

FAQs on the ECMS

Frequently asked questions

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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	Mobilization and Administration of Credit Claims
MCA	Main Cash Account
NCA	National Central Bank
NRO	Non-Repudiation of origin
NSP	Network Service Provider
OMTOS	OpenMarket Tender Operations System
RTGS	Real-time Gross Settlement
T2	T2 (along with TIPS, T2S and, in the future, ECMS) is one of the services of the new TARGET system, which replaced TARGET2 (Trans European Automated Real time Gross settlement Express Transfer System) on March 20, 2023. T2 consists of the components CLM (Central Liquidity Management) and RTGS (Real-Time Gross Settlement). CLM is used for central liquidity management across services and the settlement of central bank operations, while RTGS is used for the settlement of individual payment transactions and the transactions of secondary transactions of ancillary systems (i.e. central counterparties).
T2S	TARGET2-Securities
TLTRO	Targeted-Longer-Term Refinancing Operations
U2A	User-to-Application

1 Introduction

In December 2017 the Governing Council of the European Central Bank (ECB) approved the start of the realization phase of the project to set up the Eurosystem Collateral Management System (ECMS). The ECMS was – scheduled to go live in November 2023. Considering the postponement of the TARGET2/T2S consolidation, the start date for the ECMS project was set for April 8, 2024, but it has been postponed to November 18, 2024. Further documents on the ECMS (including the presentation from our information events) can be found on our website ([Bundesbank website](#)).

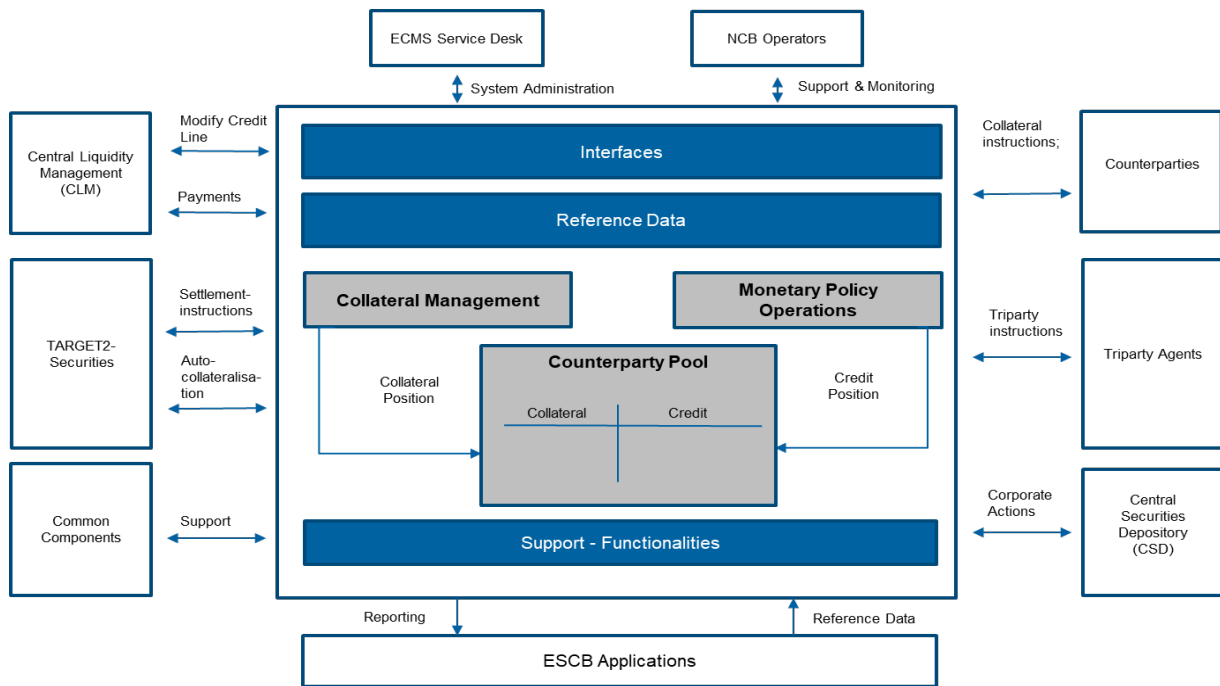
2 General questions on the ECMS

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 national central banks maintain a collateral pool (counterparty pool) in the ECMS for each monetary policy counterparty, in which the collateral is compared with the credit position of the respective counterparty. 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).



Source: <https://www.ecb.europa.eu/paym/target/ecms/html/index.en.html>

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. The ISO 20022 messaging standard will be used.

2.4 What benefits does the ECMS deliver for counterparties?

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

The ECMS is accessed via a single, shared interface, which can be used across countries, thus facilitating the mobilization 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 contacts at the respective 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 Nexi-Colt (formerly SIA-Colt)) ECMS may be accessed. 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 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 insofar 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 the TARGET contingency case). Now it is only possible to manage and view these via the ECMS. For other kinds of holdings (see question 2.8) CAP will remain.

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 TARGET contingency case) will be accessible in the ECMS. The accounts (so-called collateral account 2¹ and 5²) used for other purposes will remain in the local systems until after the go-live of ECMS is completed and then administration will take place in ECMS at a later point in time. 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 messaging standard. There are no plans to change A2A communication with the Bundesbank's local collateral management system to the ISO 20022 messaging standard.

