



EUROPEAN CENTRAL BANK

EUROSYSTEM

How ready is the market?

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ECMS Community Readiness Framework overview

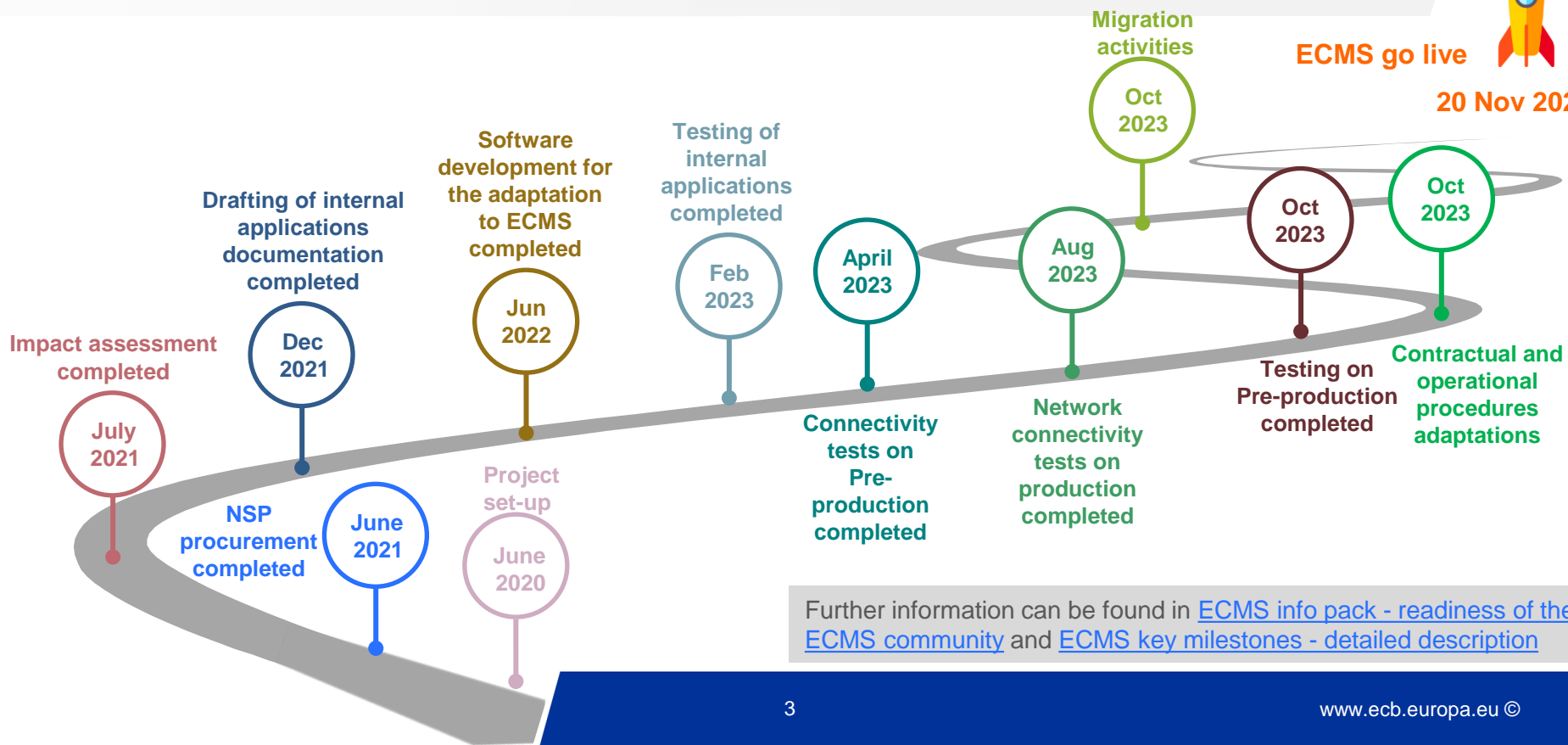
- In order to ensure that market is ready to go live a set of milestones have been defined which have to be reached at a given time.
- To ensure a **successful big-bang migration** it is important that all actors, National Central Banks (**NCBs**), Closely Monitored Actors (**CMAs**) and Regularly Monitored Actors (**RMAs**) are ready and follow the milestones.
- The readiness status is monitored through regular **set of questions** defined per 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 November 2023
 - 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
- Today presentation is focused on **CMAs** and **RMAs** readiness, and on A and B items.

