Other collateral

Alongside marketable assets and individual credit claims, other types of collateral are also supported by the ECMS.

Cash as collateral
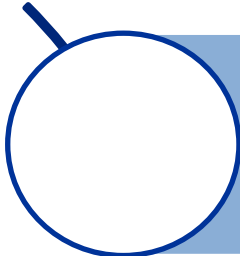
Fixed-term deposits

Externally managed collateral

Handling cash as collateral

Cash as collateral is ony permitted (for pools used to cover monetary policy operations) if a **margin call** is pending and no other eligible collateral is available.

The ECMS automatically calculates the amount of cash needed to resolve the margin call.

Automatic mobilisation

At **17:00**, if a margin call is pending, the ECMS automatically prepares the payment to **debit the Counterparty CLM** cash account and credit the CLM CB account and sends it to CLM

Automatic demobilisation

After accrued interest on the cash mobilised as collateral has been calculated and the pool has been revalued (between 19:00 and 19:30), the ECMS automatically demobilises cash as collateral, provided there is sufficient collateral to do so.

Conversion of cash to collateral

- Can only be triggered by an NCB

- When cash is due to a counterparty, the NCB can convert it

Cash proceeds from a corporate action

Reimbursement of a fixed-term deposit

Fixed-term deposit

After settlement

A fixed-term deposit collateral position is automatically created in the counterparty pool (following the settlement of such an operation)

Value

The value of the fixed-term deposit position including accrued interest is counted towards the total available collateral

Until reimbursement

Accrued interest is updated on a daily basis at the start of the day until the maturity date.

Upon maturity, the position is automatically demobilised.

Externally managed collateral

Some assets are managed outside the ECMS e.g. a pool of additional credit claims.

The NCB maintains the value of this externally managed collateral within the ECMS.

Only the total value is shown in the ECMS. All other information is kept outside.