



EUROPEAN CENTRAL BANK

EUROSYSTEM

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ECB-PUBLIC

**GUIDELINE (EU) 2024/[XX] OF THE EUROPEAN CENTRAL BANK**  
**of 13 August 2024**  
**on the management of collateral in Eurosystem credit operations**  
**(ECB/2024/22)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 127(2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Articles 3.1, 9.2, 12.1, 14.3, 17, 18.2, the first paragraph of Article 20, and Article 22 thereof,

Whereas:

- (1) Article 18.1 of the Statute of the European System of Central Banks and of the European Central Bank requires central bank credit to be based on adequate collateral for Eurosystem credit operations.
- (2) The assets eligible to be mobilised as collateral in Eurosystem credit operations are defined in Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)<sup>1</sup> and Guideline ECB/2014/31 of the European Central Bank<sup>2</sup>.
- (3) The Eurosystem has established channels to facilitate the mobilisation of collateral on both a domestic and a cross-border basis using, inter alia, securities settlement systems (SSSs) and triparty agents (TPAs) and relying on arrangements between Eurosystem central banks to ensure that all marketable and non-marketable assets eligible for use in Eurosystem credit operations are made accessible to all counterparties.
- (4) At the same time, the procedures for the mobilisation and management of collateral currently differ between the national central banks of Member States whose currency is the euro (NCBs), and each NCB implements its own practices and operates its own systems. As a result, counterparties are exposed to a diversity of procedures when providing collateral to the Eurosystem.

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<sup>1</sup> Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

<sup>2</sup> Guideline ECB/2014/31 of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 240, 13.8.2014, p. 28).

- (5) In order to enhance the operational efficiency and transparency of Eurosystem procedures related to the mobilisation and management of collateral, NCBs should manage collateral mobilised by counterparties in a harmonised manner, namely via standardised and operationally uniform processes, regardless of where the collateral or the counterparty is situated.
- (6) To this end, the Eurosystem has agreed on harmonised rules and arrangements for managing collateral and developed the Eurosystem Collateral Management System (ECMS) as a single Eurosystem platform that allows NCBs to manage eligible assets and cash mobilised as collateral by their counterparties.
- (7) However, as legal requirements for the mobilisation of credit claims and additional credit claims (ACCs) differ across jurisdictions, NCBs should have the ability to manage the domestic mobilisation of such assets outside the ECMS. Furthermore, on account of their nature, retail mortgage-backed debt instruments (RMBDs) should be mobilised outside the ECMS.
- (8) In addition to collateral mobilised for the purposes of collateralising Eurosystem credit operations, NCBs, at their discretion, may accept and manage collateral mobilised by counterparties for any of the other purposes listed in Annex V to this Guideline and should be able to rely on the services of the ECMS in that respect.
- (9) To align Eurosystem procedures with agreed market standards for collateral management and thereby contribute to the efficiency of collateral management across the financial market, the provisions of this Guideline aim to follow the relevant rules set out in the Single Collateral Management Rulebook for Europe (SCoRE).
- (10) Currently the channels via which counterparties may mobilise collateral in Eurosystem credit operations comprise the domestic mobilisation channel, the links mobilisation channel, the correspondent central banking model (CCBM) channel and, upon approval by the Eurosystem, the direct access mobilisation channel.
- (11) The CCBM should be expanded to facilitate the mobilisation of marketable assets and non-marketable debt instruments backed by eligible credit claims (DECCs) (a) in TARGET2-Securities (T2S) auto-collateralisation transactions and (b) for the other purposes listed in Annex V to this Guideline.
- (12) Each NCB should have the ability to open accounts in eligible SSSs and/or to use the services of triparty agents (TPAs) in jurisdictions other than the NCB's home jurisdiction without requiring the approval of the Eurosystem, including in cases where the home jurisdiction of the NCB does not have an eligible SSS or TPA.
- (13) The Eurosystem has established eligibility criteria that must be fulfilled by SSSs, by links between SSSs, and by TPAs, where they are used for the purposes of mobilising eligible marketable assets and DECCs. Those criteria should be amended and consolidated in one single text for reasons of certainty, clarity and transparency.
- (14) To benefit from the harmonised settlement procedures in T2S and its auto-collateralisation functionality, NCBs should receive marketable assets and DECCs only into accounts in T2S SSSs. The accounts in which a counterparty holds marketable assets and DECCs prior to mobilisation should continue to be permitted to be held in non-T2S SSSs.

