparty's Clearstream account to the Bundesbank (accounts 7069/67069) still be possible?

Securities can continue to be transferred from a securities account at Clearstream to the Bundesbank's T2S-CASCADE account 7069. It will no longer be possible to deliver collateral to the Bundesbank's CREATION account 67069.

The securities holdings that the Bundesbank currently holds on its CREATION account 67069 will be gradually migrated to CASCADE. The Bundesbank will start migrating the holdings from the CREATION platform to CASCADE in 2022 and plans to carry out this migration without the involvement of the counterparties. Once the positions have been migrated, counterparties will be asked to stop delivering securities to CREATION. The affected counterparties will be separately informed on further details on this migration.

4.8 How will the processing of corporate actions in the ECMS differ from the current procedure?

In addition to participation in mandatory securities events, the ECMS provides the possibility for pledged securities to participate in voluntary corporate actions as well.

Furthermore, communication will change for all corporate actions. Based on the ISO 20022 messaging standard and in keeping with the efforts to harmonise the processing of corporate actions, the ECMS will promptly pass information on to the counterparties upon its receipt by the relevant central securities depositories. Incoming payments from corporate actions will be credited exclusively to MCAs.

³ The collateral account 1 is used for monetary policy operations.

⁴ The collateral account 2 for BBks own business is maintained for collateralisation of Bundesbank own-account transactions, such as the central bank service.

4.9 Will MACCs be a component of the ECMS?

No, the Bundesbank will continue to use the local application MACCs (Mobilisation and Administration of Credit Claims) after the ECMS goes live (on April 8, 2024) for the administration of credit claims under German law. Integration of MACCs into the ECMS is not currently envisaged. In the long term (but long after the ECMS go-live date), the Bundesbank may manage credit claims in the ECMS, though there are not currently any concrete plans in this regard. MACCs holdings will continue to be credited to the counterparty's counterparty pool, but this will then happen in the ECMS.

4.10 Will the ECMS also be used for the management of credit claims which serve as collateral?

The ECMS will also offer functionalities for the management of credit claims from the go-live date. Owing to national specificities, some NCBs can, however, continue to manage credit claims submitted as collateral in their local systems. The Bundesbank has decided to connect the application MACCs (Mobilisation and Administration of Credit Claims) for the use of credit claims governed by German law to the ECMS. However, cross-border credit claims are managed in the ECMS.

4.11 Why will credit claims continue to be submitted via MACCs in the future?

Owing to national specificities, some NCBs may continue to manage credit claims submitted for collateralisation in their local systems. The Bundesbank has decided to connect the MACCs procedure for the use of credit claims under the German law to the ECMS, as this procedure is tailored to the needs of the German market.

4.12 Can only German Schuldscheindarlehen / credit claims be submitted via MACCs?

Once the ECMS has been introduced, only credit claims and Schuldscheindarlehen under German law can be submitted via MACCs. By contrast, credit claims which are not subject to German law must be mobilised by German counterparties via the ECMS.

4.13 Do cross-border credit claims have to be "transferred" manually from MACCs to ECMS when ECMS goes live?

With the introduction of the ECMS, the CCBM holdings are transferred to ECMS by the respective NCB. As a result, counterparties do not have to manually transfer cross-border credit claims and can access their credit claims holdings via the ECMS once the holdings have been migrated.

4.14 Which counterparty pool item will the credit claims be shown under?

As nowadays, counterparties can submit credit claims governed by German law (known as domestic use) as collateral via the application MACCs also after ECMS go-live. MACCs will determine the cumulated collateral value of the submitted credit claims and transfer it to the ECMS. These locally managed credit claims will be listed in the counterparty pool in the ECMS

under the item “externally managed collateral”. Only the cross-border use of credit claims is mobilised directly using the ECMS and credited to the counterparty pool if one of the participating central banks uses the ECMS for the domestic management of credit claims.

4.15 What must be taken into account for the cross-border use of credit claims with the ECMS?

Submission of credit claims by German counterparties whose credit agreements are not governed by German law is referred to as cross-border use. The location of the debtor of a credit claim is not relevant for defining the cross-border use of that credit claim.

Credit claims of German counterparties whose credit agreements are governed by German law will continue to be managed in the application MACCs after the ECMS goes live. In this regard, the processes for the submission and administration of credit claims will remain unchanged.

Which application should be used for the cross-border use of credit claims under the CCBM procedure, on the other hand, depends on whether the other central bank involved in the particular mobilisation process uses the ECMS for the submission of credit claims. The principle here is that as long as one of the participating central banks uses the ECMS for the administration of credit claims, any mobilisation of credit claims using the CCBM procedure should also take place in the ECMS. Further information on this will be published in due course.

4.16 Which counterparty pool item will Schuldscheindarlehen be shown under?

Schuldscheindarlehen are treated as a form of non-marketable assets (credit claims) in the Eurosystem collateral framework and will thus continue to be managed in the Bundesbank’s local application MACCs after the ECMS goes live. In the ECMS, these will be shown under the item “externally managed collateral”, like other locally managed, non-marketable assets (credit claims).

