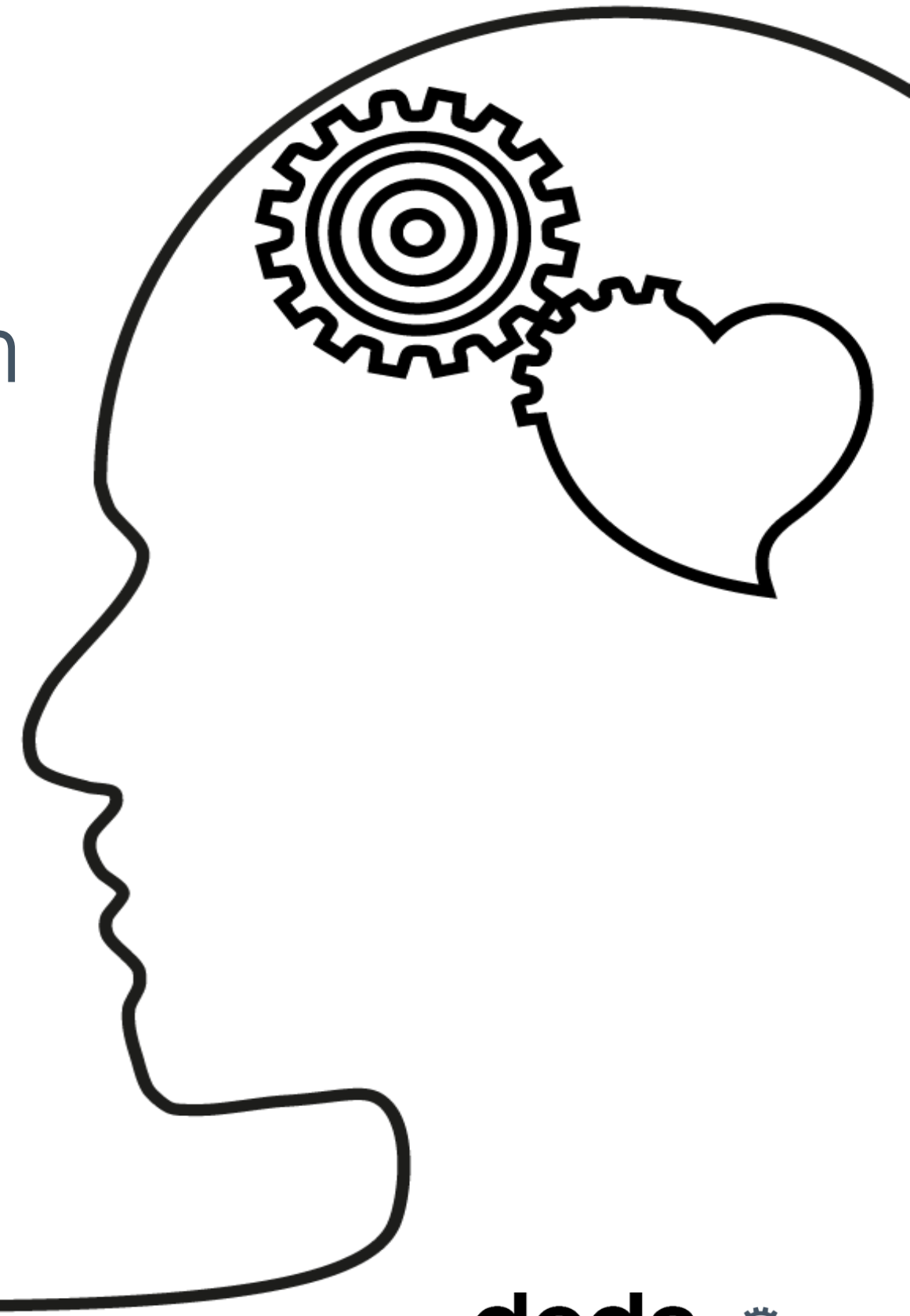


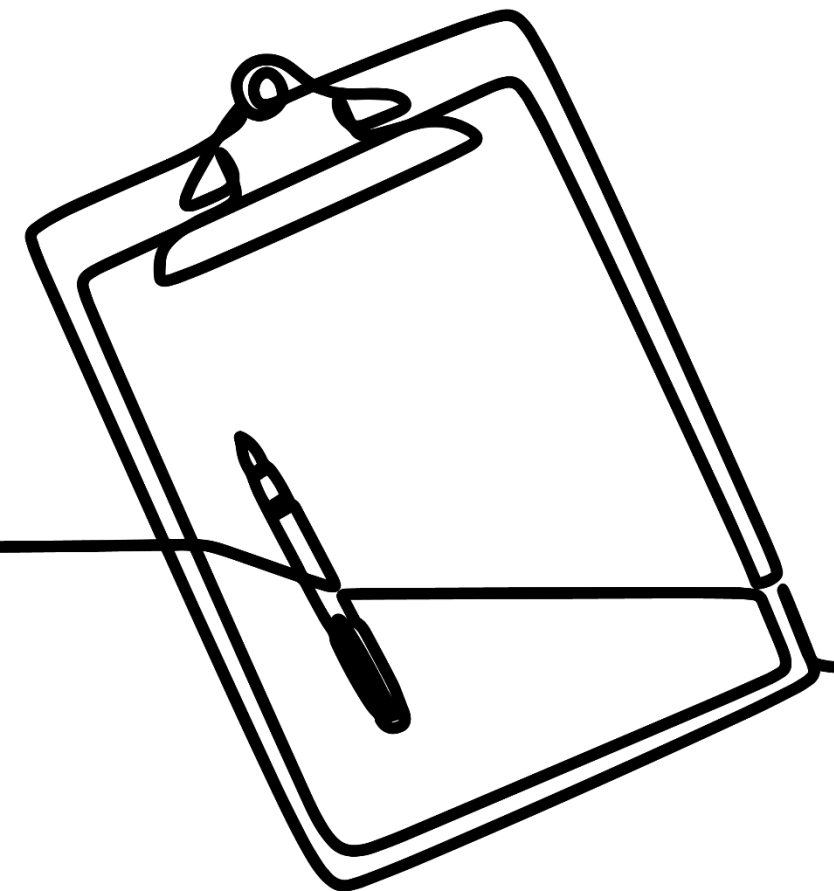
The Eurosystem Collateral Management System (ECMS)

