

Detailed comments on the CCBM2 consultation

French Market remarks are listed below according to the point they refer to.

P14 - 1.3.1. - Generalities

“Voluntary Participation” => the French Market is in favour that all NCBs join CCBM2. Indeed, all NCBs should participate in CCBM2 at least for the collateral mobilisation to avoid complexity and sources of delays, even if a transition period could be envisaged.

P. 16 - 1.3.3. - Message Router – Functionality

« external parties » (e.g. counterparties) => we understand counterparties as banks

P. 17 - 1.3.4. - Credit & Collateral Module - Module composition

We understand the module offers a functionality of autocollateralisation on stocks and not on flows. We understand that CCBM2 will support autocollateralisation in the SSS by sending information to T2S so that autocollateralisation can be processed by T2S. Clarifications are needed on the functionalities and the French Market do not expect any regression compared to existing services.

Clarifications are needed on the utilisation of the 2 techniques pooling and earmarking simultaneously with the possibility of reservation for a specific activity within a global pooling.

For example: having the possibility to keep bonds from the pooling to cover a CCP payment advised on D-1, once the payment done use this particular securities for other activities.

P.18 – 1.3.5. – Securities Module

Make sure that it will be possible to recall the securities in real time process in order to avoid any kind of delays in case of needs.

And also the counterparties receive all information relating to corporate actions and all events on the securities

P. 21 - 1.3.7. - Support functions- Monitoring & reporting

CCBM2 will provide reporting for previous and current business days, nevertheless there's also a need of forecasting elements of usable collateral for the next days.

Securities Module

The FOP mobilisation instruction should be made jointly by the order instructor and the Correspondent Central Bank to avoid any mistakes.

P. 22 - 1.4. - 1CT - Availability

We insist on a common chronology and synchronised calendar between T2, T2S and CCBM2

P.24 - 2.1. - Module Presentation - Schematic overview

The consultation mentions that external CMS will be able to communicate with CCBM2, therefore external CMS have to adapt their data/format to the CCBM2 harmonised standards/data defined in cooperation with the Market

P.26 - 2.3. - Workflow Manager

The incoming information from users are needed in push mode, not in pool one

P.27 - Workflow Manager - Validity Checks

Clarifications on static data information flows are needed

P. 29 - 2.4. - A2A Interfaces - Automated Communication

The French market requires the implementation of a single interface User to Application or Application to Application which is a portal allowing the access to the different modules => from this portal, each user could customised its screens according to its needs – e.g. securities, cash, collateral

P.41 - 3.5.2.1. - Management of the pool - Construction of the pool

Clarifications are needed on the term “working day hours”. It has been pointed out that the sessions of CSDs, CCBM2 and T2S should be interactive to allow night time settlement for instance. A related question has been raised: “how many sessions of autocollateralisation during the night?”

P.43 - 3.5.3. - Credit provision – Introduction

A dynamic credit freezing management is required at the hand of the treasurer.

P.60 - 3.6.2.1.2. - Collateral Substitution and netting - Substitution

CCBM2 will adapt to the opening hours and chronologies of the Market participant, for this reason, it is of utmost importance to have an harmonisation of SSS/CSDs’ opening hours and chronologies.

P.72 - 3.10 - External Collateral Management Systems (optional) - Introduction

The French Market considers that Tripartite collateral/repo systems must be interfaced to CCBM2 Besides, the French Market estimates that some normative criteria aimed at defining eligible CMS would be a non-negligible contribution to the safety of the system.

P.80 - 3.11. Auto-collateralisation (optional) continued - Process

The pre-defined times of the automatic return of collateral should be defined in agreement with the market

P.89 - 4.3.4. -Interaction with SSSs continued - Settlement

SSS link harmonisation is highly requested. In the framework of this harmonisation, the security repatriation requirement between CSDs needs to be removed.
SSS’s intraday mobilisation facility should be a requirement

P.109 - 5.3.2. Recording - Recording and maintenance methods

We understand that it will be possible to have a module specialised on registering and recording which would be plugged on the CCBM2 mobilisation tool (e.g.: for the credit claims registering and possibly recording module keeps at the level of CMS directly plugged on CCBM2)

P.123 - 6.2. – Generalities – Data Management

Which report will be sent to the final users on static data or validation of updates?

P.128 - 6.3.2. - Administration data - Calendar

We do understand that there is one calendar by currency. The CCBM2 calendar -as far as Euro is concerned- should be the T2 Calendar.

P.142 - 7.1. Presentation – Monitoring and Reporting

We insist to have a common interface (like ICM), connected to ESCB different modules T2, T2S, CCBM2, on a single window concept.

P.147 - 7.4.1. - Reporting on the production database - Reporting via predefined printed reports

Reporting imposed via printed reports only is too restrictive. Forecast like future value of specific asset should be also available via CCBM2 interface.

P.167 - 9.1.2.3. - ICT Infrastructure -

Clarifications are needed on the "2 sites - 2 regimes" concept as we cannot see the 2 sites synchronisation concept?

As a conclusion, for the next consultation on CCBM2 the French Market underlines that it would be useful that the Eurosystem defines, apart from COGESI meetings, an ad hoc specific group, gathering European specialists in collateral management to handle CCBM2 topic. .