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

Credit institutions will use the ECMS from go-live on November 18, 2024, to access central bank money through intraday credit and monetary policy credit operations (i.e. overnight credit) of the Deutsche Bundesbank. In addition, queries of the monetary policy collateral account and the collateral account for the TARGET contingency³ can now only be made via ECMS. Bridging

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).

³ In the event of a failure of the TARGET system, a contingency procedure is available to provide liquidity for payments T2 of critical counterparties in the ECONS II module. ECONS pools are set up in ECMS to collateralize ECONS loans.

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 November 18, 2024 must connect to the ECMS, since a 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 November 18, 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, binding notice to ecms-readiness@bundesbank.de.

2.11 Is it also possible to connect to ECMS at a later date than November 18, 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 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, i.e. 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 provides particularly important information on the implementation of the ECMS in German via the "ECMS-Leitfaden für die Kundentestphase", a document with particularly important information on the operation of ECMS in German. This document will be regularly updated and extended by relevant topics. We are additionally providing our counterparties with training documents in German on the ECMS website. Those can be found in the "[Participant Information](#)" section, in addition to presentations containing general information. These are supplemented by videos, which are used to illustrate certain processes step by step. Via the link: [Participant information | Deutsche Bundesbank](#) you can access these.

2.14 Will the counterparties receive appropriate information such as a user handbook for ECMS?

Yes. Beginning of March 2023, the ECB published the “User Handbook for Counterparties, version 1.1”. This user handbook supports counterparties in the operation of the future graphical user interface (GUI) of the ECMS. It contains detailed information on all GUI screens and step-by-step instructions for typical application functionalities in ECMS. You can access this document via the link: [ECMS User Handbook for Counterparties \(europa.eu\)](https://europa.eu). And in Q3 2024 the ECB will publish a new version of the ECMS user handbook for Counterparties.

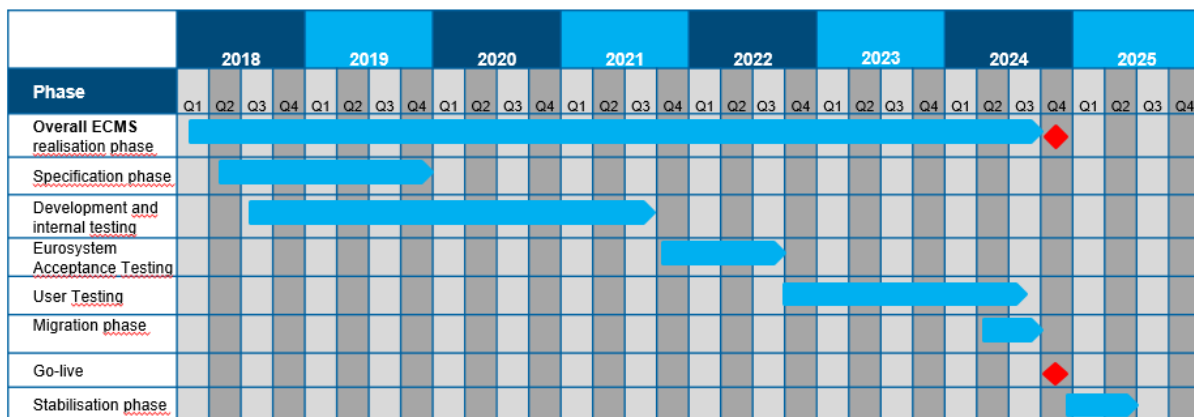
2.15 Will it still be possible to use a graphical user interface (GUI) to enter instructions such as for mobilization / demobilization of marketable assets as collateral?

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

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

The ECMS is scheduled to start operations in November 2024. The first day of operation of the ECMS will be Monday, November 18, 2024.

Current project schedule



Source: ECB

3 Interaction with the ECMS

3.1 What software requirements are needed to use the ECMS GUI?

For the operation of ECMS in U2A mode, no specific operating system (OS) or any other software is required. ECMS supports the following web browsers: Microsoft Internet Explorer (11), Microsoft Edge, Google Chrome (40+), and Firefox (32+). Java script and Java applets are used for validations on the client side, so "JavaScript" and "Cookies" must be set to "enabled".

No additional plug in based internet applications like "Flash" or "Silverlight" are required. The recommended cache size is 1 to 2 MB.

Although the Edge browser is not listed as a supported browser in the ESMIG documentation, Edge can currently already be used in T2 and ESMIG. Official support for the browser has been in place since the June 2023 release of T2 (10/06/2023).

So, when ECMS goes live, Edge will be officially supported by ESMIG and ECMS. In order to record certain critical transactions in the ECMS, the Asceria Go-Sign Desktop Client software is required. Further information is provided in question 3.33.

3.2 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.

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: [TARGET Services Connectivity Guide v3.0 \(europa.eu\)](#)

3.3 Which NSPs are currently available to access ECMS?

Both Swift and Nexi-Colt (former: SIA-Colt) are NSPs that the Eurosystem has certified. More detailed information on choosing a NSP can be found on the Bundesbank's website, [Common components of TARGET Services | Deutsche Bundesbank](#)

3.4 Are there concrete proposals from the Eurosystem how credit institutions without their own NSP access can connect to ECMS via ESMIG?

