



EUROPEAN CENTRAL BANK

EUROSYSTEM

# FOCUS SESSION

European Central Bank

12/06/2023

Eurosystem Collateral Management System





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# How ready is the market?

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12/06/2023

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# ECMS Community Readiness Framework overview

- Market readiness to go live is measured by a set of milestones as defined by ECMS governance.
- A **successful big-bang migration** is based on all actors, National Central Banks (**NCBs**), Closely Monitored Actors (**CMAs**) and Regularly Monitored Actors (**RMAs**) to be ready and follow the ECMS milestones.
- **CMAs** and **RMAs** are invited by their NCBs to provide as per a defined schedule information on:
  - A. Confidence level to go live in April 2024
  - B. Status of new milestones in the reporting cycle
  - C. Status of previous milestones in case they were still pending for completion in last reporting cycle
  - D. Confidence level to complete next reporting cycle milestones
- This information is then consolidated by the ECB and reported to the ECMS Steering Level (MIB), as priority after the CSLD go live

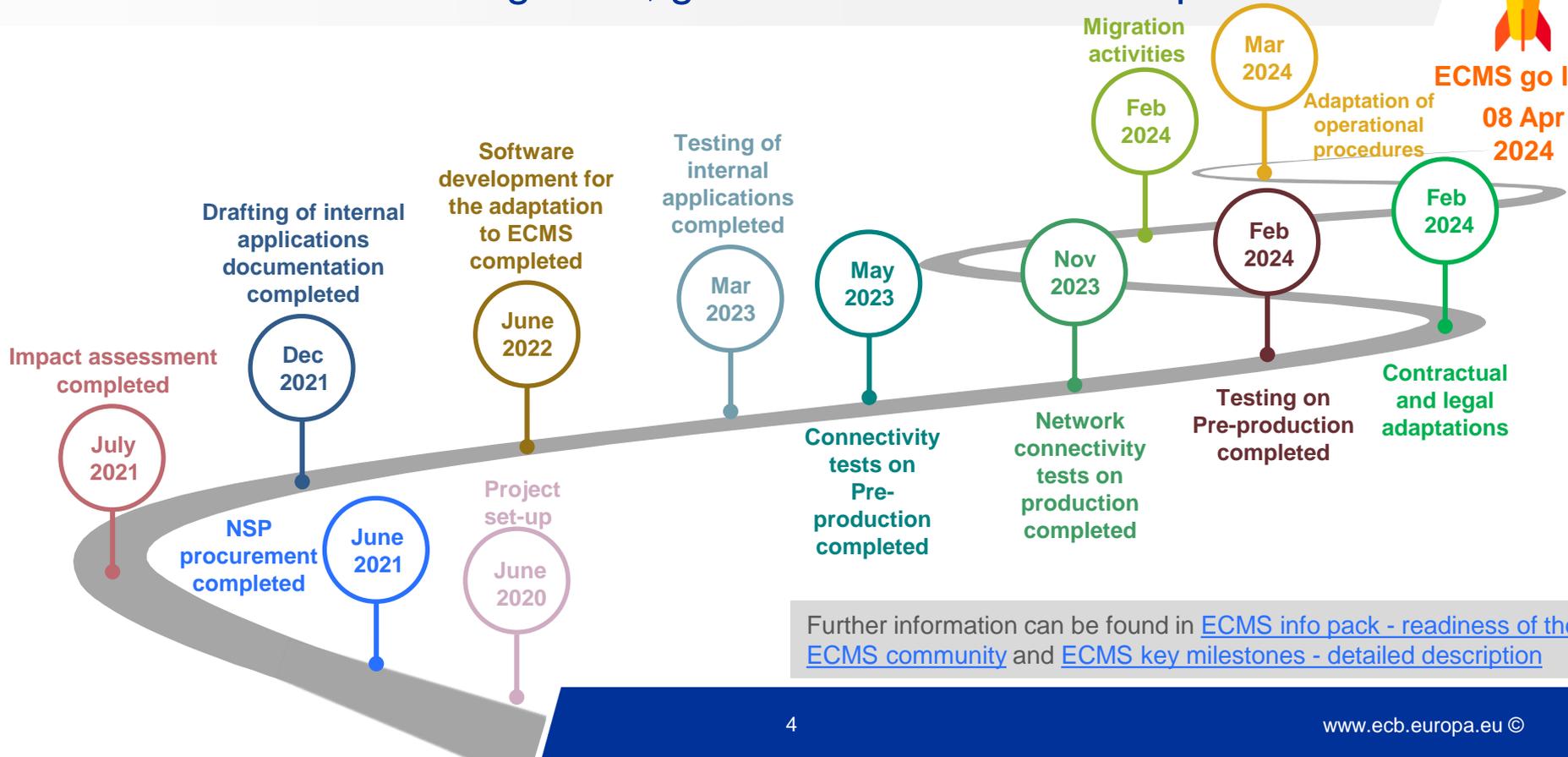
# Community roadmap milestones

towards a successful migration, go-live and transition to operations



