



EUROPEAN CENTRAL BANK

EUROSYSTEM

# ECMS

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## Eurosystem Collateral Management System

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# Overview

- 1 Basic overview – what is the ECMS?
- 2 Accessing the ECMS - connectivity
- 3 Getting ready for the ECMS – milestones, testing and migration



1.

## Basic overview

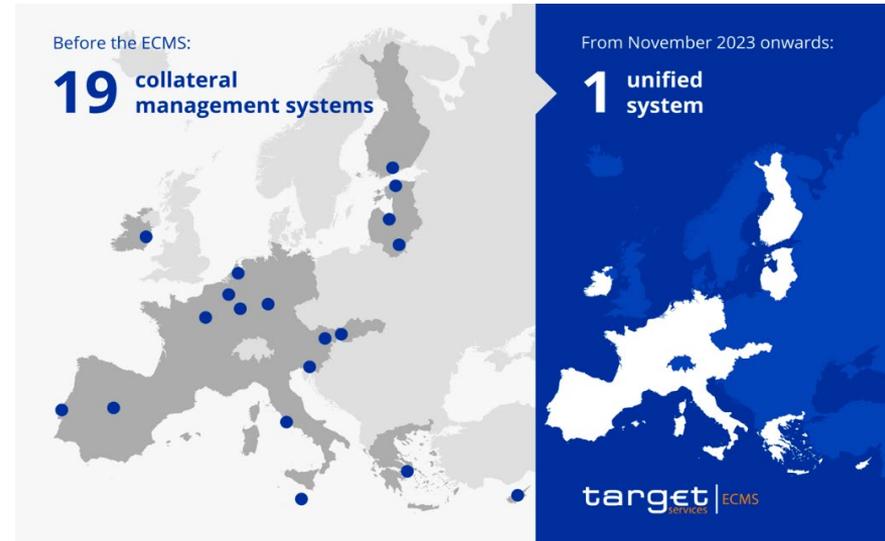
What is the ECMS?

# A single, unified collateral management system

The Eurosystem Collateral Management System will replace the 19 local collateral management systems of the NCBs in operation today.

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

Go-live is planned for **November 2023**.



# The ECMS – key aspects

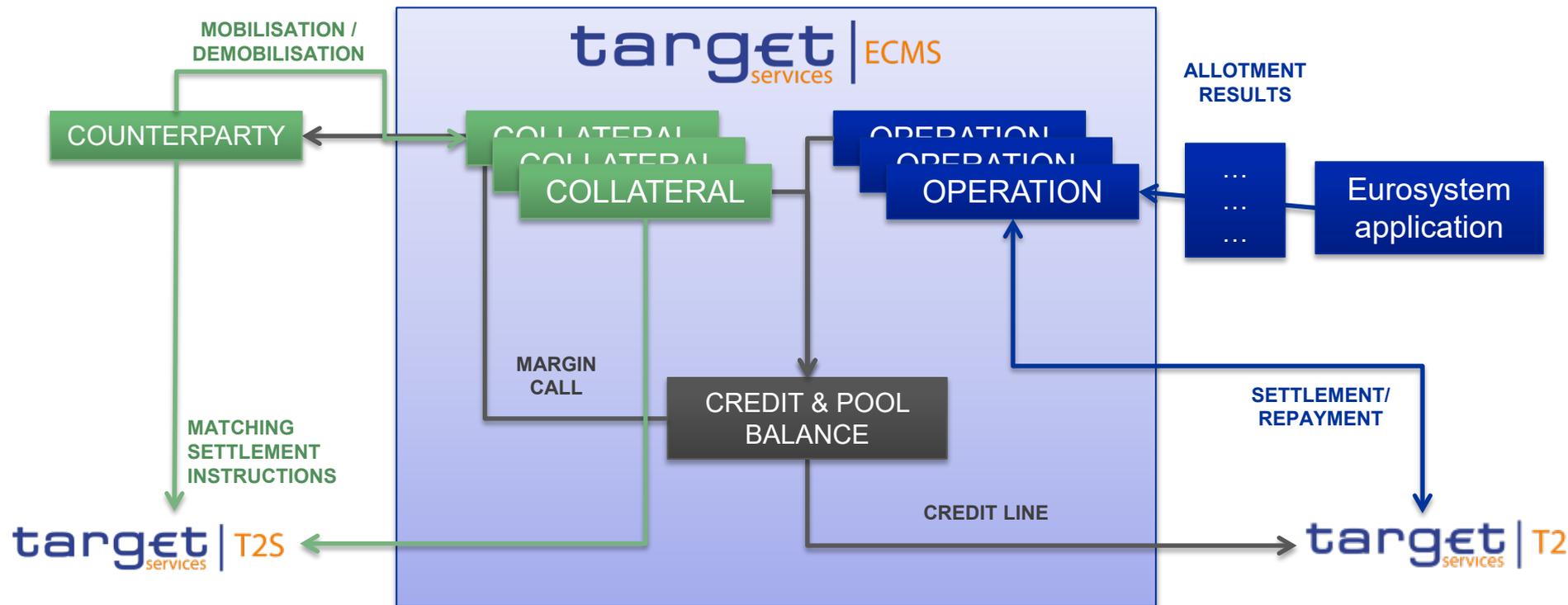
The ECMS will work together with the other TARGET Services to ensure that cash, securities and collateral flow freely across Europe.