2 April 2025



AGENDA

- Brief introduction
- Role of Credit Claims
- ECMS
- Final comments



The Eurosystem Collateral Management System

Brief introduction

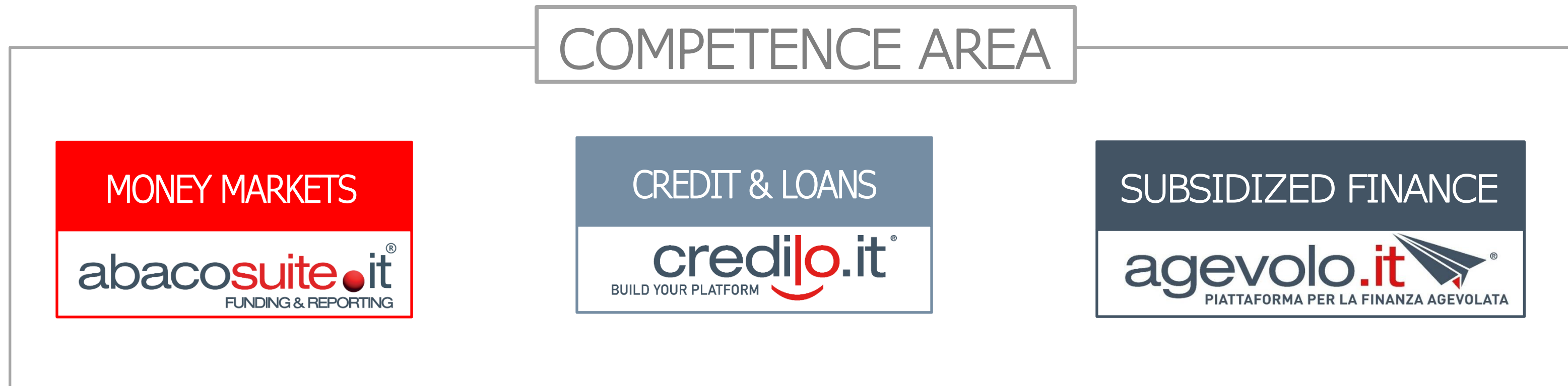
SANDRO CICOGNA
MONEY MARKETS MANAGER



The Eurosystem Collateral Management System

Brief introduction

PEGASO 2000 is a high-tech company and part of the group **deda.** (4000 employees, turnover €450 millions) providing services, consultancy, and software solutions to banks and financial institutions. With a widespread presence across large, medium, and small-sized Italian businesses, its core business focuses on the development of modular and integrated platforms, tailored to specific business areas and supported by consultancy and BPO services. Technological innovation drives the continuous evolution of market solutions and the integration of cutting-edge technologies.



The Eurosystem Collateral Management System

Brief introduction



The Eurosystem Collateral Management System

Role of Credit Claims

ABACO
Attivi Bancari Collateralizzati

Non marketable assets used as collateral in ECB for Main Refinancing Operations



The Eurosystem Collateral Management System

Role of Credit Claims

EVOLUTION OF NON MARKETABLE ASSETS

from 2007 to 2025



The Eurosystem Collateral Management System

Role of Credit Claims

NOMINAL OUTSTANDING AMOUNT THRESHOLD: € 1.000.000

Debtors admitted: non financial corporations - public sector entities

Maximum rating admitted **A-** (probability of default not greater than **0.4%**)



The Eurosystem Collateral Management System

Role of Credit Claims

NOMINAL OUTSTANDING AMOUNT THRESHOLD: € 500.000

Debtors admitted: non financial corporations - public sector entities

Maximum rating admitted **BBB-** (probability of default not greater than **1%**)



The Eurosystem Collateral Management System

Role of Credit Claims

NOMINAL OUTSTANDING AMOUNT THRESHOLD: € 100.000

Debtors admitted: non financial corporations - public sector entities

Maximum rating admitted BBB- (probability of default not greater than 1%)



The Eurosystem Collateral Management System

Role of Credit Claims

NOMINAL OUTSTANDING AMOUNT THRESHOLD: € 30.000

Debtors admitted: non financial corporations - public sector entities

Maximum rating admitted **BB** (probability of default not greater than **1,5%**)

