



EUROPEAN CENTRAL BANK

EUROSYSTEM

Eurosystem Collateral Management System

Information pack

Settlement of open market operations in the ECMS

January 2020

target | ECMS
services

Instruments within the scope of ECMS

	Provision of liquidity	Absorption of liquidity
Open market operations	<ul style="list-style-type: none"> ✓ Reverse transactions (MRO, LTRO, TLTRO, ...) Foreign exchange swaps Outright purchases 	<ul style="list-style-type: none"> Reverse transactions Foreign exchange swaps ✓ Collection of fixed-term deposits Issuance of ECB debt certificates Outright sales
Standing Facilities	<ul style="list-style-type: none"> ✓ Marginal lending facility 	<ul style="list-style-type: none"> Deposit facility

Link to tender process

- Collection of bids is managed in the usual NCB application, which remains outside the ECMS.
- The processing of bids is likewise conducted outside the ECMS.
- The ECMS will receive the results of the process.

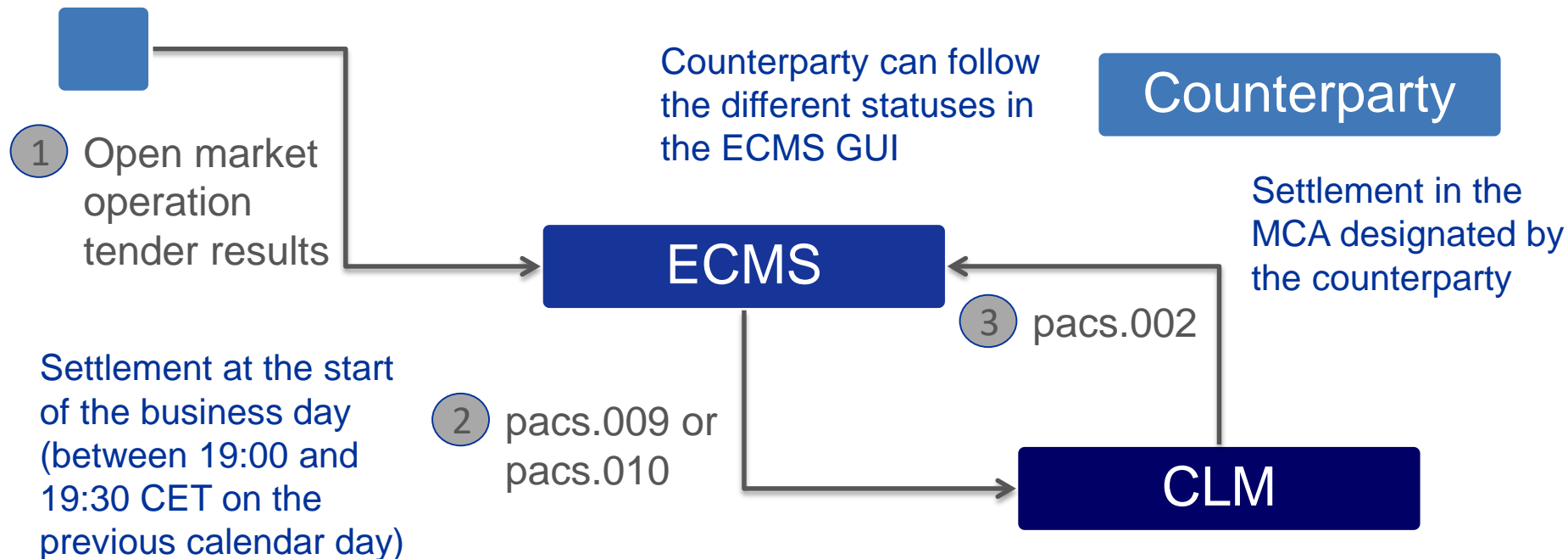
Settlement of payments – general principles

- All payments are settled in T2 (CLM)
- Settlement occurs in the MCA designated by the counterparty
- This may be its own MCA or that of another CLM participant (subject to the necessary agreements)