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

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

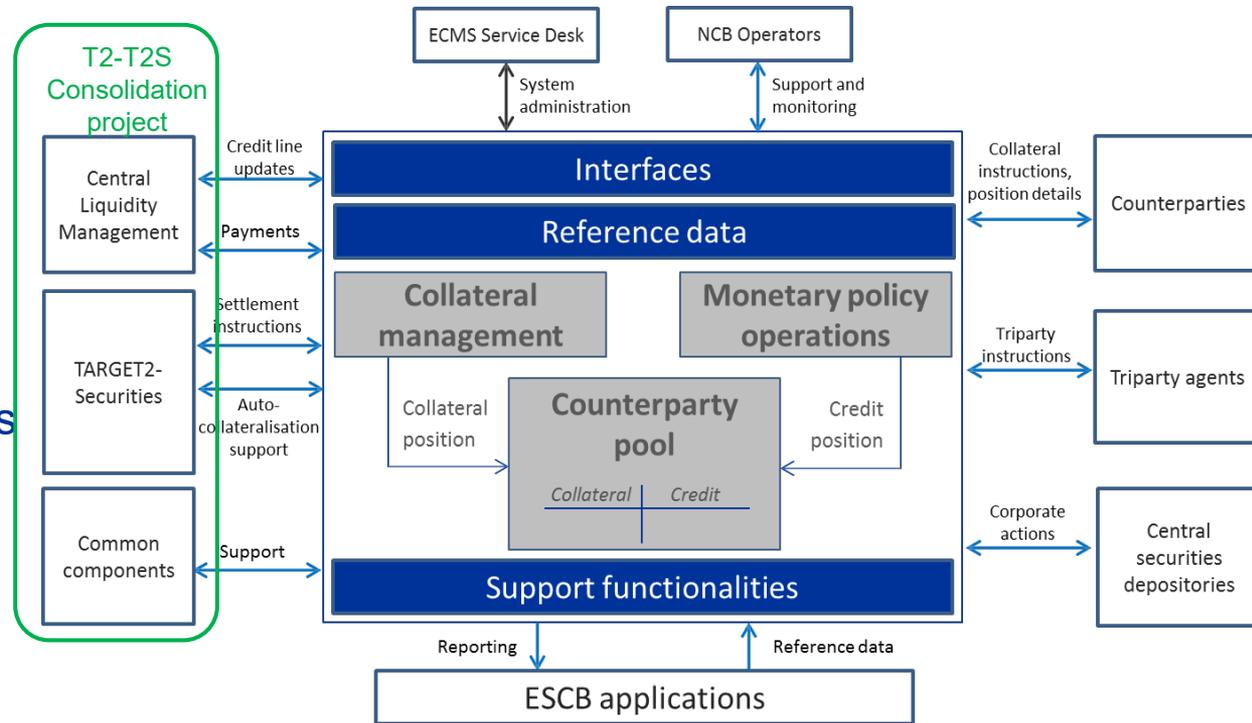
The ECMS converts counterparties' (de-) mobilisation instructions into settlement instructions which are sent to and settled in TARGET2-Securities (T2S).