- (15) Non-marketable assets, with the exception of DECCs, cannot be settled in an SSS. To the extent that NCBs use the ECMS to mobilise credit claims and ACCs as collateral, NCBs should record information on these assets in the relevant internal asset account opened either in the books of the NCB of the Member State in which the counterparty is established or in the books of the NCB acting as correspondent central bank, as applicable.
- (16) The Eurosystem should recover from counterparties external costs charged by central securities depositories (CSDs) and TPAs for marketable assets and DECCs mobilised as collateral. NCBs should be permitted to cover internal costs in relation to the mobilisation and management of credit claims, ACCs and RMBDs by charging fees to counterparties.
- (17) The implementation of collateral management would benefit from the relevant provisions being contained in a separate legal act. This would enable parameters related to collateral management to be provided in a compact and self-contained form and enable the streamlining of amendments to the relevant framework promptly once the corresponding policy decisions are taken by the Governing Council.
- (18) This Guideline therefore establishes harmonised rules and arrangements for NCBs to manage collateral mobilised by counterparties on a domestic and cross-border basis for the purpose of collateralising Eurosystem credit operations and the other purposes listed in Annex V to this Guideline, and replaces collateral management provisions contained in Guideline (EU) 2015/510 (ECB/2014/60) as described in Guideline (EU) 2024/[XX] of the European Central Bank (ECB/2024/23)<sup>3</sup>,

HAS ADOPTED THIS GUIDELINE:

#### *Article 1*

##### **Subject matter and scope**

1. This Guideline establishes harmonised rules and arrangements for the mobilisation and management of collateral eligible under Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60)<sup>4</sup> and/or Guideline ECB/2014/31 of the European Central Bank<sup>5</sup> on a domestic or a cross-border basis for the purpose of collateralising Eurosystem credit operations. In the event of any discrepancy between this Guideline and Guideline (EU) 2015/510 (ECB/2014/60), this Guideline shall prevail in relation to matters that fall within its scope of application.

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<sup>3</sup> Guideline (EU) 2024/[XX] of the European Central Bank of 13 August 2024 amending Guideline (EU) 2015/510 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (ECB/2024/23) (not yet published in the Official Journal).

<sup>4</sup> Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (General Documentation Guideline) (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

<sup>5</sup> Guideline ECB/2014/31 of the European Central Bank of 9 July 2014 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (OJ L 240, 13.8.2014, p. 28).

2. National central banks (NCBs) shall use the Eurosystem Collateral Management System (ECMS) as a single Eurosystem platform for mobilising and managing the collateral referred to in paragraph 1.
3. Notwithstanding paragraphs 1 and 2:
  - (a) NCBs may opt to manage the domestic mobilisation of credit claims and additional credit claims (ACCs) outside the ECMS, in which case Article 6(1), (2) and (3) shall not apply;
  - (b) NCBs shall mobilise retail mortgage-backed debt instruments (RMBDs) outside the ECMS.
4. In any case where assets are mobilised outside the ECMS, NCBs shall record information on the collateral value of these assets in the ECMS.
5. NCBs may also use the ECMS to manage collateral mobilised for any of the other purposes listed in Annex V.

