NL ECMS Market Consultation Group

29 February 2024

DeNederlandscheBank

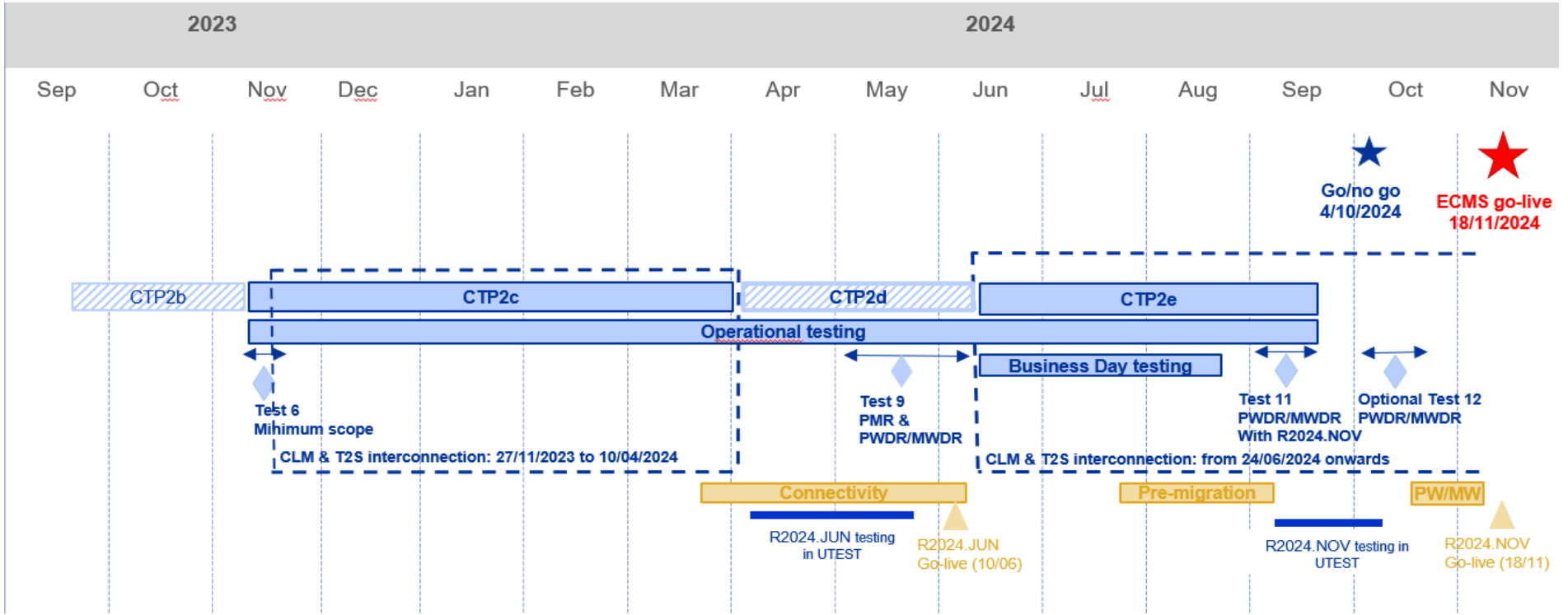
EUROSYSTEEM

Agenda

1. **Introduction**
2. **ECMS project planning – Eurosystem update**
3. **ECMS project – status update Dutch market, incl. DNB**
4. **Outstanding topics – update**
5. **Questions from MCG participants (see slide 23 for Q&A)**
6. **AOB**

ECMS project planning– Eurosystem update

ECMS project planning: Eurosystem update



ECMS project planning: Eurosystem update

Name of ECMS UT Phase	Start Date	End Date
Central Bank Testing	16 January 2023	09 February 2024
Community Testing Phase 2c	20 November 2023	10 April 2024
Community Testing Phase 2d	11 April 2024	23 June 2024
Community Testing Phase 2e	24 June 2024	22 September 2024
Business Day Testing (4 weeks, during CTP 2e)	24 June 2024	23 August 2024
Operational Day Testing	20 November 2023	22 September 2024

ECMS project – status
Dutch market, incl. DNB

ECMS project: availability of functionalities for testing

Functionality	CBT status
Marketable assets (MA)	Practically finished for CBT
Cash as Collateral	Finished for CBT
Standing facilities (AML & MLOR)	Finished for CBT
Pool position & projection	Pool position tests are ongoing; pool projection needs to be tested
Statements & Reporting	Testing of statements is ongoing (both Central Bank Testing and Community Testing in parallel): - Pool position report - Statement of Holdings request - Statement of Transactions request Reports – to be tested
Open Market Operations	Full scope campaign for Central Bank Testing in EAC still to be planned. Partial scope is currently being tested in UTEST (pilot), a second pilot will follow soon.
Credit Claims (CC)	Domestic registration successful, but other functionalities still to be tested. Issue with connection to RIAD database is recently solved, we will continue testing CC from next week.
Corporate Actions	Testing ongoing in close cooperation with Euroclear NL and Euroclear Bank.