# How the ECMS works

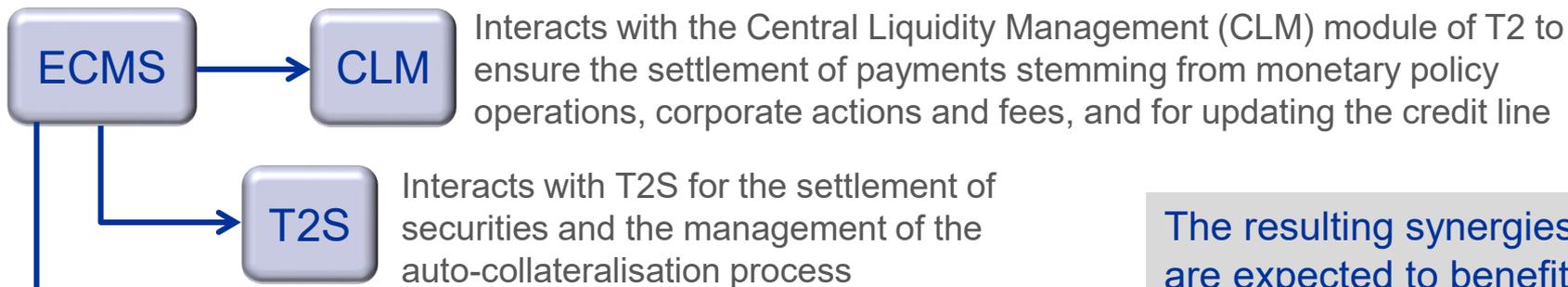


# Interaction of the ECMS with other services and actors

The ECMS interacts with many other services to provide Eurosystem NCBs and their communities with common functionality for managing marketable assets and credit claims used as collateral in Eurosystem credit operations.



# ECMS interaction with other TARGET Services



**Common components**

Takes advantage of the support functionality common to all TARGET Services

	T2	T2S	TIPS	ECMS
Eurosystem single market infrastructure gateway	✓	✓	✓	✓
Common reference data management	✓	✓	✓	✓
Data warehouse	✓	✓		
Billing	✓	✓	✓	✓
Business Day Management	✓	✓		
Legal archiving	✓	✓	✓	✓

The resulting synergies are expected to benefit NCBs and all other ECMS players in their communities: counterparties, central securities depositories and triparty agents.



# 2.

## Accessing the ECMS

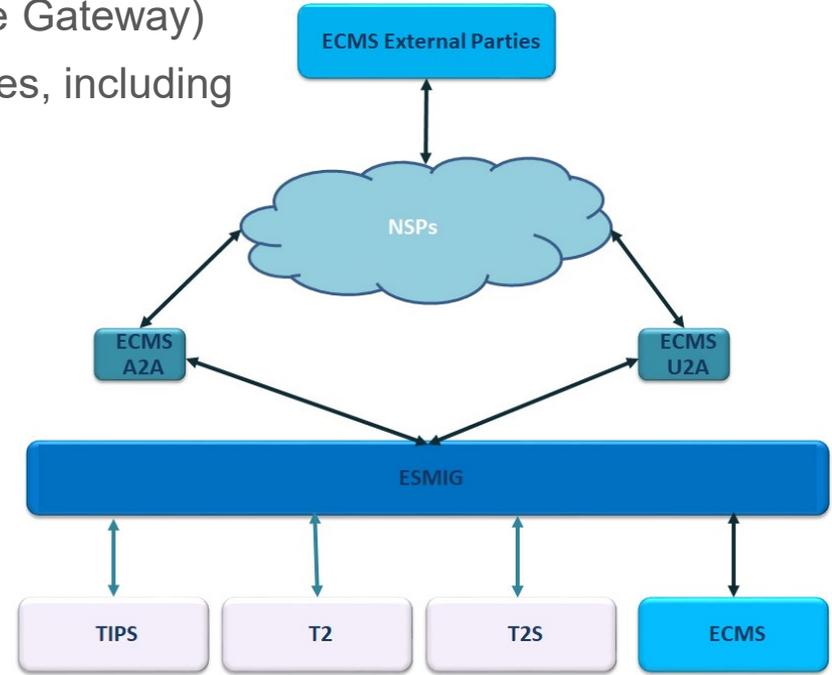
### Connectivity

# Access and connectivity

Further information can be found in the [ECMS info pack on access and connectivity](#)

**ESMIG** (the Eurosystem Single Market Infrastructure Gateway) provides a **single entry point** to all TARGET Services, including the ECMS.