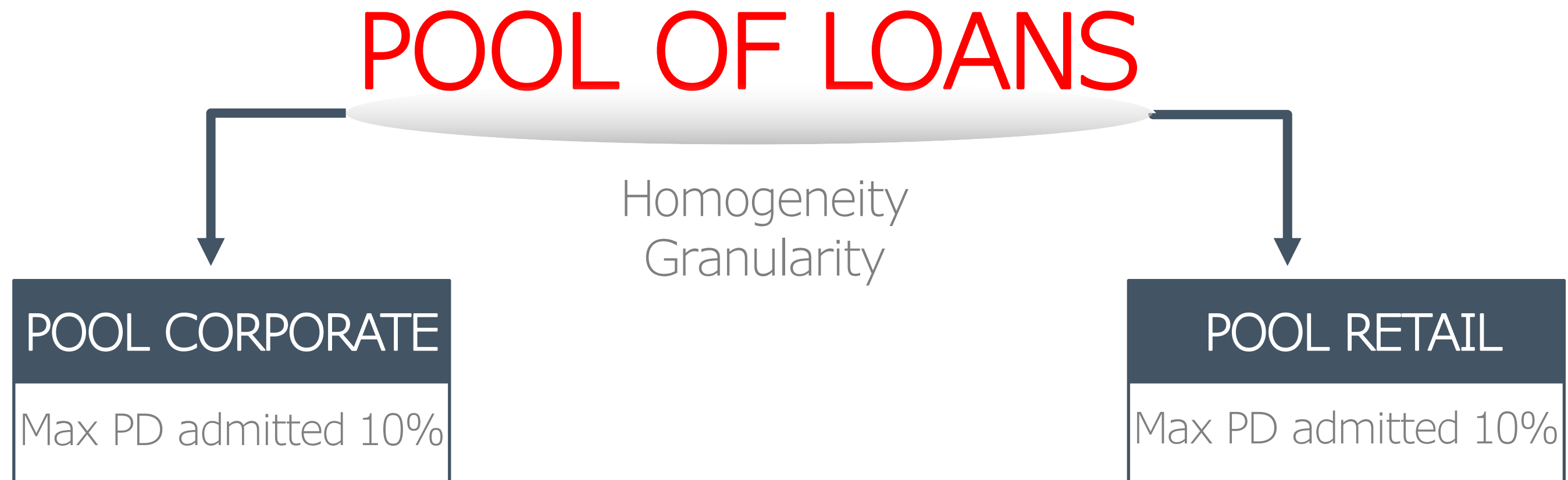
Multiple typologies of technical forms:
not only “traditional” loans but also **leasing, factoring, revolving credits**



The Eurosystem Collateral Management System

Role of Credit Claims

2014



The Eurosystem Collateral Management System

Role of Credit Claims

2020

THE COVID CRISES

New typology of pool CONSUMER CREDIT

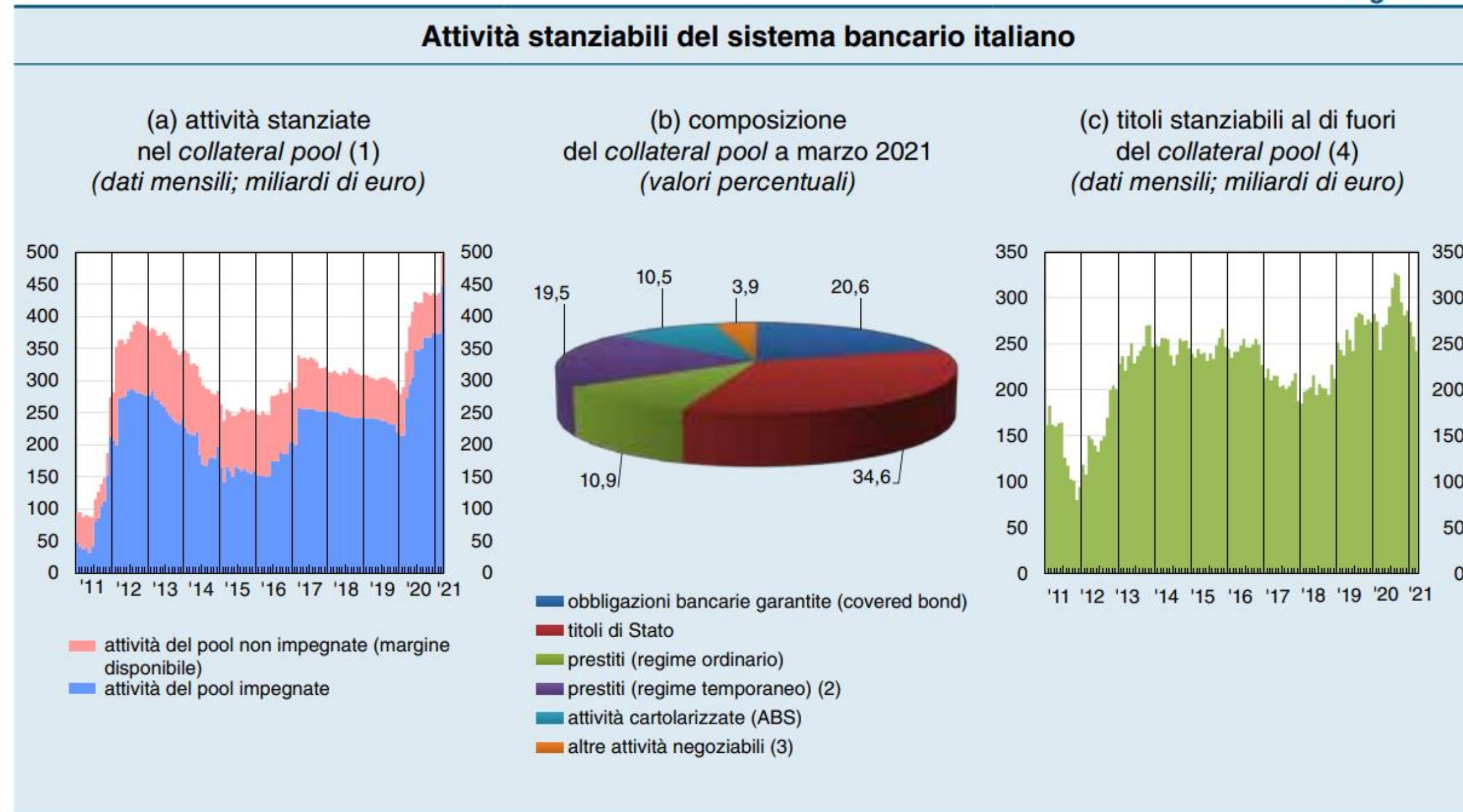
All loans with public (covid) guarantee admitted as collateral