The Eurosystem does not make any specific proposals in this regard, but it is in principle possible for counterparties to connect to the ECMS via third parties that make their NSP access available. Counterparties must clarify for themselves to what extent such offers exist and whether they can and want to use them. They should ensure that they can connect to the ECMS either themselves via a network service provider (Swift or Nexi-Colt (formerly: SIA-Colt)) or, if necessary, via a third party.

3.5 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 to participate in testing. The user test phase is until September 2024. Furthermore a network service provider is required to connect to the ECMS production environment for which counter-parties should be prepared for by end of April 2024.

3.6 Until when must the counterparties prepare their systems for the ECMS?

Until the technical user tests take place all counterparties must adjust their systems to connect to ECMS.

3.7 Is it necessary to set up an U2A connection if an A2A connection is already established?

A counterparty that decides to use an A2A connection will, in principle, always receive an U2A connection to access ECMS that way. The consistent use of the U2A connection is not necessary, however certain functionalities (i.e. user management, pool projection) will be available to U2A connection users only. Furthermore is the U2A connection necessary for the setup of users, the assignment of roles and to view certain reports.

3.8 Does every system user in the ECMS that is set up by the administrator need their own certificate from their NSP?

Counterparties may use ECMS either A2A – in that case communicates i.e. an application of the counterparty with the ECMS – or employees of the respective counterparties U2A access the ECMS GUI. For the applications or employees technical users “system users” will be set up in ECMS and every system user needs a certificate to communicate with ECMS. But multiple systems users may use the same certificate in ECMS.

3.9 Is it possible in ECMS (like in other TARGET services such as T2) to connect one user with multiple Distinguished Names (DN) or certificates?

Until March 2024 it was technically not possible to assign multiple DNs or certificates to one user. Therefore, one user could only address a single access channel and if that access channel is not available, ECMS could not be reached. The ECMS change request No. 0084 solved this restriction. This change made it possible to connect multiple DNs per user and increased flexibility of access to ECMS (both in U2A and A2A mode).

3.10 What must be considered, if an institute uses an U2A connection from a third party such as the LBBW?

Regarding the creation of users in the ECMS and the use of a user with multiple certificates, we ask the institute to contact LBBW directly. We would be happy to provide you with the relevant contact information upon request (email to ECMS@bundesbank.de).

3.11 Can a counterparty which connects to T2 directly via ESMIG also use this connection via the NSP for ECMS? Is the access to ECMS also possible via the “co-management” to CLM?

If a counterparty has set up access to ESMIG through their own network service provider, this access can be used for all TARGET services after the contract has been adjusted accordingly with the NSP.

If a counterparty uses co-management in CLM, his institution is exempt from having to connect to T2 via ESMIG via its own NSP. However, an NSP is required for the connection to the ECMS via ESMIG, as access via co-management in the CLM is not possible. This means that each institution must either connect itself or use a third party for this purpose. In the cooperative sector and savings banks, head institutions offer a connection to the ECMS. For further information, counterparties should contact the institutes known in the market.

3.12 Is it possible to use the U2A connection to T2 to access ECMS? Will the user interface be the same GUI as in T2?

As with T2, U2A access to ECMS is initially available via ESMIG and the ESMIG landing page. On that page the counterparty chooses “ECMS” as a service given that the required access rights have been granted. In general, there will be an individual GUI available for each TARGET service, the ECMS and T2.

3.13 Can currently used access procedures to T2 also be used to access the ECMS via ESMIG?

Since March 20, 2023 users access the T2 services via the ESMIG portal. All TARGET services use ESMIG as the uniform access. Every user must be entitled to use one or more TARGET services to gain access to i.e. T2 and/or ECMS. Additionally, every user is assigned a correspondent role in the application. A user with an existing T2 access must be set up as an ECMS user and must be assigned the respective roles.

3.14 Are ECMS administrators (ADMINS) the same users as the T2 ones or separate ones?

ECMS is based on its own rights and roles concept, which means that separate ECMS administrators are required. These may however be the same as the T2 administrators.

3.15 Can ADMIN user for CRDM (Common Reference Data Management) from T2 set up ECMS users as well?

No. Since ECMS is based on its own rights and role concept, a separate set up of ECMS administrators is necessary.

3.16 Is the assignment to the Closed Group of Users (CGU), for example to the TARGET service T2, sufficient for the use of ECMS?

No, a separate assignment to an ECMS CGU is necessary. A CGU is a closed user group, to which the ECMS user of a counterparty get assigned to via the NSP (Swift or Nexi-Colt (former: SIA-Colt)). The assignment to a CGU – “e-Ordering” takes place at the NSP (Unlocking of the

required certificates to use ECMS). Further information is available via the link: [Common components of TARGET Services | Deutsche Bundesbank](#). The NSP has different CGUs for the production environment and for the test environment.

3.17 Is master data maintained directly in ECMS or, like the rest of master data, in the CRDM?

Yes, the maintenance and administration mainly takes place in the ECMS. But the ECMS does interchange certain master data such as the ECMS-Distinguished Name (DN) or the User-DN-Links with the Common Reference Data Management (CRDM).