- Free choice of Network Service Provider
- Single sign-on and a single certificate
- **A2A** communication via ISO 20022 messages
- **U2A** connection **via a GUI**



# Modes of connectivity – A2A and U2A

## A2A mode

Communication with the ECMS via ISO 20022 messages, files which are compliant with the ISO 20022 format or XML messages. A file may contain several messages.

All ECMS actors interacting in A2A are expected to be ISO20022 compliant.

All communication between CSDs, TPAs and the ECMS is in A2A mode.

## U2A mode

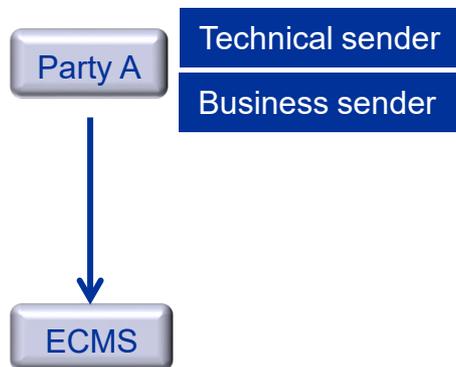
Online screen-based activities performed by ECMS actors via a GUI – graphical user interface. Counterparties can fully manage their pool in U2A mode only, and do not need an A2A connection.

# Different instructing scenarios in the ECMS

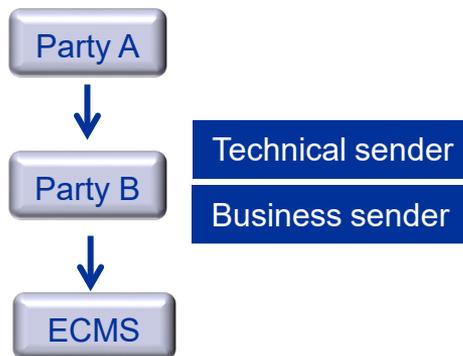
Further information can be found in [Explainer on business configurations in the ECMS](#)

The ECMS provides flexible solutions for business configurations which are suitable for different ECMS counterparty needs. The ECMS distinguishes between the **technical sender** and the **business sender**.

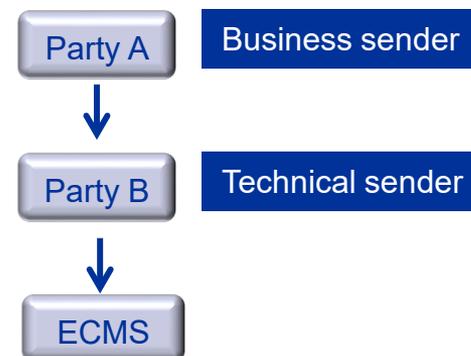
A counterparty can choose to send and sign their own instructions



A counterparty can choose to fully rely on another entity to send and sign their instructions



A counterparty can choose to sign their own instructions, but rely on another entity to send them