The Eurosystem Collateral Management System

Role of Credit Claims

Figura 2.18



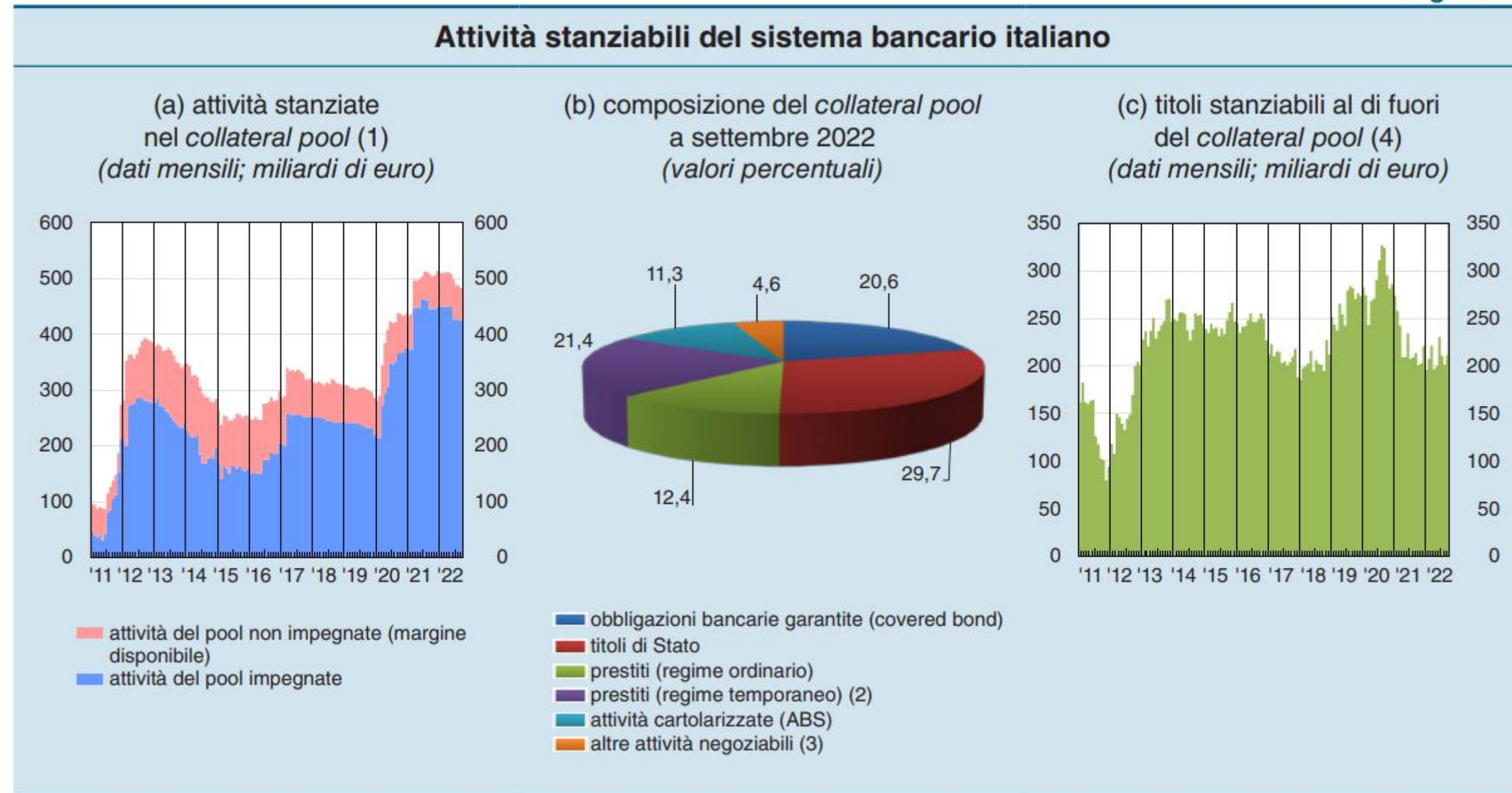
Fonte: elaborazioni su dati Eurosystema e su segnalazioni di vigilanza.



The Eurosystem Collateral Management System

Role of Credit Claims

Figura 2.9



Fonte: elaborazioni su dati Eurosystema e su segnalazioni di vigilanza.

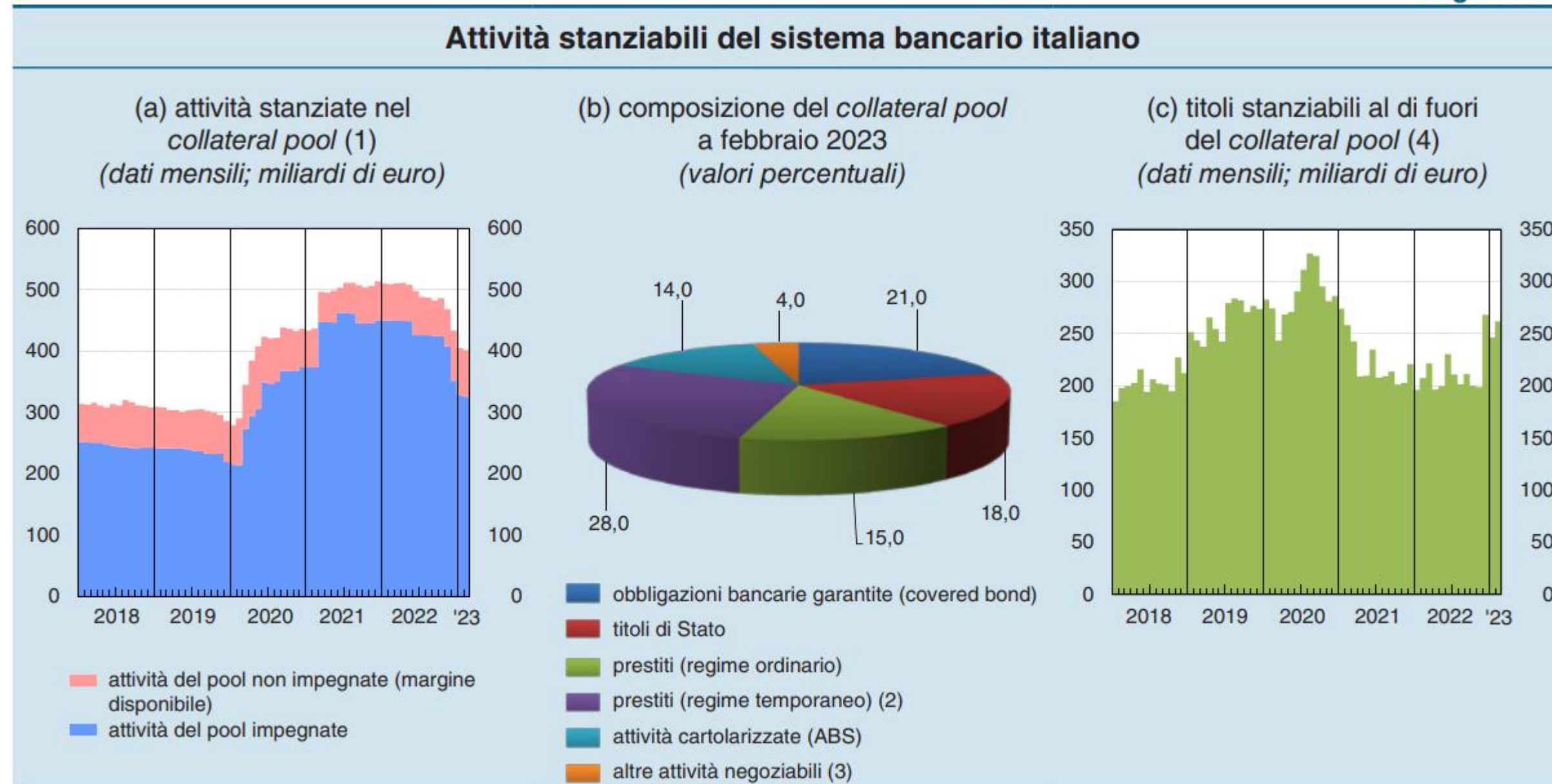
https://www.bancaditalia.it/pubblicazioni/rapporto-stabilita/2022-2/RSF_2-2022.pdf