4.17 Which triparty agents have been assessed as eligible by the Eurosystem?

Only triparty agents that have implemented the harmonised triparty model can be used in the ECMS. More information on this can be found at: [SCoRE - Triparty Collateral Management: Single Collateral Management Rulebook for Europe \(europa.eu\)](https://www.scores.europa.eu/en/documents/working-paper/1201701)

4.18 Will the Xemac application be replaced with the introduction of the ECMS or can collateral continue to be submitted via Xemac after the ECMS go-live?

Clearstream Banking has published information on this topic (<https://www.clearstream.com/clearstream-en/products-and-services/settlement/c20036-2215958>).

4.19 Can the deposit facility be booked after 18:00 at the end of a reserve period?

The deposit facility is used via the T2 Service; requests via the ECMS are not possible. The cut-off time is generally 18:15, but on the last day of a reserve maintenance period it is 18:30.

4.20 Is having a PM account a prerequisite for applying for marginal lending on request?

As part of TARGET2/T2S consolidation, PM accounts will be replaced by main cash accounts (MCAs) and, where applicable, RTGS DCAs. HAM accounts will also cease to exist – they will be merged into the MCAs. From March 20, 2023 – go live of T2 – having an MCA is a prerequisite for applying marginal lending on request

4.21 The overnight loan can currently be requested by the counterparties by fax in accordance with the contingency plan. Is this still possible with ECMS?

An emergency solution is planned for the case technical customer access to the ECMS is restricted. Appropriate forms are provided for this purpose, and the options for transmission are communicated well in advance.

4.22 Will the ECMS replace the OMTOS application?

No, the OpenMarket Tender Operations System (OMTOS) will stay in operation after the ECMS goes live on April 8, 2024, i.e. Bundesbank counterparties will continue to use OMTOS, and not the ECMS, to enter bids for open market operations. Counterparties can use the ECMS to request access to the margin lending facility and also view their outstanding balances from Eurosystem credit operations.

4.23 When does collateral for open market operations have to be submitted in the case the settlement of these is to take place on the previous day at 19:00?

The business day in the ECMS ends at 17:45 for counterparties, i.e. (de)mobilisation instructions are possible up to this time. Up to this time, collateral for open market operations must also be submitted.

4.24 At what time can the fixed credit line be instructed?

With the introduction of the ECMS, the fixed credit line can only be requested until 17:45. It is not possible to request these at a later point in time, as it is currently the case between 19:00 and 19:20.

4.25 If, in the future, the open market operations are settled at 19:00 at the start of the new business day, will a netting of payments be performed?

In principle, the ECMS offers the opportunity to net expiring and new open market operations. However, the final decision as to whether or which transactions in the ECMS are actually netted with each other has not yet been made.

5 Community readiness monitoring

5.1 Are surveys/queries sent straight to the institutions or are they routed centrally via association representatives? Is it possible to inform centralised units of this or involve them in this process?

Our community readiness monitoring surveys are sent straight to our counterparties (specifically, to the contact addresses provided to us), and their responses are also collected solely by the Bundesbank. Association representatives are mailed each new version of the survey questionnaire for their information. If the contact addresses change, please inform us briefly and send an email to ECMS-Readiness@bundesbank.de.

5.2 Which milestones have to be achieved by when by the monetary policy counterparties within the ECMS project? Is there any additional information available, such as activity descriptions?

Please note that the documents listed below provisionally still refer to the old project planning with the start date of November 2023. The documents adapted to a possible new schedule will be made available here in due course. An overview and description of the milestones to be met by the monetary policy counterparties in their preparations for the go-live of the ECMS are available in the following documents on the websites of the Bundesbank and the ECB:

- [ECMS project key milestones to ensure a successful big-bang](#)
- [ECMS project milestones](#)
- [ECMS key milestones - detailed description \(europa.eu\)](#)
- [ECMS info pack - milestones and readiness \(europa.eu\)](#)

6 Test and Migration

6.1 Will the tests take place in a test environment or alongside live operations?

ECMS user tests will take place in an ECMS test environment. We will publish more information on the procedure for the user test phase well ahead of the beginning of the tests.

6.2 Is it possible to obtain information on the ECMS GUI? When will counterparties be able to test the ECMS GUI?

The relevant user interfaces for counterparties are scheduled to be released prior to the beginning of the user tests. These user tests will give institutions the opportunity to familiarise themselves with and test the various functions of the ECMS GUI.

6.3 By when do counterparties need to have their systems ready for the ECMS?

Please note that the postponement of the start of operations of the ECMS to April 8, 2024 entails an adjustment of the detailed project plan including the future milestones relevant for

Community Readiness Monitoring. We will provide you with further information on this in due course.

6.4 What approach will be taken in terms of migration to the ECMS?

A “big bang” approach has been selected for migration to the ECMS, with all NCBs and counterparties using the system from the outset. All relevant collateral and credit positions will be migrated from the NCB systems to the ECMS on the go live day.

6.5 Will there also be a detailed description of the ISO 20022 formats, including data field assignments, in line with the interface description for access to the collateral management system based on MT formats as currently known as “Schnittstellenbeschreibung”?