ECMS project – status

Reference data

Create/Update/Delete U2A and A2A Counterparty users and the corresponding access rights setup.

- Released by DNB to CPTYs for testing
- Most CPTYs have successfully created their users and assigned the relevant roles in UTEST

Marketable Assets

(De)mobilisation and cancelation of Marketable Assets

- Released by DNB to CPTYs for testing, both U2A and A2A
- Total number of tested transactions looks good, but some CPTYs have a backlog

ECMS project – status

Marketable Assets

- Quite a few successful transactions (status "confirmed") since start of CTP2C (status per Feb. 27th):
  - Successful ("confirmed") transactions for DNBs ENL account: 51 (15 out of 28 CPTYs)
  - Successful ("confirmed") transactions for DNBs EB account: 46 (12 out of 19 CPTYs)
  - Successful ("confirmed") CCBM transactions: 25 (4 out of 14 CPTYs)
  - Total # of CPTYs with at least 1 successful "confirmed" transaction: 20 out of 28
- However:
  - Approx. 10 CPTYs are behind with testing
  - Only 4 CPTYs have successfully tested CCBM transactions
- We are currently in the process of contacting CPTYs with backlogs.

ECMS project – status

Global Credit and Collateral position

Credit freezing, Credit line updates, Global credit position management and monitoring position updates due to change of business date

- Update of maximum credit line value can be tested, is mandatory for all CPTYs.
- Freezing for CLM contingency is only relevant for CPTYs with Contingency agreement (ECONS contract).
- EWL and LCH will contact the CPTYs directly to perform some tests. These parties cannot monitor the test results and need help from CPTYs and DNB.

Cash as Collateral (Margin call)

U2A and A2A cash collateral mobilisation and demobilisation

- Released to CPTYs for testing, almost all CPTYs have tested this functionality successfully

ECMS project – status

Monetary Policy Operations – Standing Facilities

Marginal Lending on Request (MLOR), Automatic Marginal Lending (AML)

- Unfortunately, there are incidents with Standing Facilities. Incidents and PBIs will be solved in the March 8th release. We advice you to put the testing activities on hold until further notice.

- We expect the CPTYs to continue testing from March 11.

ECMS project – status

Monetary Policy Operations – LPO & LAO

Liquidity providing & absorbing operations, management of interest

- Central Bank Testing is not yet finished due to incidents; another testing campaign with full scope will be held in EAC (Central Bank Testing), planning TBD.
- This week a small coordinated "testing campaign" has started in UTEST, with 3 CPTYs and 1 tender operation (MRO fixed rate). First step (place a bid via E-tender) was successful for all participating CPTYs, allotments were visible in ECMS.

26-02	27-02	28-02	29-02	01-03	02-03	03-03	04-03
AN		AL	SE				MAT

ECMS project – status

Monetary Policy Operations – LPO & LAO

Liquidity providing & absorbing operations, management of interest

- ECB plans to organise another testing campaign in UTEST with a partial scope, starting on March 18th, depending on the results of the current campaign. Scope and details to be finalised. Current proposal:

Tenders	
1	MRO fixed rate
2	FTD (fixed/standard rate)
3	USD operation < 7
4	LTRO for early repayment and for indexed on MRO rates
5	USD operation > 7
6	Early repayment on LTRO
7	MRO fixed rate (special testing on MAT after EASTER break)

- We are looking for 3 additional CPTYs (next to the Tender pilot CTPYs we already have) who would like to join with this pilot.

  Please contact us via e-mail if you would like to join.

Credit Claims – Update

Credit claims

- Registration and update of (domestic) Credit Claims was already released. CPTYs should now be able to use the same entities as in production.
- (De)mobilisation is also released by the ECB. The Central Bank Testing activities have not been finished yet, but we will share an instruction / manual soon.
- For A2A testing (uploading XML files), Central Bank Testing is also ongoing. We will share a template soon.
- We will organize a "knowledge sharing" session with the applicable CPTYs (who are currently using Domestic Credit Claims) in the short term.
- *Attention point:* Credit claims (de)mobilization cannot be processed when using the 4-eyes (validation) solution. This will be solved in the March 8 release.
- Not yet released: CCOAU (outstanding amount update) and Cross border (CCBM) CC

ECMS project – status

Corporate Actions

Announcements and confirmations related to coupon events and (partial) redemptions

Mandatory events: The ECB has released the mandatory CA events for CPTYs to test: INTR, REDM, PRED, PCAL and MCAL.