The Eurosystem Collateral Management System

Role of Credit Claims

Figura 2.10



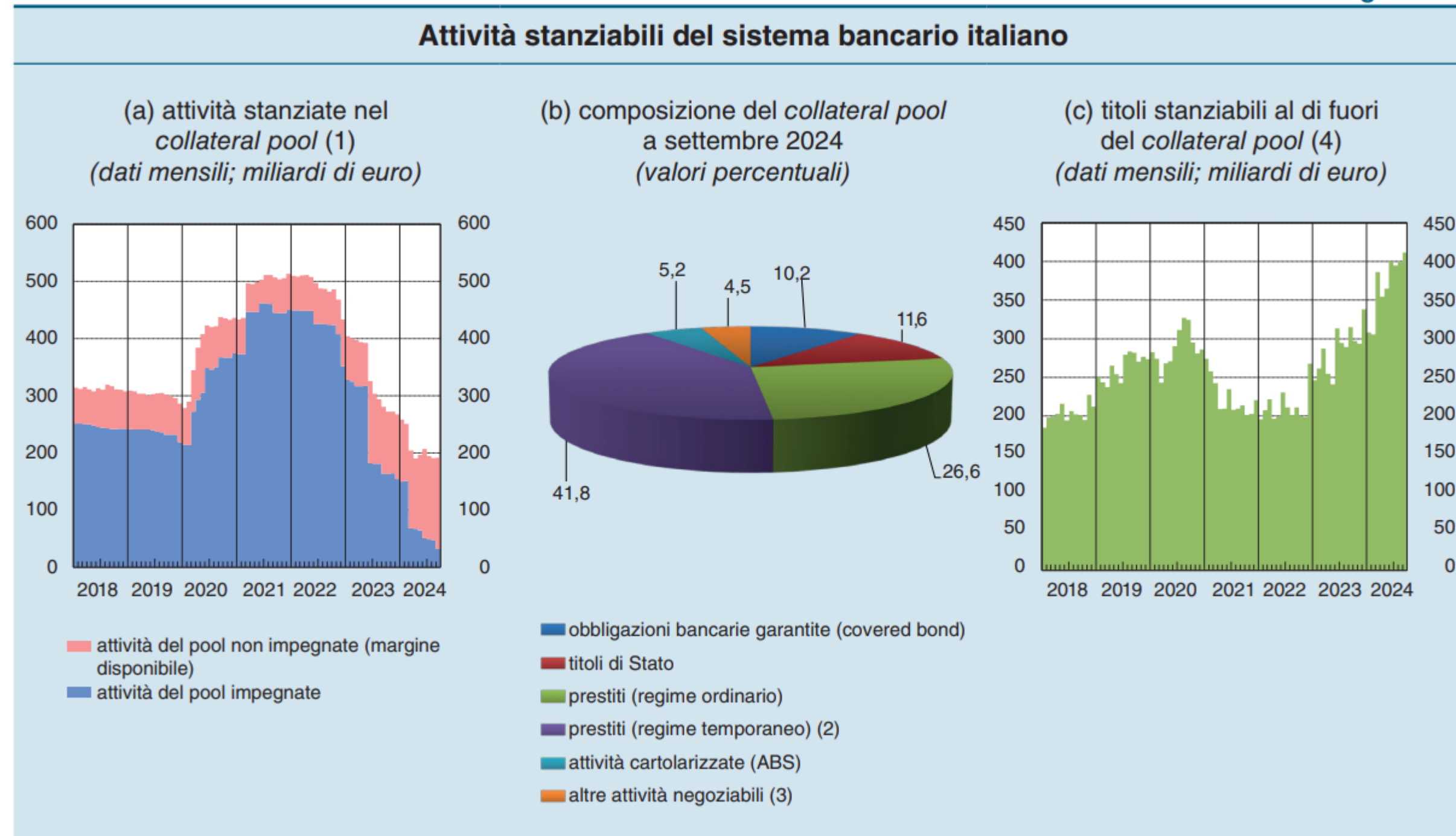
Fonte: elaborazioni su dati Eurosystema e su segnalazioni di vigilanza.