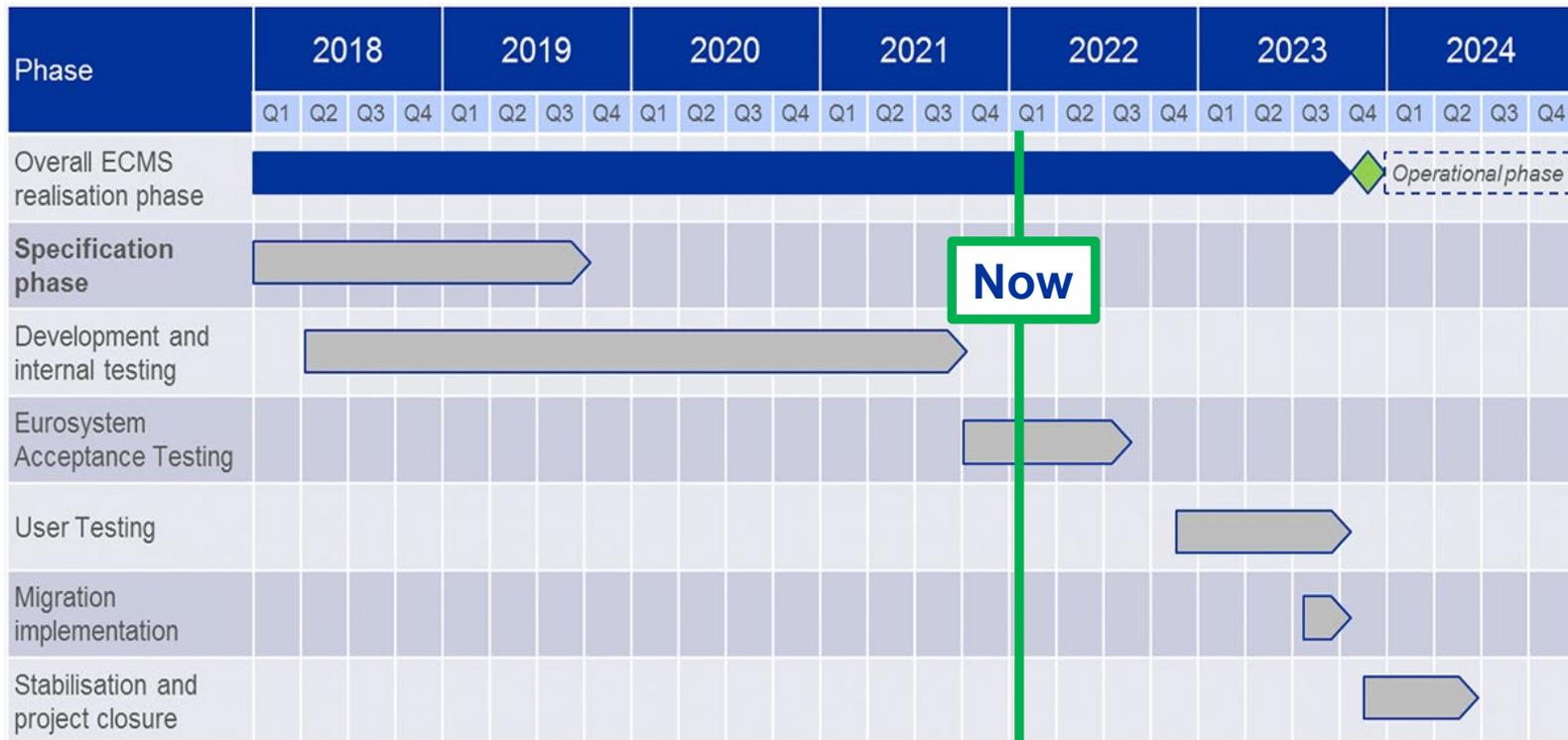
# 3.