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

No. The creation of master data takes place in ECMS. Furthermore, different name conventions for the assignment of DNs and users of the ECMS apply. See also the filling support: [Fill-in-guide for the ECMS production registration form \(bundesbank.de\)](#) (in German).

3.19 Will the administrator always be the “User Manager” that is currently stored in CAP?

Existing users and rights from CAP will not be migrated into ECMS. They must be created completely new in ECMS.

3.20 Can an administrator create other administrators or is the administrator role only assigned to one user? Are more assignments (i.e. for a substitute) possible?

The Bundesbank configures the administrators for the respective counterparties. In principle, the Central Bank can create multiple administrators. If an institute i.e. has wished for two administrators, they can also apply a 2-eye-principle or a 4-eye-principle additionally to the already existing role.

These administrators are users of the counterparty who may create new users as well as assign U2A and A2A roles to these users in ECMS. So the initial creation of administrators is done by the Bundesbank based on the handed in registration form. Any further steps must be instructed by the institute.

3.21 Can an administrator create more users in the U2A mode in ECMS?

To create new users the administrator needs to be equipped with the writing role ECMS ENTITY – U2A ADMINSTRATOR EXECUTION - #54. The creation of new users is possible in the module Reference Data.

3.22 What is the “ECMS System User Reference” and how is it designed? For what purpose is it needed?

The “ECMS System User Reference“ is needed for the creation of new users or a new ECMS group. The Deutsche Bundesbank recommends to structure the creation and registration of a new ECMS System User Reference or a new ECMS Group by using a uniform naming scheme. One example: DECPTY-DE0nnnn-ADMIN-PA2

For that purpose we would also like to point out the [“Form guide and information sheet for the ECMS production environment”](#) which can be found on the Bundesbank website via [“Documentation & FAQs”](#).

3.23 Is an overview of the to be assigned roles and rights published?

A list of all available U2A and A2A roles is available at [U2A and A2A roles in the ECMS \(europa.eu\)](#). The file “ECMS Access rights matrix” additionally describes the access rights to certain screens in the ECMS GUI, based on different user roles. The file is available at: [Documentation & FAQs | Deutsche Bundesbank](#)

3.24 What roles must an admin assign to an ECMS user (U2A)?

An administrator always assigns a U2A user the role of Validator (4-eye-principle) or Super Validator (2-eye-principle) in addition to a functional role in the ECMS. It is the counterparty's responsibility to determine which user should receive which roles. Privileges are associated with a role, so privileges do not need to be assigned separately. This approach differs from that of other TARGET services. The counterparty therefore decides by assigning roles, among other things about the use of the 4-eye-principle.

Please note: Instructions recorded using the dual control principle are processed directly by the ECMS. Whereas with the 4-eyes-principle, a recorded instruction must be approved by another person. For the user tests, only the role of the two-eye principle can currently be assigned. If the four-eye principle is available, the counterparties will be informed of this.

3.25 Can the counterparties assign the role “Counterparty U2A Credit Freezing” to users?

The ECMS provides three different kinds of Credit Freezing for the monetary policy counterparties:

- a) Credit Freezing created for the own purposes of the Central Bank
- b) Credit Freezing created by the counterparties
- c) Credit Freezing created for the TARGET Contingency case

The Deutsche Bundesbank will, due to legal reasons in the operative design of collateral accounts in ECMS, separate the monetary policy pool from the TARGET contingency case pool. The Bundesbank will hence open so called ECONS pools in ECMS for the T2 participants for the TARGET contingency case. The credit freezing “for TARGET-Contingency-Case” can therefore only be set up independently by the counterparties in the separate pool for CLM contingency.

3.26 The institute is currently not connected to “T2S” to i.e. mobilize securities. Is it mandatory to connect to “T2S” to use ECMS?

Currently and after the ECMS go-live, counterparties do not need a direct T2S connection, i.e. for the delivery and delivery of securities as collateral. In order to deposit and deliver securities as collateral, institutions only need access to the central securities depository or custodian

bank where they have the securities, which they submit as collateral to the Deutsche Bundesbank and a connection to the respective collateral management system (today: the local system of the Bundesbank; in the future: ECMS).

3.27 Who can be consolidated in an ECMS “Banking Group”?

Different groups of counterparties can be consolidated in an ECMS “Banking Group”. One counterparty will be defined as the “manager” of the Banking Group. The manager has access to the consolidated view of the collateral pools. This functionality is only available U2A.

3.28 Must the ECMS “Banking Group” already be declared in the registration form?

Institutes, who wish this functionality may provide the correspondent information in the registration form (Link: [Registration form | Deutsche Bundesbank](#)).

3.29 Can reports be requested in the A2A “Push Mode” (i.e. daily at a previously chosen time)?

Most reports can be requested A2A in Push Mode and are usually provided at the end of the day, a freely chosen time is not intended.