The Eurosystem Collateral Management System

Role of Credit Claims

Figura 2.11



Fonte: elaborazioni su dati Eurosystema e su segnalazioni di vigilanza.

https://www.bancaditalia.it/pubblicazioni/rapporto-stabilita/2024-2/RSF_2_2024.pdf



The Eurosystem Collateral Management System

ECMS

ECMS

The Eurosystem Collateral Management System (ECMS) is a unified system for managing assets used as collateral in Eurosystem credit operations.

GO-LIVE PLANNED FOR 16 JUNE 2025



The Eurosystem Collateral Management System

ECMS

Why the ECMS?

The ECMS will replace the existing systems of the national central banks of the euro area that are currently used to manage assets used as collateral for Eurosystem credit operations.

Although all the existing systems adhere to the same set of rules on the use of collateral (as set out in the [Eurosystem legal framework for monetary policy instruments](#) which consists of the “[General framework](#)” and the “[Temporary framework](#)”), each one is maintained individually.

This means that each Eurosystem national central bank implements changes to the legal framework separately, leading to a duplication of effort and making it more likely that the rules will be applied differently in different countries. This in turn could affect the level playing field that monetary policy counterparties should enjoy.

Replacing the current fragmented and decentralised structure is in line with other Eurosystem initiatives aimed at developing common platforms and systems that work across the euro area to further consolidate and simplify the provision of market infrastructure services.

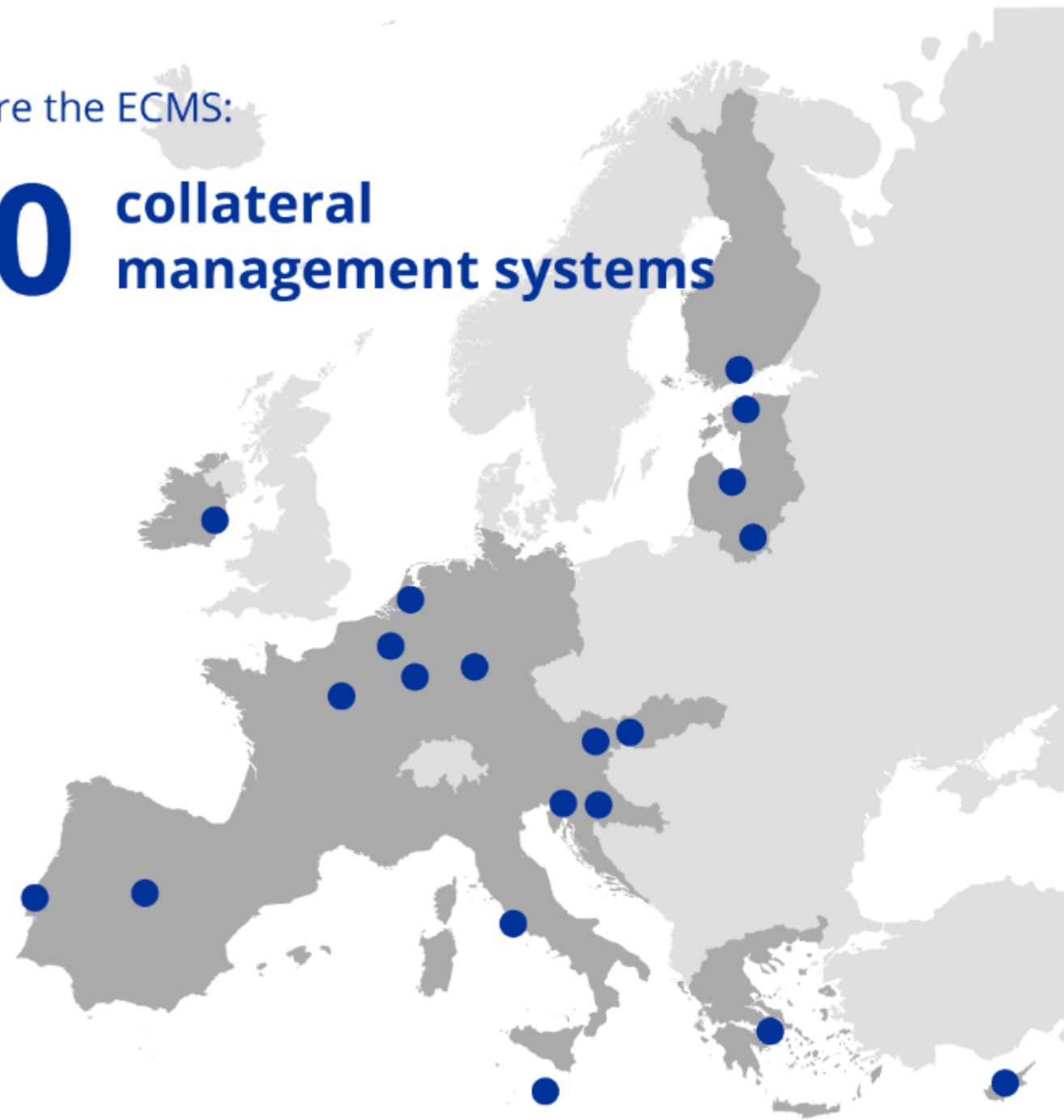


The Eurosystem Collateral Management System

ECMS

Before the ECMS:

20 collateral management systems



With the ECMS:

1 unified system



The Eurosystem Collateral Management System

ECMS

The implementation of the ECMS is expected to deliver considerable benefits to the Eurosystem, its counterparties and to the market more widely, including:

- > **Harmonisation**
 - > **for all national central banks** via the single and simultaneous implementation of the collateral framework and framework changes
 - > **for counterparties**, who will no longer need to interact with different local collateral management systems
 - > **for the market**, by providing a single system for managing the pools of assets used as collateral in Eurosystem credit operations
- > Operational and cost **efficiency** through the implementation of changes in a single system
- > Contribution to **financial integration** and fostering of the capital markets union



The Eurosystem Collateral Management System

ECMS

Activities managed by the ECMS

- handling of marketable assets
- handling of non-marketable assets
- handling of triparty collateral
- settlement of open market operations
- credit freezing
- credit line management
- pool projection
- handling of corporate actions
- management of regulatory activities of monetary policy for funding and regulating time restricted deposits



The Eurosystem Collateral Management System

ECMS

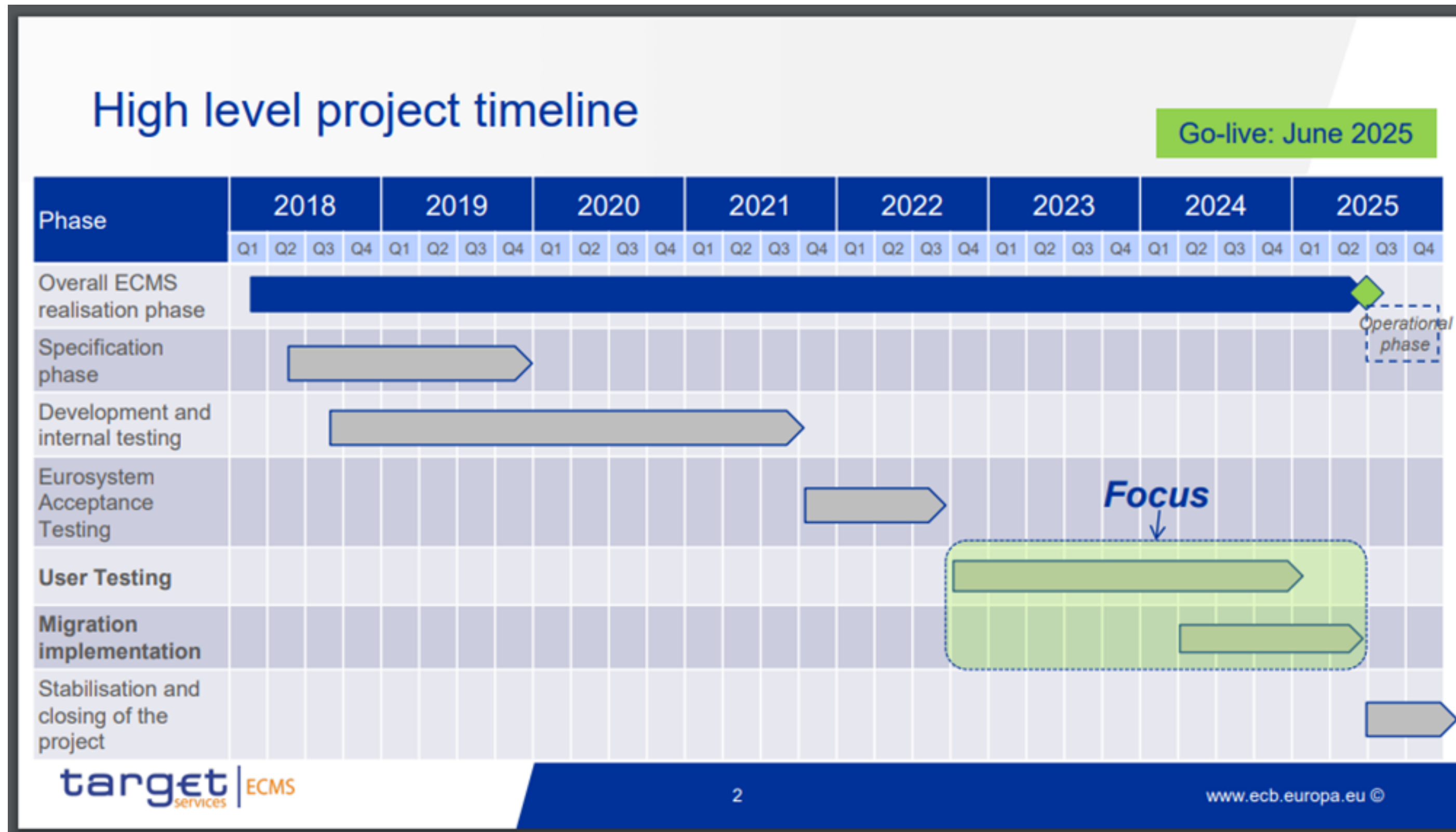
Main **players** and **infrastructures** the ECMS will be interacting with

- TARGET2-Securities (T2S)
- the Central Liquidity Management (CLM)
- the Central Securities Depositories (CSD)
- the TriParty Agent (TPA)



The Eurosystem Collateral Management System

ECMS



The Eurosystem Collateral Management System

ECMS



The Eurosystem Collateral Management System

ECMS

OPEN DEFECTS

- | | |
|--|---------------------------------------|
| • Reference Data | 4 Medium and 6 Low Priority defects |
| • Marketable Assets | 4 Medium priority defects |
| • Credit Claims | 17 Medium and 11 Low priority defects |
| • Global Credit and Collateral Positions | 5 Medium priority defects |
| • Cash as Collateral | 1 Medium priority defect |
| • Monetary Policy Operations | 2 Medium and 1 Low Priority defects |
| • Corporate Actions | 6 Medium and 1 Low priority defects |
| • Pool Position and Projections | 6 Medium priority defects |
| • Statements and reports | 4 Medium and 3 Low priority defects |
| • Multipooling | 3 Medium and 1 Low priority defects |

https://www.ecb.europa.eu/paym/target/target-professional-use-documents-links/ecms/shared/pdf/ecb.targetecms250313_Testing_Conditions_for_the_ECMS_User_Test_Execution.en.pdf?fb7fbae70685143b37fc3d928cf95df



The Eurosystem Collateral Management System

Final comments

CREDIT CLAIMS ROLE

- Sustainability both for the bank and for the collateral taker (ECB – NCB)
- Dynamic use of collateral
- Type of collateral already present in the balance sheet
- Multi-purpose
- Contained costs



The Eurosystem Collateral Management System

Final comments

STIGMA EFFECT ?