**ECMS go live**

**08 Apr 2024**



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

# Readiness reporting cycles in 2023-2024



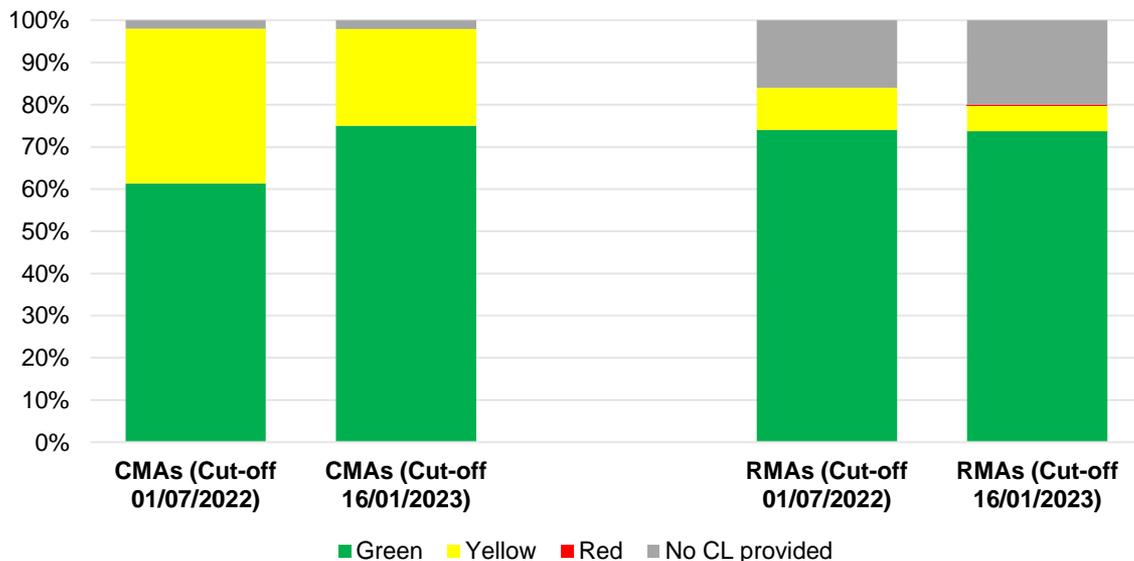
\* The term **community** is referring to CSDs, TPAs and Counterparties together

# Status of Readiness

## A. Overall confidence level – 9<sup>th</sup> readiness cycle (cut-off 16/01/2023)

- **Response rate:** both CMAs (98%) and RMAs (80%) have provided feedback .
- **CMAs confidence level: 75% (48 out of 64)** reported a green confidence level to be able to go-live in April 2024.
- **RMAs confidence level: 74% (967 out of 1307)** reported a green confidence level to be able to go-live in April 2024.

### CMAs and RMAs Confidence Level (CL)

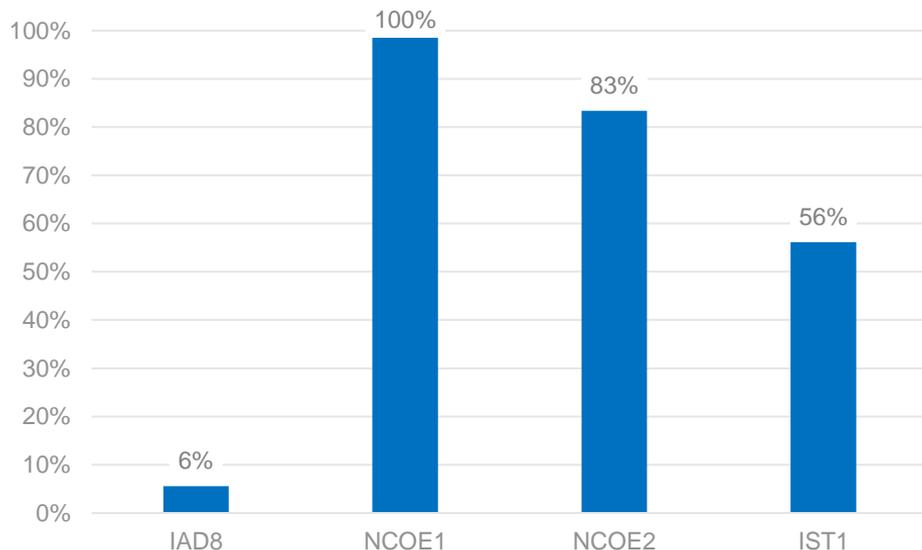


# Status of Readiness

## B. CMA\* % of new milestones due in reporting cycle completed

For the reporting cut-off of 16/01/2023, out of a total of **64 CMAs (17 CSDs, 1 TPA, 46 Counterparties)**

- **1** out of 18 have reported IAD8 (only applicable to CSD/TPA for this cycle) as completed.
- **18** out of 18 have reported NCOE1 (only applicable to CSD/TPA) as completed.
- **15** out of 18 have reported NCOE2 (only applicable to CSD/TPA) as completed.
- **32** out of 57 (not applicable to 7 CSDs) have reported IST1 as completed.