3.30 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:

Information reports	Assets losing eligibility	Outstanding credit operations	daily via U2A
	Pending actions	Settled and reimbursed credit operations	
	MPO expected payments	Users and access rights	weekly via U2A <small>(or from the DWH – see dedicated slide below)</small>
Statement reports	Statement of pool position	Statement of holdings / Official statement of holdings	daily, weekly, monthly, yearly or on request via U2A or A2A
	Statement of pending transactions	Statement of transactions / Official statement of transactions	

Source: [ECMS info pack - reports \(europa.eu\)](#)

3.31 Does the ECMS provide a report with an overview of all users and their assigned roles of the institute?

The “Users and access rights” report provides the counterparties with the relevant information. Counterparties can download and save this report on a weekly basis. Alternatively, a similar report, which lists historical data on users and access rights for the last 10 years, is available

in the ECMS Data Warehouse (DWH). This is the only report which is available for the Counterparties in the DWH. To access this information, they must authorize a user specifically for the DWH and participate in testing activities to ensure that this functionality can be used.

3.32 Will sample messages of sese messages used in the ECMS be updated regularly in MyStandards (Swift)?

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

The section 3 of the [ECMS catalogue of messages and credit claim files \(europa.eu\)](https://ecms.europa.eu) also contains further information on the used messaging formats and their content.

3.33 Does the Ascertia Go>Sign Desktop Client, which is used in connection with the NRO process, have to be purchased separately by the institutes or is it provided together with ECMS by the Deutsche Bundesbank?

To ensure Non-Repudiation of Origin (NRO) for critical transactions, a digital signature will be introduced for certain screens (U2A usage) of the ECMS. Users must enter a PIN code to add a digital signature to their instruction in the ECMS. ECMS users must therefore have the Ascertia Go>Sign Desktop Client installed on their workstation (application that communicates with ECMS, i.e. computer). Downloading is possible for all authorized users via the ESMIG portal. Ascertia is the unified NGO solution for all TARGET services, i.e. if you already use the software in connection with other TARGET services, you do not need to install them again.

Further Information is provided in the following documents:

- [ESMIG U2A Qualified Configurations v1.3.4 \(europa.eu\)](https://ecms.europa.eu) (in this document you will also see different links to download the application)
- [Information on Ascertia GoSign Desktop Version 6.9.0.9 \(bundesbank.de\)](https://www.bundesbank.de)
- Information on the Ascertia versions is provided in this document: <https://www.bundesbank.de/resource/blob/917200/896924cf4edc8282ab1b0ed755781df3/mL/anbindung-terms-of-reference-gsd-data.pdf>

Additional information on the download of the software is entailed in the document „[ECMS Leitfaden für die Kundentestphase](#)“. To be able to participate in the ECMS tests it is advised to install the software as soon as possible.

3.34 For what instructions will the U2A NRO solution be applicable?

In order to ensure non-repudiation of origin (NRO) for critical transactions, the use of a digital signature will be introduced for certain screens. This means that the user is asked to enter a PIN code for authentication when an instruction is initiated. By entering the PIN, the ECMS adds a digital signature to the instruction entered by the user.

The NRO solution is currently intended to be used for the following transactions:

- (De-) mobilization of marketable security,

- Deletion of a (de)mobilization of a marketable security
- Entering a corporate action instruction
- Deletion of the instruction in a corporate action transaction and
- (De-) mobilization of a credit claim.

It is planned to add further transactions in the future. The counterparties will be informed about this.

More detailed information is available in section 7.6 of the „ECMS Leitfaden für die Kundentestphase“

(Link:[bundesbank.de/re-source/blob/912986/6e95a7a764dc7dbbf3bbdf6cdab72119/mL/ecms-leitfaden-kundentest-phase-v1-2-data.pdf](https://www.bundesbank.de/re-source/blob/912986/6e95a7a764dc7dbbf3bbdf6cdab72119/mL/ecms-leitfaden-kundentest-phase-v1-2-data.pdf))

4 Monetary policy operations / Central Bank eligible collateral

4.1 Will the ECMS replace the OMTOS application?

No, the OpenMarket Tender Operation System (OMTOS) will continue to be operated to carry out monetary policy tender operations after the introduction of ECMS on November 18, 2024. I.e. the submission of bids for open market transactions for counterparties of the Deutsche Bundesbank as well as the allocation of the corresponding open market transactions will continue to be carried out via OMTOS. Counterparties can view information about the monetary policy tender operations they participated in via the ECMS.

4.2 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 7 pm?

The Deutsche Bundesbank will arrange for the allocated amounts for standard tenders to be credited to TARGET-BBk on the settlement day specified in the tender, provided there is sufficient collateral coverage for the total amount. Previously, overdue transactions were booked at 9:05 a.m. and new transactions were booked at 9:20 a.m. In the future, this will take place the day from 7:00 p.m. to 7:30 p.m. Missing collateral must be delivered immediately, but no later than 4:00 p.m. - with the introduction of ECMS, probably 5:00 p.m. - on the settlement day. To avoid problems when booking transactions at 7:00 p.m., securities must be submitted by 5:45 p.m.

4.3 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 provide the entire range of administrative functionalities for the counterparty pool.

You can find a comparison of frequently used screens in the CAP compared to the ECMS in Chapter 7.7 of the "ECMS Guide for the Customer Test Phase". You can access this in the "Participant information" section on the Bundesbank website.