The information for A2A participants of the ECMS is provided in various documents on the Bundesbank’s website, the ECB’s website and via MyStandards.

6.6 Must tests and migration also be carried out if the U2A connection is used via a third party?

Yes, tests must be carried out even if a U2A connection is used via a third party. The exact scope of testing for U2A users is not yet clear. The U2A users have to perform a connectivity test, i.e. they test whether the U2A users can reach the ECMS user interface. The mobilisation of securities is also envisaged as part of these tests.

Migration is mostly an internal migration within the central bank.

6.7 When does the registration process begin for Bundesbank’s counterparties if there is already a direct connection to the NSP as part of the TARGET2/T2S consolidation project set up?

We currently plan to make the registration forms available promptly. A return is targeted for the end of January 2023.

7 Questions on ECMS documentation and harmonisation

7.1 Will the markets be consulted on the complete ECMS documentation?

There are no plans to consult the markets.

7.2 The Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) adopted a series of proposals on the harmonisation of collateral management. How is this work factored into the ECMS?

The ECMS is generally based on harmonised processes, workflows and messaging formats. In addition, the Eurosystem – as one of the largest collateral takers worldwide – has a vital interest in initiatives that promote the harmonisation of collateral management. That is why the harmonisation measures adopted by the AMI-SeCo as well as any follow-up measures relevant for the ECMS are taken into account.

8 TARGET2/T2S consolidation and ECMS

8.1 Are there any interdependencies between the TARGET2/T2S consolidation project and the ECMS?

The ECB Governing Council decided in July 2020 to postpone the TARGET2/T2S consolidation project by 12 months and in October 2020 to also postpone the ECMS project by 12 months. The consolidation of TARGET2 and T2S should go live in November 2022. . In October 2022, the start of operations was postponed by another four months to March 20, 2023. The future T2 Service comprises Central Liquidity Management (CLM) and RTGS (component for the settlement of high-value payments and ancillary system settlement). The main cash accounts (MCAs) used for the settlement of monetary policy operations and provision of intra-day credit (Eurosystem credit operations) are managed in the CLM service.

As of March 2023, the Common Reference Data Management (CRDM) system will be used by T2. Participants will interact with the TARGET Services (T2, T2S, TIPS and ECMS) via ESMIG, the single entry point.

8.2 Are there any interdependencies between TARGET2/T2S consolidation and the ECMS that institutions in the German market need to take into consideration?

The overlaps between the two projects are as follows. Many institutions will use the main cash account (MCA) following the launch of the T2 system introduced as part of the consolidation project (TARGET2/T2S). Moreover, all TARGET-Services will benefit from shared components such as CRDM for all services. You can access all the TARGET Services via the single entry point, ESMIG (Eurosystem Single Market Infrastructure Gateway).

In addition, institutions that are also monetary policy counterparties will use the ECMS as of April 8, 2024. The ECMS will communicate with the T2 system and therefore use the MCA to ensure the settlement of payments in connection with monetary policy operations, corporate actions for submitted collateral and fees, as well as the updating of the credit line. Furthermore, it communicates with TARGET2-Securities (T2S) for the purposes of securities settlement and auto-collateralisation. The ECMS also uses the support functionalities shared by all the TARGET Services (common components).

8.3 Is use of the ECMS in the future conditional on whether a counterparty currently holds a HAM account or PM account?

The cash account set-up will be fundamentally restructured in March 2023 as part of the TARGET2/T2S consolidation project. HAM (home accounting module) accounts and PM (payments module) (light) accounts will cease to exist. Instead, holding a free-of-charge main cash account (MCA) will be an essential prerequisite for participation in all central bank operations, such as tender operations or overnight credit, which must then be posted to an MCA. If required, a dedicated account for the settlement of payment transactions and ancillary system settlement (RTGS dedicated cash account – RTGS DCA) can be held, subject to a fee; it is also possible to hold multiple MCAs and/or RTGS DCAs.

8.4 If a counterparty connects to T2 via a third party as part of co-management, is an own MCA still required?

An own MCA (primary MCA) is a mandatory prerequisite to participate in monetary policy operations of the Eurosystem. All payments within the scope of monetary policy are settled through it. Settlement via a third party will no longer be possible with the start of T2 from March 2023 onwards. Counterparties connected to T2 via co-management have their own primary MCA, but access it technically via co-managers.

8.5 Is a separate MCA required in addition to the "Default MCA" for payments related to the Dispositionsdepot (deposit account)?

No separate MCA is required. The ECMS communicates with the T2 system and uses the existing MCA (called the "Default" = "primary" MCA) to ensure the processing of payments related to monetary policy operations, corporate actions of submitted securities and fees, and credit line updates.

8.6 Where can further information on TARGET2/T2S consolidation be found?

Further information are available at the following link: [TARGET2/T2S consolidation | Deutsche Bundesbank](#).

Contact

Bundesbank ECMS Team

Deutsche Bundesbank – ECMS

Email: ECMS@bundesbank.de