- This week we started a pilot with 2 CPTYs for those mandatory events with Euroclear NL; if everything goes well, this pilot will finish on March 6th.
- For Euroclear Bank a similar pilot will start on March 4.

Voluntary events: still in CBT phase.

- Depending on the results of the pilots and CBT, additional planning will become available soon.

ECMS project – status

Statements & reports

- CPTYs with an A2A connection should now receive the following statements and reports in UTEST from Swift (testing is also in progress by DNB):
  - semt.002 - Statement of Holdings
  - semt.017 - Statement of Transactions
  - semt.018 - Statement of Pending Transactions

- In U2A statements & reports can be retrieved in ECMS

ECMS project – status

Other functionalities

- Pool Positions → to be monitored by all CPTYs
- Pool Projection → CBT – scope under investigation
- Multi pooling Marketable Assets → CBT – scope under investigation
- Multi pooling Credit Claims → CBT – scope under investigation

Outstanding topics - update

ECB update - NRO

NRO (Non-Repudiation of Origin)

- Timeline for the activation of NRO solution in testing environment is currently planned for 18/03/2024. All the CPTYs are advised to install the Ascertia Go-Sign Desktop (GSD), if not completed yet.
- The latest version of the Qualified Configurations has been included in the ESMIG UDFS for R2023.JUN. As part of the rollout of new version 6.9.0.20, the new client is also available for download in the certification environment (link below) starting from Tuesday, 14/11/2023.
  https://www.ecb.europa.eu/paym/target/consolidation/profuse/shared/pdf/ESMIG_UDFS_R2023.JUN_clean_20230303.en.pdf

Outstanding PBI – Many certificate DN to one ECMS system user

Multiple DNs – recap of the issue:

- In ECMS the U2A and A2A user link to Distinguished Name (DN) is limited to a one-to-many relationship.
- Goal is to change that to a many-to-many relationship (thereby aligning ECMS with the other Eurosystem TARGET Services).

Status:

- The Change Request is part of the March 8th release. DNB will test this internally first; we hope to release this to CPTYs during the week of March 11th.

Preparations for PROD

- Connectivity testing for PROD in March; CPTY involvement expected to start in April
- Registration forms for PROD & Swift e-order for PROD
    - 3 CPTYs with missing registration form and/or e-order

- Next meeting: 8 April 2024, 14.30 CET

(in-person at DNB premises in Amsterdam)

- Opportunity for questions
- AOB

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Q&A

- Q1: Can you clarify the availability of the testing environment in CTP2d?
- A1: During CTP2d (11 April -25 June) a migration test is planned, so in effect UTEST is available for counterparties only during the month of April in CTP2d. Also, during CTP2d testing will only be possible with the simulator as there won't be a connection with CLM and T2S.

- Q2: The delayed availability of certain functionalities puts pressure on the planning and the last testing phase. Is the planning attainable?
- A2: We acknowledge the pressure on the planning and the testing in CTP2e (the summer months) as only from then will we be able to test all the functionalities end-to-end. Therefore, we encourage counterparties to test as much as possible in CTP2c. We will keep you informed of any changes to the planning.

Documentation and tools

NL ECMS MCG: ECMS - Professional use (europa.eu)