Community roadmap milestones

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



ECMS go live
20 Nov 2023



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

Overview of milestones and reporting cycles

Past milestones		Reporting due date*
IAD5 (01/01/2022)	Software development for the required adaptation changes to ECMS is started	6 th Reporting Cycle (Cut-off 01/01/2022)
IAD4 (31/12/2021)	Drafting of internal applications documentation is completed	
IAD2 (31/07/2021)	Impact assessment is completed	5 th Reporting Cycle (Cut-off 01/08/2021)
NSP (30/06/2021)	Network service provider procurement is completed	
IAD3 (01/03/2021)	Drafting of internal applications documentation is started	4 th Reporting Cycle (Cut-off 01/03/2021)
PSE (30/06/2020)	ECMS project set-up	2 nd Reporting Cycle (Cut-off 01/08/2020)
IAD1 (30/06/2020)	Impact assessment is started	
Upcoming milestones - 2022		Reporting due date**
IAD6 (30/06/2022)	Software development for the required adaptation changes to ECMS is completed	7 th Reporting Cycle (Cut-off 17/06/2022)
IAD7 (01/07/2022)	Testing of the internal applications is started	
NCOE1 – CSDs/TPAs (14/11/2022)	Network connectivity tests are started	9 th Reporting Cycle (Cut-off 16/01/2023)

*CSDs, TPAs and Counterparties were not involved in the 3rd Readiness reporting cycle

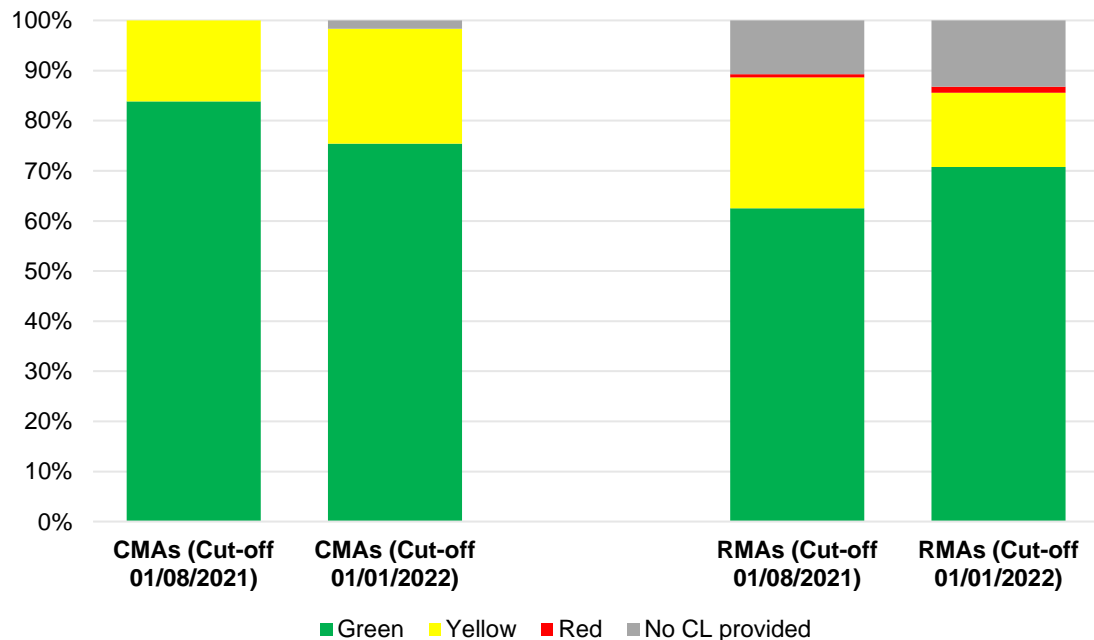
**CSDs, TPAs and Counterparties will not be involved in the 8th Readiness reporting cycle

Status of Readiness

A. Overall confidence level – 6th readiness cycle (cut-off 01/01/2022)

- **Response rate:** both CMAs (98%) and RMAs (87%) have provided feedback .
- **CMAs confidence level: 75% (46 out of 61)** reported a green confidence level to be able to go-live in November 2023.
- **RMAs confidence level: 71% (1087 out of 1536)** reported a green confidence level to be able to go-live in November 2023.

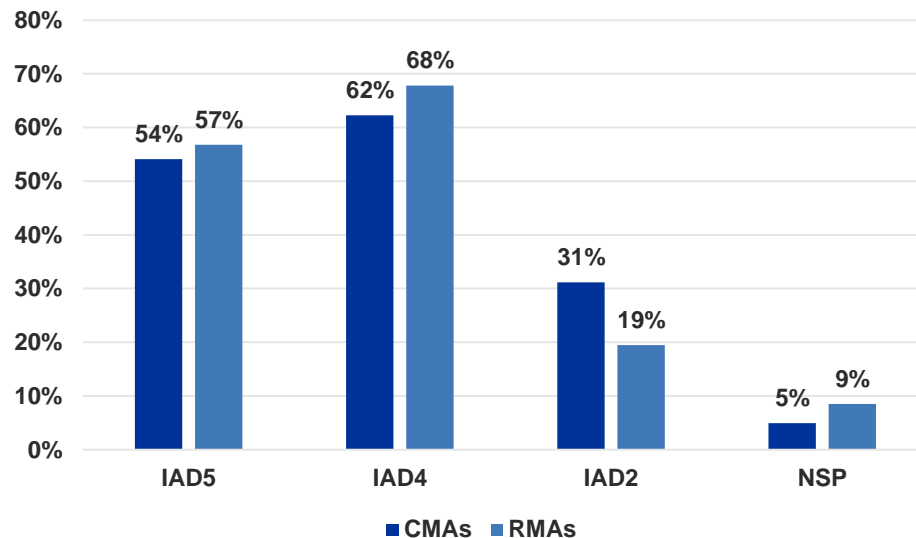
CMAs and RMAs Confidence Level (CL)