4.4 Will the ECMS cover all the functionalities currently available in CAP (i.e. 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.

4.5 Will there be any changes to mobilization and demobilization instructions or are the delivery channels predetermined on account of the depository? Does ECMS provide delivery channels for the capture of demobilization/mobilization instructions – analogous to CAP?

With the introduction of the ECMS, CAP will no longer be available for monetary policy transactions. All incoming and outgoing instructions must be carried out via the ECMS. The capture of instructions using so-called delivery channels is no longer available with ECMS.

Delivery data (i.e. specific counterparty, counterparty depository, responsible clearing system) must be repeatedly recorded by the counterparty in the ECMS in order to create (de-)mobilization instructions. We have a filling assistance for the binding test cases in the area of securities mobilization and demobilization available (Link: [Testgrundsätze und ECMS Anleitung \(bundesbank.de\)](https://www.bundesbank.de)) on our website in the section ECMS / Test and Migration. This is supposed to help our counterparty to ease the switch from CAP to ECMS by providing assistance.

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

The mobilization channels for marketable collateral currently available to counterparties can largely also be used with the ECMS. It is still possible to submit securities by pledging securities in favour of the Deutsche Bundesbank via Clearstream Banking Frankfurt (domestic). "Direct" or "relayed links" between securities settlement systems continue to be available for the cross-border mobilization of marketable collateral, i.e. for the use of permissible collateral deposited in other member states. For this purpose, the foreign depository must be instructed to transfer the collateral to the Deutsche Bundesbank's depository at Clearstream Banking Frankfurt. Marketable collateral and credit claims can also continue to be submitted across borders using the Correspondent Central Bank Model (CCBM). For this purpose, the national central banks maintain mutual deposit accounts in the ECMS. In addition, securities can also be pledged in the future via approved triparty agents for the benefit of the Deutsche Bundesbank, although the requirements for triparty agents will change with the introduction of the ECMS. With the go-live of the ECMS, the tri-party service Cmax from Clearstream Banking SA Luxembourg will take on the functionalities of the current Xemac service from Clearstream Banking AG Frankfurt.

A bilateral mobilization of securities in favour of the Deutsche Bundesbank via account 67069 and the CREATION platform of Clearstream Banking SA is no longer possible due to the T2S settlement policy to be applied with go-live.

4.7 How will transfers from collateral account 1⁴ to collateral account 2⁵ 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. Mobilization and demobilization instructions must be submitted to the respective system (i. e. the ECMS for collateral account 1 and CAP for collateral account 2). It is planned to add collateral account 2 to the ECMS at a later, as yet unspecified point in time after the ECMS go-live. From this point on it will be possible to initiate transfers between the counterparty pools (collateral pools). Until then, securities must be transferred to the newly established depository CBF 7110 in favour of collateral account 2.

4.8 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 \(europa.eu\)](#). In addition, it is still possible to transfer foreign securities to other central banks in the Eurosystem via the CCBM procedure.

Further information is provided via [The correspondent central banking model \(CCBM\) \(europa.eu\)](#).

4.9 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 Deutsche Bundesbank has completed the necessary transfers of the holdings that were held in third-party custody and on the CBF Creation account 67069 to the CBF account 7069 in Q4 2022. This means that deliveries via CBF Creation account 67069 - in anticipation of the ECMS migration - are no longer possible. The transfer of the holdings held at the Banque centrale du Luxembourg via the CCBM (CCBM LU-CBL account 82801 to the LuxCSD account 48052) took place in Q2 2023.

4.10 What changes when processing corporate actions in ECMS in contrast to today's processing?

In addition to participating in mandatory securities events, the ECMS also offers the opportunity to participate in voluntary corporate actions for pledged securities. For events with a decision option, counterparties will have the opportunity to issue instructions via the ECMS in the future.

⁴ The collateral account 1 is used for monetary policy operations.

⁵ The collateral account 2 for BBks own business is maintained for collateralisation of Bundesbank own-account transactions, such as the central bank service.

Communication will also change for all capital measures. Based on the ISO 20022 standard and in accordance with the Harmonized Standards for the Settlement of Corporate Actions (SCoRE), the ECMS will forward information to counterparties promptly after receiving information from the relevant central securities depository. Cash receipts from corporate actions in EUR are credited exclusively to MCA accounts in CLM.

4.11 Which user roles must be assigned to a user in the ECMS for processing corporate actions?

Users editing corporate actions should have one of the following two ECMS Corporate Actions user roles:

ECMS ENTITY - U2A CORPORATE ACTIONS AND TAX MANAGEMENT

(Execution #78 & Read Only #79) (Also refer to [U2A and A2A roles in the ECMS \(europa.eu\)](https://europa.eu)).

4.12 For which types of corporate actions are instructions from the counterparty necessary?

A basic distinction is made between mandatory, mandatory with choice and voluntary capital measures. Further instructions from the counterparties are not required in case of a mandatory CA event. Mandatory CA events with choice require collateral provider instructions unless a predefined default option is selected. In the case of a voluntary CA event, instructions from the counterparty are necessary if they want to take part in the measure (optional).

The issuer informs the CSD directly of the details of a CA event once it has been publicly announced. This information is passed along the custody chain.

