



EUROPEAN CENTRAL BANK

EUROSYSTEM

Collateral Management Harmonisation Activities (CMHAs)

HSG status update to AMI-SECO and envisaged next steps.

AMI-SeCo meeting of 4-5 July 2017

Introduction

HSG had a first discussion (8-9 June 2017) on integration and efficient functioning of collateral management.

- Key areas of work**: Identifying key activities on collateral management that could merit further work on harmonisation (similar approach as T2S harmonisation).
 - A preliminary list of CMHAs (will have to be explored in more detail in particular on the problem areas).
 - Impediments are related to operational barriers (other barriers, such as legal and regulatory issues, are covered elsewhere).
- Envisaged next steps**: Task Force of HSG.

AMI-SeCo is invited to take note of the HSG's status update.



Key areas:

- Messaging (Collateral messaging)
- Data (Collateral dynamic and static data)
- Collateral operating framework (*business processes*)
- Non-euro collateral (Procedures for non-euro collateral)

List of Activities

HSG aim: first list of concrete harmonisation activities by Q4 2017.

- List should be derived from problems/barriers.
- Cover messaging and business processes.
- Some activities may not be collateral management specific, but be related to standard settlement/custody.
- Of relevance for wider community (unless strong and commonly agreed business justification).

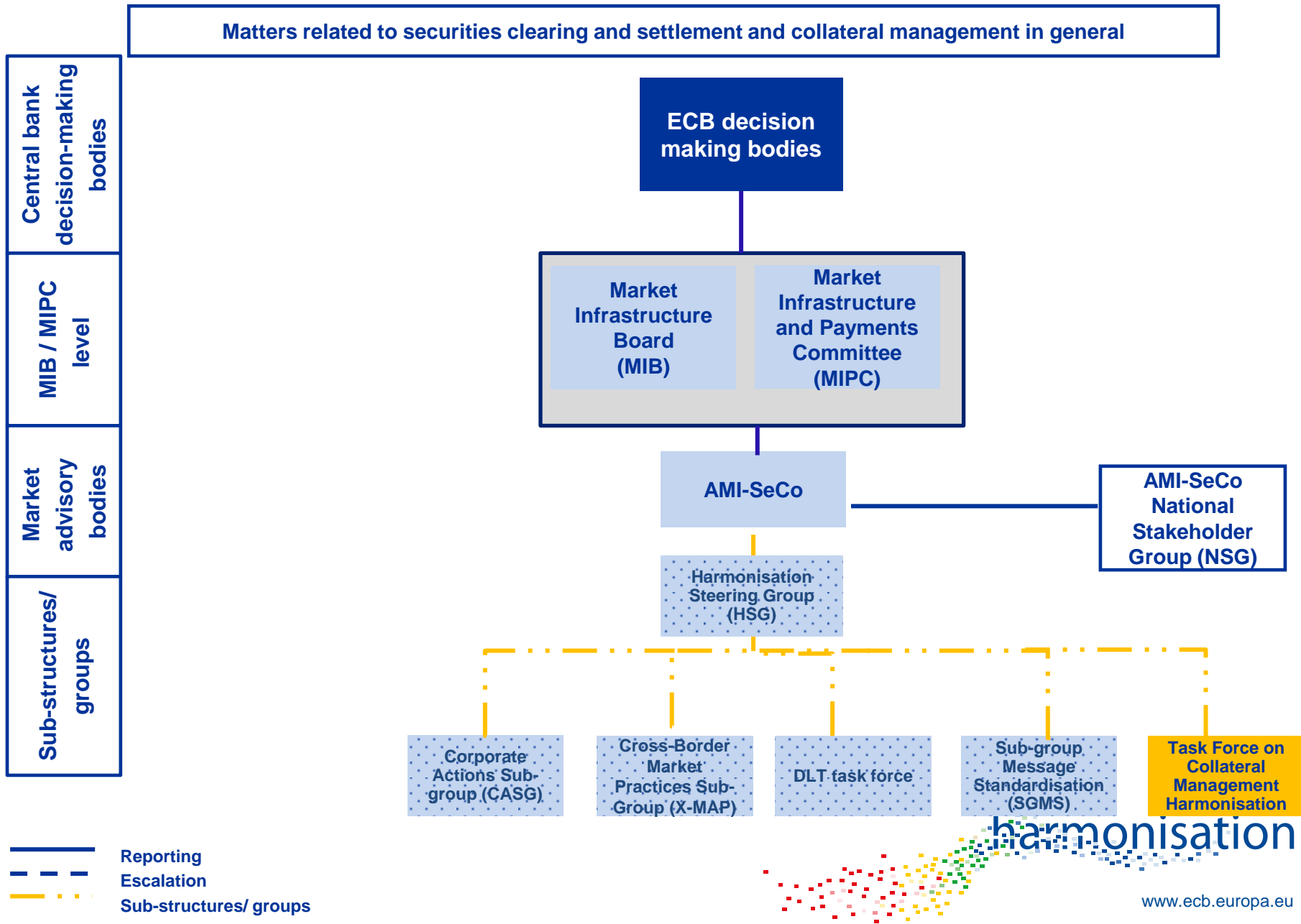


Proposed set up of a HSG task force on collateral management harmonisation (CMH-TF)

- Call for expressions of interest (by 28 July 2017).
- Aim of CMH-TF:
 - to deepen the analysis of the HSG's initial deliberations on collateral management harmonisation
 - with a view to making a concrete harmonisation proposal to the HSG by Q4 2017
 - thereby taking into account earlier/ongoing harmonisation efforts
- Expertise:
 - Strong and detailed expertise in collateral management and standard settlement and custody processes



2. Envisaged next steps – dedicated HSG task force



Annex	Activity		Definition
1. Messaging for collateral management	1	Messaging for triparty collateral management	R
	2	Messaging for bilateral collateral management	R
	3	Messaging for Corporate Actions (CA)	R
	4	Messaging for tax procedures	R
	5	Margin messaging	R
	6	Messaging on (I)CSD and TPA fee/billing information	R
	7	Messaging for reporting	R
	[8]	[Messaging for new participants in collateral markets (buy-side).]	R
2. Collateral Dynamic and Static Data	9	Collateral data (including pool factor and other data elements)	R
	[10]	[Consistent storage/ management of collateral information (SSI/ static data)]	R
3. Collateral operating frameworks	11	Managing multiple places of safekeeping and settlement (in bilateral collateral management)	R
	12	Source/move collateral to/from triparty agents	R
	13	Data exchanges via interfaces on asset information	R
	14	Data exchanges on fee/billing information	R
	15	Common triparty processes for interaction of TPAs with UCMS	R
	16	Data exchanges for CA processing	R
	17	Data exchanges for tax processing [NEW}	R
	[18]	[Collateral and settlement cut-off's times]	R
	[19]	[Framework for triparty interoperability]	R
4. Non-euro collateral management	[20]	[Non-euro collateral management]	R