Status of Readiness

B. Market % of new milestones due in reporting cycle not completed

- For the reporting cut-off of 01/01/2022, out of a total of **1597 actors (61 CMAs and 1536 RMAs)** :
 - **905** (33 CMAs and 872 RMAs) have reported IAD5 as not completed.
 - **1080** (38 CMAs and 1042 RMAs) have reported IAD4 as not completed.
 - **318** (19 CMAs and 299 RMAs) have reported IAD2 as not completed.
 - **134** (3 CMAs and 131 RMAs) have reported NSP as not completed.



Status of Readiness

Reasons for not meeting milestones – as expressed by CMAs

Key reasons for not meeting milestones so far:

- Insufficient Resources
- Consequences of COVID-19 pandemic
- Dependencies with internal and external projects (e.g., Migration to ISO20022; SCoRE Standards, T2-T2S consolidation, T2S implementation)
- Impact on current internal procedures needs further assessment
- Dependency with external provider/3rd Party
- Different internal project plans, with in general an overall green confidence level for go Live in Nov 2023.
- Missing information or documents.

Update

- In order to address the reported concern regarding the missing information or documents, a technical workshop has been held with NCBs in May 2022,
 - During the workshop, the following topics were addressed and clarified: Message file channel and compression, Message Definition Identifier, Data Exchange Protocol, Information needed on the Exchange Header, Info needed on the Business Application Header, Examples of DDF files, Examples of externally managed collateral message with many instructions, Technical address for outbound messages, Clarification on the DNs format

Next Readiness reporting cycles

2022

7th Readiness cycle

Cut-off 17 Jun 2022

IAD6 - Software development for the required adaptation changes to ECMS completed - **30/06/22**

IAD7 - Testing of the internal applications started - **01/07/22**

Community*

2023

9th Readiness reporting

10th Readiness reporting

11th Readiness reporting

12th Readiness reporting

Cut-off 16 Jan 2023

IAD8 - Testing of the internal applications completed - **02/12/22**

NCOE1 - Network connectivity tests (for NCB, CSD, TPA) on EAC environment started - **24/11/22**

NOCE2 - Network connectivity tests (for NCB, CSD, TPA) on EAC environment completed - **11/01/23**

IST1 - Internal Staff Training prior to Testing started - **02/01/23**

CSD/TPA

Community* →

Cut-off 25 March 2023

IST2 - Internal Staff Training prior to Testing is completed - **17/03/23**

UTAE1 - User testing activities (for NCB, CSD, TPA) on EAC started - **20/03/23**

IAD8 - Testing of the internal applications completed - **17/02/23**

NCOPP1 - Network Connectivity tests on Pre-production started - **20/02/23**

CSD/TPA

← Counterparty

← Community*

Cut-off 26 May 2023

IST2 - Internal Staff Training prior to Testing is completed - **14/04/23**

UTAE2 - User testing activities (for NCB, CSD, TPA) on EAC complete - **14/04/23**

UTAPP1 - User testing activities (for NCB, CSD, TPA, Counterparty) on Pre-Production started - **17/04/23**

NCOP1 - Network connectivity tests on production started - **15/05/23**

NCOPP2 - Network Connectivity tests on Pre-production completed - **15/04/23**

← Counterparty

← CSD/TPA

Community*

Cut-off 01 Oct 2023

MIG1 - Pre-migration activities on production environment started - **11/09/23**

MIG2 - Pre-migration activities on production environment completed - **30/10/23**

UTAPP2 - User testing activities (for NCB, CSD, TPA, Counterparty) on Pre-Production completed - **13/10/23**

CLA - Contractual legal adaptations completed - **31/10/23**

OPA - Operational procedure adaptations are completed - **31/10/23**

NCOP2 - Network connectivity tests on production completed - **11/08/23**

Community*

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

Conclusion

- During the last reporting cycle (cut-off 1/01/2022) , the reasons reported for not meeting the ECMS readiness milestones were indicating that some actors were not considering ECMS at the top of the priorities.
- As a reminder all the actors relying on third parties for the adaptation, need to ensure the readiness of these third parties.
- At this moment these actors should have increased the focus on their readiness allowing to catch-up on the milestones, and to ensure readiness versus the 1st testing stage with ECMS, i.e., the connectivity testing.
- All the ECMS actors will provide their latest status during the next reporting cycle (7th readiness cycle) with cut-off 17/06.
- Many thanks for your active participation !