## Getting ready for the ECMS

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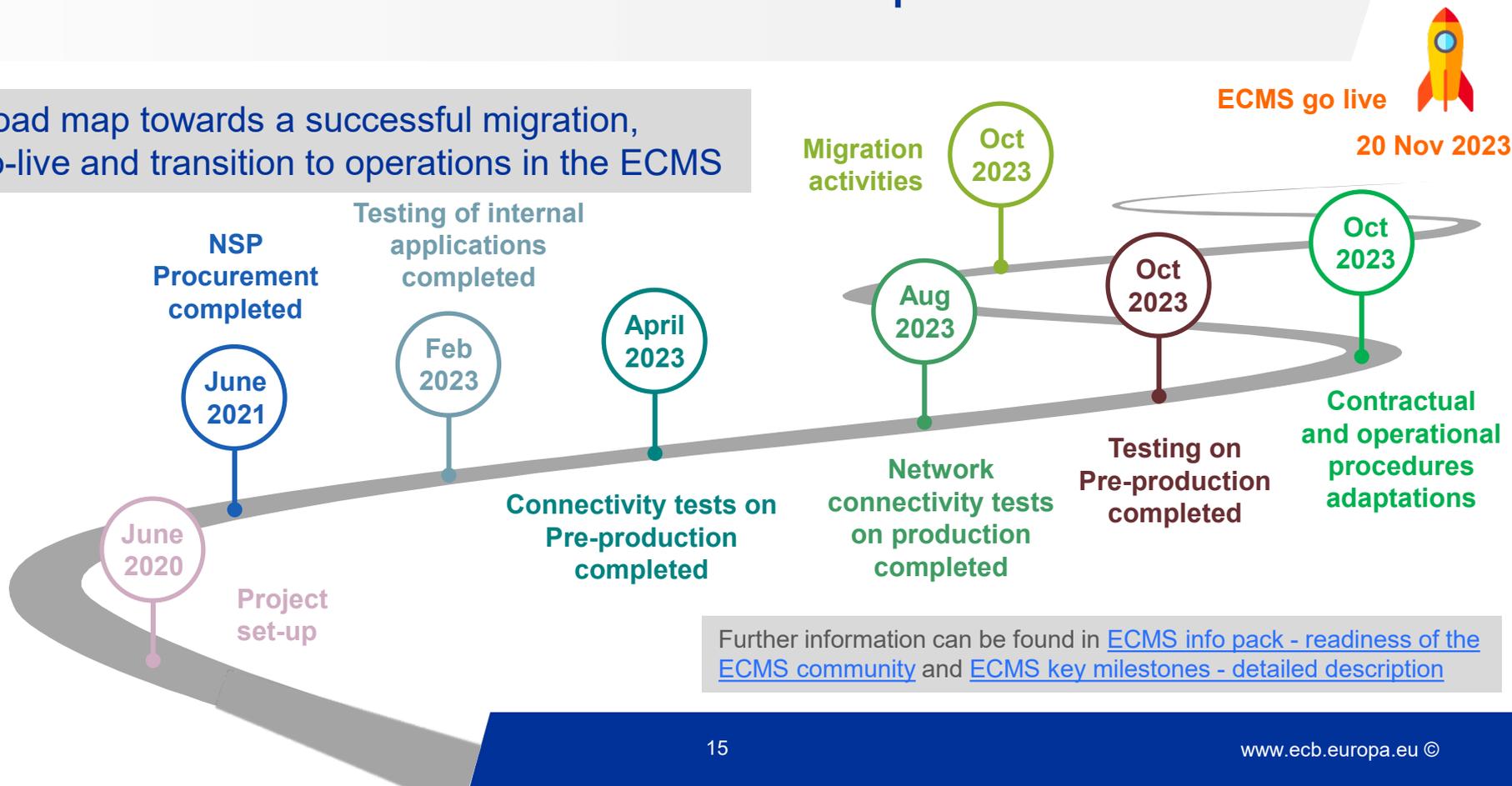
Milestones, testing and migration

# Timeline for the ECMS project



# The main milestones for counterparties

Road map towards a successful migration, go-live and transition to operations in the ECMS



Further information can be found in [ECMS info pack - readiness of the ECMS community](#) and [ECMS key milestones - detailed description](#)

# Counterparty Testing and Migration activities

- **Connectivity testing** for counterparties starts in Pre-Production **mid February 2023** followed by gradual start of community testing: i) NCBs ii) CSDs and TPAs iii) Counterparties
- Start of **counterparties participation in community testing** is planned as of **mid April 2023** and marks the start of community testing phase 2 in Pre-Production environment.
- Counterparties will be involved in the migration activities from there on and further information will be shared by April 2022, thus enabling them to make detailed preparatory steps.



# What are we working on now?

- The NCBs are working with all stakeholders on community readiness, and we hold regular workshops with CSDs and TPAs.
- We are preparing for user testing and migration, incorporating action points from joint testing meetings between Eurosystem and the CSDs, as well as from the CSD/TPA workshops.
- ECMS messages have been published, and specifications are final, based on the SCORE Corporate Actions Rulebook. Following best practice for all TARGET Services projects, a freeze period (November 2021 – November 2023) for further harmonisation changes (e.g. messages) has been implemented.

Further information can be found in [AMI-SeCo outcome](#)