4.13 How are corporate actions by the counterparty “billed” when using the NSP access of a third party?

Since the processing depends on the service provider and can therefore be different, we ask you to contact the service provider through whom you plan to connect to the ECMS with this question.

4.14 How are corporate actions processed when submitting collateral via Triparty Agents?

We ask counterparties to contact the relevant triparty agent directly, since there might be variations.

4.15 Which messaging formats (ISO 20022 standard) does the ECMS use to inform counterparties about corporate actions?

The applicable business processes and associated Swift ISO 20022 messages vary depending on the type of CA event and the stage in the CA lifecycle, i.e. not all business processes and messages are applicable to every CA event (i.e. the Instruct phase is only relevant for CA events that offer CA options). Basically, messages of the “Securities Event (seev)” type are used. For the structure of the respective messages, we refer to the ECMS catalogue of messages and credit claim files (europa.eu), which contains relevant information in chapters 3.34

ff. An overview of the messages used is provided on page 14 [Presentation: ECMS specialised training session: „Corporate Actions“ \(bundesbank.de\)](#)

4.16 How does the ECMS inform the counterparty about an upcoming corporate action (CA) for submitted marketable securities?

If a corporate action is pending, the central securities depository sends a corresponding message (Corporate Action Notification) to the ECMS. The ECMS stores the information about the CA event in its reference data and forwards it to the counterparties. Messages for CA events are only created if the corporate action affects a security that a counterparty holds in its securities account (counterparty asset account). This can either receive the information in A2A messaging format or directly retrieve U2A in the ECMS GUI. In the Messages Monitoring menu item, the counterparty can download (outgoing) CA messages received from ECMS in XML format.

For elective CA events, counterparties can submit their instructions via U2A mode or via A2A mode.

4.17 Will the amount corresponding to the Cash Collateral be debited to the primary MCA account immediately?

Cash collateral is only posted in the ECMS after the counterparty's primary MCA account has been debited in the CLM.

4.18 Will MACCs be a component of the ECMS?

No, the Bundesbank will continue to use the local application MACCs (Mobilization and Administration of Credit Claims) after the ECMS goes live (on November 18, 2024) for the administration of credit claims under German law. Integration of MACCs into the ECMS is not currently planned.

Holdings in MACCs continue to be credited to the counterparty's collateral pool, but then in ECMS. The credit claims submitted via MACCs are shown in the counterparty pool of the counterparty in the "Externally Managed Collateral" item.

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

The Deutsche Bundesbank has decided to continue to process the administration of credit claims under German law for German counterparties in MACCs, as this system is particularly tailored to the needs of the German market.

The law of the credit claim determines whether there is cross-border use. The submission of credit claims by German counterparties whose credit agreements are not subject to German law is therefore referred to as cross-border use. The location of the debtor of the credit claim is not relevant for cross-border use. After the introduction of the ECMS, credit claims used across borders will be managed exclusively in the ECMS.

4.20 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 mobilized by German counterparties via the ECMS

4.21 In which position of the collateral pool are credit claims submitted via MACCs reported?

MACCs will determine the cumulative loan value of a counterparty's submitted credit claims and transfer it to the ECMS. These locally managed credit claims are managed in the collateral pool of a counterparty in the ECMS under the item “Externally Managed Collateral”.

4.22 What must be taken into account when using the ECMS for cross-border use (CCBM procedure) of credit claims?

The cross-border use (mobilization) of credit claims under foreign law takes place for German counterparties in the ECMS. The equivalent value of the mobilized credit claim is listed for the counterparty in the “Credit Claim” item in the Counterparty Pool.

For further information please refer to [Correspondent central banking model \(CCBM\): Procedures for Eurosystem counterparties \(europa.eu\)](#) section 2.2.

4.23 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 \(europa.eu\)](#)

4.24 What collateral is included in the “Triparty Collateral” position? What functions can the counterparty perform in relation to Triparty Collateral in the ECMS?

Triparty collateral is collateral that is submitted through a third party. This service is usually offered by central securities depositories such as Clearstream (Xemac) and Euroclear Bank Belgium (Autoselect). The authorized counterparty arranges for the administration of the collateral via a TPA certified by the Eurosystem. The TPAs report the collateral they manage and pledged to the respective central bank to the ECMS. This means that the counterparty can only have the relevant collateral value of the collateral positions displayed as Total Triparty Collateral in the ECMS.

4.25 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?

With the go-live of the ECMS, the triparty service Cmax from Clearstream Banking SA Luxembourg will take over the functionalities of the current Xemac service from Clearstream Banking AG Frankfurt.

Clearstream Banking has published information on this topic: [ECMS and SCoRE implementation \(clearstream.com\)](#)

4.26 Can the deposit facility be booked after 6 pm 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 in CLM is generally 6.15 pm, but on the last day of the minimum reserve maintenance period it is 6.30 pm. Closing time in RTGS is at 6 pm

4.27 Is the prerequisite for an application for an overnight loan the existence of an MCA account?

Since March 20, 2023 a MCA account is a prerequisite for an application overnight loan.

4.28 The overnight loan application can currently be ordered by message from the counterparties in accordance with the emergency plan. Does this option still exist with ECMS?