The Eurosystem Collateral Management System

Final comments






THE ECB BLOG


Managing liquidity in a changing environment


18 March 2025

By Claudia Buch and Isabel Schnabel

As the normalisation of the Eurosystem balance sheet progresses, the aggregate amount of central bank liquidity available to banks in the euro area will fall over the coming years. This blog explains the role played by the Eurosystem's refinancing operations within the operational framework for monetary policy implementation. The ECB, both as a monetary policy authority and as a supervisor, expects that banks should consider these operations as an integral part of their day-to-day liquidity management.

 **Claudia Buch**
Chair of the Supervisory Board of the ECB

 **Isabel Schnabel**
Member of the ECB's Executive Board

<https://www.ecb.europa.eu/press/blog/date/2025/html/ecb.blog20250318~2d60b2d174.en.html>



The Eurosystem Collateral Management System

Final comments

In their day-to-day liquidity management, banks need to be able to meet their cash-flow obligations by having sufficient liquid assets or by sourcing short-term funding. The amount of liquidity they need is uncertain as it is affected by external shocks and the behaviour of others, such as depositors or market participants. Central bank reserves are the ultimate liquid asset. Banks can obtain reserves from other banks without, however, affecting the total amount of reserves in the system. They can, for instance, borrow in money markets (changing their funding composition) or sell assets (changing their asset composition). At a system-wide level, **banks can source additional reserves only from central banks** – for example, in the euro area, **by using the standard refinancing operations.**



The Eurosystem Collateral Management System

Final comments

This blog post explains the role that the Eurosystem's refinancing operations play within the ECB's operational framework. It emphasises that, as excess liquidity becomes less ample, the ECB, both as a monetary policy authority and as a supervisor, expects that banks should consider these operations as an integral part of their day-to-day liquidity management.

So banks making greater use of monetary policy operations over the coming years will not be a symptom of liquidity stress. Rather, it will simply reflect their day-to-day liquidity management in the context of the operational framework.



The Eurosystem Collateral Management System

Final comments

Conclusion

Successfully transitioning to a monetary policy implementation framework where the marginal unit of central bank liquidity is provided on demand through the ECB's refinancing operations requires that banks actively and routinely access Eurosystem standard refinancing operations in order to secure a sufficient level of central bank reserves not only individually, but also in the banking system as a whole. Banks' increasing use of ECB operations will reflect their day-to-day liquidity management in the context of the operational framework.

For this to function smoothly, banks need to ensure that they are operationally ready for the change in how central bank reserves are provided. It is essential that they adjust their liquidity management practices and are ready to access monetary policy operations. The ECB will continuously monitor progress in this area and communicate its expectations to monetary policy counterparties and supervised banks.



The Eurosystem Collateral Management System

Final comments

The Governing Council mandated the relevant Eurosystem committees to carry out preparatory work on the future integration of pools of non-financial corporate credit claims into the general framework. Further details will be communicated once this work – including an adequate risk control framework and all necessary technical requirements – is completed.

https://www.ecb.europa.eu/press/pr/date/2024/html/ecb.pr241129_2~e99f2a88d5.en.html



The Eurosystem Collateral Management System

Final comments

Thank you for your attention!



DISCLOSURE



PERUGIA
(sede legale)
Via Gramsci, 6
06073 Corciano
(PG)
Perugia, Italy



www.pegaso2000.it

www.agevolo.it

www.credilo.it



+39 075 5173501



info@pegaso2000.it

MILANO

Via San Michele del
Carso, 24
20144 Milano
Italy

ROMA

V.le dell'Oceano
Atlantico, 18
00144 Roma
Italy

Società del gruppo **deda.**

Soc. contr. art. 2497 c.c. da Dedagroup S.p.A. (TN).
Copyright · Pegaso 2000 S.r.l. · all rights reserved.

Tutto quanto riportato nel presente documento è di proprietà di Pegaso 2000 S.r.l. e protetto dal diritto d'autore, nonché dal diritto di proprietà intellettuale: a titolo esemplificativo e non esaustivo, contenuti, testi, immagini, loghi, lavoro artistico e grafica. È pertanto vietato copiare, appropriarsi, ridistribuire, riprodurre e memorizzare, in qualsiasi forma o attraverso qualsiasi mezzo (elettronico, cartaceo o meccanico, inclusi fotocopie, registrazione o altro), contenuti e/o immagini presenti nel documento senza la preventiva autorizzazione scritta di Pegaso 2000 S.r.l. I contenuti sono forniti unicamente a scopo informativo e soggetti a modifiche senza preavviso; tutto quanto ivi riportato, quindi, non comporta alcun impegno in capo alla Società. Pegaso 2000 s.r.l. declina altresì ogni responsabilità in merito a qualsiasi utilizzo del presente documento differente da quello nell'intenzione del suo autore, nonché per eventuali errori, omissioni o imprecisioni presenti. Il logo Pegaso 2000 e gli altri loghi dei prodotti sono marchi registrati di Pegaso 2000 S.r.l., in Italia e/o in Europa. Tutti gli altri nomi di enti, società o prodotti eventualmente menzionati potrebbero essere riconosciuti come marchi dei rispettivi titolari. La citazione di prodotti di terze parti è unicamente a scopo informativo ed esemplificativo, non costituendo né una proposta né un suggerimento; Pegaso 2000 S.r.l. declina ogni responsabilità riguardo alle prestazioni o all'utilizzo dei suddetti prodotti.

Tutti i diritti sono riservati, compresi quelli di traduzione in altre lingue.