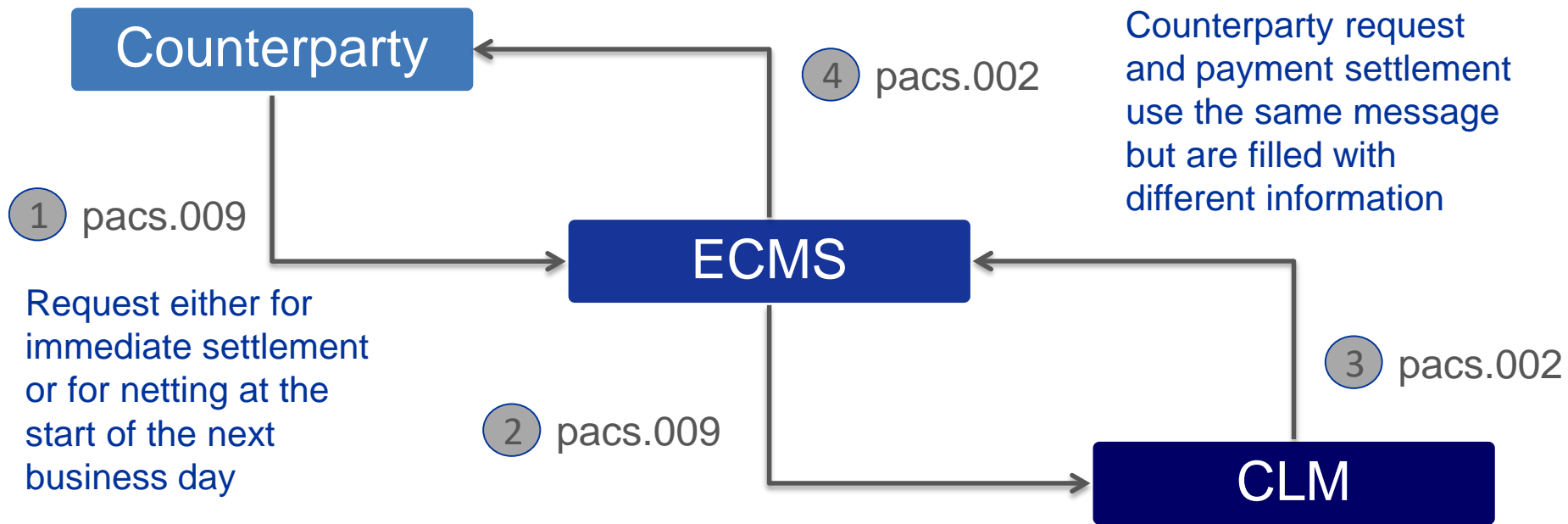
Netting of payments

New operations are netted out against any maturing liquidity providing operations (e.g. OMO and marginal lending). Availability depends on the setup in each NCB and of the system.

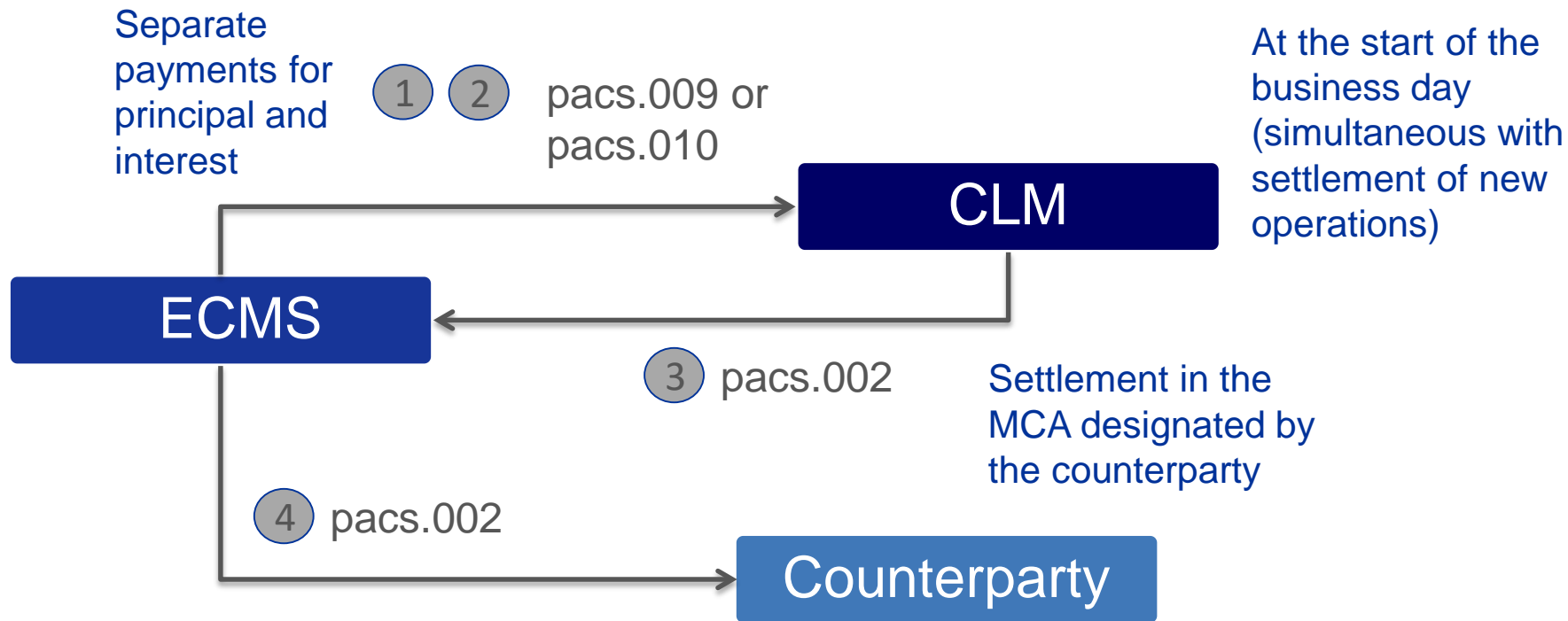
Settlement of an open market operation



Request access to the Marginal Lending Facility



Payments at maturity of an operation



Calculation of accrued interest

- Last-day accrual approach
- Same calculation process applies to all outstanding open market operations (including fixed-term deposits), marginal lending and cash as collateral, using the respective interest rates
- In the case of TLTRO operations, interest will be accrued at a provisional rate (MRO), before the final rate is known