## *Article 2*

### **Definitions**

For the purposes of this Guideline the following definitions apply:

- (1) 'additional credit claim' or 'ACC' means an additional credit claim eligible under Article 4 of Guideline ECB/2014/31 excluding an RMBD;
- (2) 'asset account' means: (a) in relation to the mobilisation of marketable assets and DECCs: (i) an account opened by an NCB in its own books; (ii) an account opened in the books of a securities settlement system or of another NCB acting as a correspondent central bank; (b) in relation to the mobilisation of non-marketable assets (other than DECCs): (i) an account opened by an NCB in its own books; (ii) an account opened in the books of another NCB acting as a correspondent central bank. Such accounts opened with an institution other than the home central bank are referred to as 'external asset accounts'; such accounts opened in the books of the home central bank are referred to as 'internal asset accounts';
- (3) 'assisting central bank' or 'ACB' means an NCB that provides assistance and advice to an HCB on the cross-border mobilisation of credit claims;
- (4) 'auto-collateralisation' means auto-collateralisation as defined in Article 2, point (7), of Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8)<sup>6</sup>;
- (5) 'business day' means business day as defined in Article 2, point (13), of Guideline (EU) 2022/912 (ECB/2022/8);
- (6) 'cash account' means: (a) a main cash account; (b) a non-euro cash account;

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<sup>6</sup> Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (ECB/2022/8) (OJ L 163, 17.6.2022, p.84).

- (7) 'central securities depository' or 'CSD' means a central securities depository as defined in Article 2(1), point (1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council<sup>7</sup>;
- (8) 'collateral' means all marketable and non-marketable assets and cash eligible under Guideline (EU) 2015/510 (ECB/2014/60) and/or Guideline ECB/2014/31 to collateralise Eurosystem credit operations or mobilised for any of the other purposes listed in Annex V to this Guideline;
- (9) 'collateral management data' means eligible assets data, pricing information, and close links data;
- (10) 'collateral realisation' means the process by which an NCB enforces its rights over assets mobilised as collateral in satisfaction of outstanding credit which has become due;
- (11) 'collateral reallocation' means the process by which assets are reallocated from the account designated at the time of mobilisation to another account;
- (12) 'collateral value' means the amount of credit which may be granted against collateral provided by a counterparty after haircuts and other factors, as determined by the Eurosystem from time to time, whether related to the asset and/or the counterparty, have been deducted;
- (13) 'collateral pool' means the sum of the collateral values derived from assets and cash mobilised by a counterparty and held in it;
- (14) 'collateral position' means a record of the collateral value of the assets and cash mobilised as collateral;
- (15) 'counterparty' means: (a) an institution fulfilling the eligibility criteria laid down in Part Three of Guideline (EU) 2015/510 (ECB/2014/60) entitling it to access the Eurosystem's monetary policy operations and, in respect of access to intraday credit, a participant fulfilling the eligibility criteria laid down in Article 10 of Part II of Annex I to Guideline (EU) 2022/912 (ECB/2022/8); or (b) an entity providing collateral managed by NCBs for any of the other purposes listed in Annex V to this Guideline;
- (16) 'correspondent central bank' or 'CCB' means an NCB acting on behalf of the HCB in a CCBM arrangement;
- (17) 'correspondent central banking model' or 'CCBM' means an arrangement established by the Eurosystem with the aim of enabling counterparties to mobilise eligible assets on a cross-border basis, in which national central banks act as custodians for, and as agents of, one another, and pursuant to which: (a) the HCB provides credit or liquidity to the counterparty based on eligible assets held by or to the order of the counterparty in an account designated by the CCB; (b) the CCB acts on behalf of the HCB in respect of such eligible assets and provides assistance and advice; and (c) in specified cases in relation to credit claims, the ACB provides assistance and advice;
- (18) 'credit claim' means a credit claim eligible under Article 2(13) of Guideline (EU) 2015/510 (ECB/2014/60);
- (19) 'credit line' means the collateral value available to collateralise intraday credit in TARGET;

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<sup>7</sup> Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).