An emergency solution in the event of restrictions on technical customer access to ECMS is under review. Appropriate forms will probably be provided for this purpose and the options for transmission will be communicated in a timely manner.

4.29 How can the counterparty initiate an application for an overnight loan in the ECMS? Can this possibly be done via CLM?

Counterparties who are entitled to this can apply to use the peak refinancing facility directly in the ECMS in U2A or A2A mode (overnight credit application). The process is initiated by the counterparty by issuing a corresponding instruction in the ECMS. Further information on the specific steps to be taken in the ECMS can be found in Section 4.3.1.1 (p. 874ff) of the [ECMS User Handbook for Counterparties \(europa.eu\)](#). With the start of operations of ECMS, counterparties can only apply for an overnight loan via the ECMS. The counterparties' accounts held for this purpose at the Deutsche Bundesbank since March 20, 2023 will no longer apply. If an application for an overnight loan is recorded using the dual-control principle (4-eye-principle), it will be processed by the ECMS and cannot be cancelled. However, the counterparty can issue any number of new instructions, i.e. to adjust amounts, and enter them in the ECMS.

4.30 At what time can the maximum credit line be instructed?

With the introduction of the ECMS, the Maximum Credit line can only be requested until 5.45 pm. It is not possible to request these at a later point in time, as it is currently the case between 7 pm and 7.20 pm.

4.31 How is a counterparty with access to ECMS informed of a shortfall in coverage via a so-called "margin call"?

It is the responsibility of the counterparty to take action in the event of a shortfall in the counterparty pool and to respond to the margin call. The counterparty can be informed about a margin call in the ECMS. In addition, the counterparty receives, as usual, an email or a call.

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?

The ECB has published the relevant documents concerning the updated milestone planning. 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 Migration in November 2024 \(bundesbank.de\)](#)
- [ECMS project milestones](#)
- [ECMS key milestones - detailed description \(europa.eu\)](#)
- [ECMS info pack - milestones and readiness \(europa.eu\)](#)

6 Questions on ECMS documentation and harmonisation

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

There are no plans to consult the markets.

6.2 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.

7 TARGET2/T2S consolidation and ECMS

7.1 What interdependencies exist between the T2 service and the ECMS?

On March 20, 2023, the T2 service, which includes central liquidity management (CLM) and RTGS (component for processing individual payment transactions and ancillary system clearing), began operations. The central cash accounts (Main Cash Account – MCA accounts) are managed in the CLM, which, among other things, be used for the settlement of monetary policy transactions and the provision of intraday credit (Eurosystem credit transactions).

7.2 Is future use of ECMS dependent on whether a counterparty currently maintains an MCA account?

Since March 20, 2023, maintaining a fee-free central cash account (Main Cash Account - MCA account) has been a mandatory requirement in order to participate in all central bank operations such as tender operations or overnight loans, which are then necessarily booked into a central cash account (MCA account). If necessary, a dedicated cash account (subject to a fee) can be maintained for processing payment transactions and ancillary system billing (RTGS Dedicated Cash Account - RTGS DCA accounts); it is also possible to maintain multiple MCA accounts and/or RTGS DCA accounts.

7.3 If a counterparty uses a connection to CLM via a third party as part of co-management, is having an own MCA account 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 is no longer possible now that T2 has started on March 20, 2023. Counterparties connected to T2 via co-management have their own primary MCA, but access it technically via co-managers.

7.4 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.

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

Further information are available at the following link: [T2 | Deutsche Bundesbank](#)

7.6 What is meant by the provision of liquidity in the contingency case in ECMS - ECON pool?

If there is a disruption to the normal operation of CLM and/or RTGS, the emergency solution ECONS II (Enhanced Contingency Solution II) can be activated to maintain limited payment transactions. Counterparties can provide liquidity in different ways.

- (i) An automatic injection of liquidity into the ECONS II module when the emergency solution occurs only takes place if counterparties deliver collateral into the separate ECON pool in advance of a possible contingency case and also use the “Credit Freezing” function, so collateral has been blocked at the desired amount for the ECONS transfer. If collateral is also delivered directly to the ECON pool during an already activated contingency case, this will immediately lead to a corresponding increase in liquidity in ECONS II. There is no need to change the credit freezing lock.

This reinforcement of collateral

- a) can happen through the delivery of eligible assets from the Eurosystem via the usual approved mobilization channels (domestic, cross-border, triparty and credit claims), or
 - b) can be initiated by the counterparty via the multipooling function in the ECMS. In the ECMS, the counterparty has the opportunity to transfer unused collateral in the monetary policy counterparty pool (collateral pool) to the ECON pool (analogous to additional collateral account or collateral account 3). The prerequisite for this is that the counterparty has previously set up an ECON pool and, as before, there is a Maximum Creditline (MaxCL) in the monetary policy counterparty pool.
- (ii) If the ECONS II module is already activated and the counterparty only then delivers eligible Eurosystem collateral into the ECON pool via the usual approved mobilization channels (domestic, cross-border, triparty and credit claims) or uses the multipooling function in the ECMS the equivalent value of the collateral is then made available as liquidity by the ECMS in the ECONS II module without any further action on the side of the counterparty.

Contact

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