\*The only new milestone asked to RMAs was a partial completion of IST1. Most RMAs did not provide a status on the completion of the milestone.

# Status of Readiness

## Reasons for not meeting milestones – as expressed by CMAs

### **Key reasons for not meeting milestones so far:**

- Insufficient resources/budget
- Dependencies with other internal and external projects (e.g., Migration to ISO20022; T2-T2S consolidation, T2S implementation)
- Impact on current internal procedures needs further assessment
- Dependency with SCoRe standards
- Missing information or documents.

### **Actions taken to address the reported impediments:**

- Operations related trainings fostering NCBs knowledge-base, to further train then their communities.
- NCBs organised training sessions for their communities.
- NCBs may organise additional national events.
- Regular and also ad-hoc workshops organized by Eurosystem for CSD/TPAs.
- Publication of reported missing documentation/information.

# 10th reporting cycle – Zoom in

## Upcoming milestones – 10<sup>th</sup> cycle (Cut-off 29/05/2023)

<b>IAD8</b> - Counterparties (08/03/2022)	<b>Drafting of internal applications documentation is completed</b>
<b>NCOPP1</b> – NCB & CSDs/TPAs (13/03/2023) - Counterparties (17/04/2023)	<b>Network Connectivity tests on Pre-Production environment are started</b>
<b>IST2</b> – CSDs/TPAs (19/05/2023)	<b>Internal Staff Training prior to Testing is completed</b>
<b>UTAE1</b> – NCB/CSDs/TPAs (22/05/2023)	<b>User testing activities on EAC test environment are started</b>
<b>NCOPP2</b> (26/05/2023)	<b>Network Connectivity tests on Pre-Production environment are completed</b>
<b>UTAPP1</b> – NCB/CSDs (29/05/2023)	<b>User Testing activities on the Pre-Production environment are started</b>

\*CSDs, TPAs and Counterparties were not involved in the 3<sup>rd</sup> Readiness reporting cycle

\*\*CSDs, TPAs and Counterparties were not involved in the 8<sup>th</sup> Readiness reporting cycle

# Intermediate Readiness Assessment

- In between the Community readiness reporting cycles (which can be quarterly or less frequent), regular NCB testing reports are produced, such as the ones related to start of testing phase and connectivity progress.
- These testing reports measure the NCBs, CSDs and counterparties readiness versus the readiness milestones NCOPP2\* and UTAPP1\*\*, to complete the connectivity testing and to start the migration testing activities in Pre-Production as planned.

\*NCOPP2 - Network Connectivity tests on Pre-Production environment are completed.

\*\*UTAPP1 - User Testing activities on the Pre-Production environment are started.

# NCOPP2 Completion Status (cut-off 12<sup>th</sup> May 2023)

<b>NCOPP2</b> (26/05/2023)	<b>Network Connectivity tests on Pre-Production environment are completed</b>
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Actor	U2A		A2A		TOTAL	
NCB	20/20	100%	18/20	90%	N/A	
CSD	N/A		19/20	95%	N/A	
TPA	N/A		2/2	100%	N/A	
RMA					427/1309	33%
CMA					37/64	58%

- Particular attention on NCOPP2 – low completion rate for the CMAs & RMAs

# UTAPP1 – Confidence Level (cut-off 5<sup>th</sup> May 2023)

**UTAPP1 – NCB/CSDs**  
(29/05/2023) **User Testing activities on the Pre-Production environment are started**

CSD	20
Green	9
Yellow	9
Red	2

**UTAPP1 – CTPY**  
(26/06/2023) **User Testing activities on the Pre-Production environment are started**

CMA	64
Green	25 (39%)
Yellow	11 (17%)
Red	0 (0%)
No report	28 (44%)

RMA	1309
Green	209 (16%)
Yellow	69 (5%)
Red	10 (1%)
No report	1021 (78%)

# Conclusion

- Results from 9th readiness cycle showed improvement of the overall confidence level on readiness compared to previous cycles mainly due to positive impact of the new ECMS planning.
- All the ECMS actors were asked to provide their latest status during the ongoing reporting cycle (10th readiness cycle) with cut-off 29/05.
- As a reminder all the actors relying on third parties for the adaptation, need to ensure the readiness of these third parties.
- Many thanks for your active participation !