Documents and links

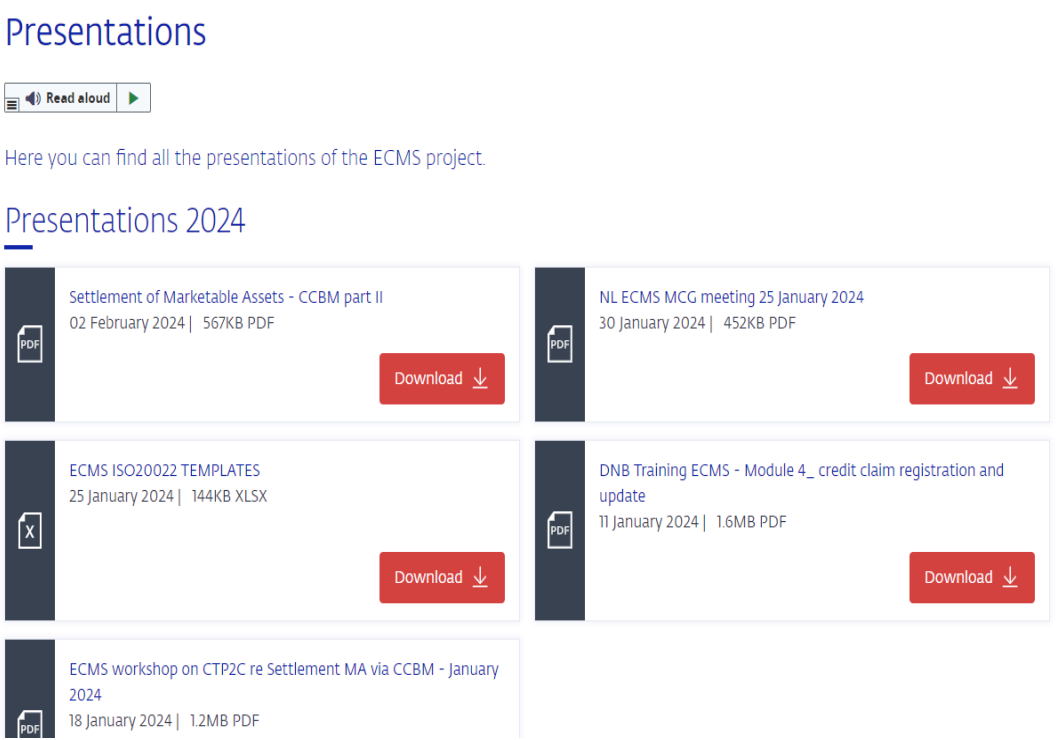
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15 February 2024	ECMS User Testing execution – testing condition ENGLISH
5 February 2024	Summary Focus Session – 24 January 2024 ENGLISH
22 January 2024	ECMS info pack - milestones and readiness ENGLISH
22 January 2024	ECMS key milestones - detailed description ENGLISH
22 January 2024	ECMS user testing - terms of reference for pre-production environment ENGLISH

NL ECMS MCG: Presentations, newsletters and one pagers (dnb.nl)

Above link to DNB website:

- For presentations, newsletters, one pagers, message templates, etc. on ECMS.
- Recently published documents:
  - Settlement of Marketable Assets – CCBM part II
  - NL ECMS MCG meeting 25 January 2024
  - ECMS ISO20022 Templates
  - ECMS workshop Settlement MA via CCBM
  - DNB Training ECMS - Module 4 - credit claim registration and update



Links to useful documents for connectivity testing

On the ECB website ECMS - Professional use

- ECMS info pack - user testing and migration (europa.eu)
- TARGET Services Connectivity Guide v2.2 - with revisions (europa.eu)
- ECMS user testing - terms of reference for pre-production environment (europa.eu)
- ECMS catalogue of messages and credit claim files - changes since version of 22 June 2023 (europa.eu)

SWIFT MyStandards

- ECMS actors that interact with the ECMS via A2A can request access to the ECMS group in the MyStandards web application.
- CPTYs can verify/test the compliance of message versions in the Readiness Portal, with specifications provided in MyStandards.

  The portal is a web application built on top of MyStandards.

  - Tests with the MyStandards Readiness Portal neither require nor verify the connectivity via ESMIG.
  - MyStandards Readiness Portal neither allows to reach nor test the ECMS.

Connectivity testing: Procedure to get access

The objective is to ensure full end-to-end connectivity to the ECMS via the Eurosystem Single Market Infrastructure Gateway (ESMIG)

Preparation:

- Registration form "data for connectivity"
- Complete the e-ordering process with the chosen Network Service Provider

- The TARGET Services Connectivity Guide on the ECB website describes in general terms the connectivity to ESMIG.
- This connectivity guide is not sufficient to achieve your connectivity to ESMIG. All NSPs specific steps and technical details (e.g. settings and tokens) to achieve the connectivity to TARGET Services, are described in the relevant NSP (SWIFT or Nexi-COLT) related documentation.

Connectivity testing: Procedure to get access

- Summary connectivity steps:

  - DNB will setup counterparty: based on registration form
  - DNB will create CPTY admin user(s)
  - CPTY Admin(s) connect to the ECMS GUI landing page U2A

  If also A2A:

  - CPTY Admin(s) create A2A-user(s)
  - CPTY checks receipt of an acknowledgement (admi.007) from ECMS after sending one A2A message [ECMS Catalogue of Messages]