- (20) 'credit position' means the amount of credit extended to a counterparty by the HCB, including any collateral value in the collateral pool that is reserved for a specific purpose;
- (21) 'cross-border mobilisation' means the mobilisation of: (a) marketable assets: (i) held in a Member State different to that of the HCB; (ii) issued in a Member State different to that of the HCB and held in the Member State of the HCB; (b) DECCs issued and held in a Member State different to that of the HCB; (c) credit claims governed by a law other than the law of the jurisdiction where the HCB is established; (d) ACCs governed by a law other than the law of the jurisdiction where the NCB receiving the collateral is established;
- (22) 'direct access mobilisation' means the mobilisation of marketable assets and DECCs where the NCB receives such assets into a securities account held by that NCB with a CSD located in a jurisdiction other than that in which the NCB is established;
- (23) 'direct link' means an arrangement between two SSSs operated by CSDs, where one CSD becomes a direct participant in the SSS operated by the other CSD by opening a securities account, to allow the transfer of securities through a book-entry process;
- (24) 'domestic mobilisation' means: (a) in respect of marketable assets and DECCs, the mobilisation of an asset issued and held in a CSD located in the same jurisdiction where the HCB is established; (b) in respect of credit claims and ACCs, the mobilisation of credit claims and ACCs governed by the law of the jurisdiction where the HCB is established; and (c) in respect of RMBDs, RMBDs issued by a counterparty established in the Member State of the HCB;
- (25) 'eligible assets' means marketable and non-marketable assets eligible under Guideline (EU) 2015/510 (ECB/2014/60) and Guideline ECB/2014/31;
- (26) 'eligible link' means a direct or relayed link that the Eurosystem has deemed compliant with the eligibility criteria laid down in Annex I and is included in the Eurosystem's list of eligible links published on the ECB's website. An eligible relayed link is composed of underlying eligible direct links;
- (27) 'eligible securities settlement system' or 'eligible SSS' means an SSS operated by a CSD that the Eurosystem has deemed compliant with the eligibility criteria laid down in Annex I and is included in the Eurosystem's list of eligible SSSs published on the ECB's website;
- (28) 'eligible triparty agent' or 'eligible TPA' means a TPA that is operated by a CSD that the Eurosystem has deemed compliant with the eligibility criteria laid down in Annex II and is included in the Eurosystem's list of eligible TPAs published on the ECB's website;
- (29) 'euro area' means pertaining to or established in a Member State whose currency is the euro;
- (30) 'Eurosystem' means the ECB and the NCBs;
- (31) 'Eurosystem credit operations' means Eurosystem credit operations as defined in Article 2, point (31), of Guideline (EU) 2015/510 (ECB/2014/60);
- (32) 'home central bank' or 'HCB' means the NCB of the Member State in which a counterparty is established and which grants credit to that counterparty in Eurosystem credit operations;
- (33) 'intermediary securities settlement system' or 'intermediary SSS' means an SSS which acts as an intermediary between an issuer SSS and an investor SSS;

- (34) 'intraday credit' means intraday credit as defined in Article 2, point (35), of Guideline (EU) 2022/912 (ECB/2022/8);
- (35) 'investor securities settlement system' or 'investor SSS' means an SSS with an eligible link to an issuer SSS in order to facilitate the transfer of securities from participants in the issuer SSS to participants in the investor SSS;
- (36) 'issuer securities settlement system' or 'issuer SSS' means an SSS operated by the CSD in which securities have been issued;
- (37) 'links mobilisation channel' means the mobilisation of marketable assets using an eligible link;
- (38) 'main cash account' or 'MCA' means a main cash account held for the purposes of and in accordance with the provisions of Guideline (EU) 2022/912 (ECB/2022/8);
- (39) 'marketable assets' means any of the following: (a) marketable assets as defined in Article 2, point (59), of Guideline (EU) 2015/510 (ECB/2014/60); (b) marketable assets eligible as collateral under Articles 3, 5 and/or 7 of Guideline ECB/2014/31;
- (40) 'mobilisation channels' means the series of procedures and arrangements established to allow the mobilisation of eligible assets by counterparties, and comprises the domestic mobilisation channel, the links mobilisation channel, the CCBM channel and the direct access mobilisation channel;
- (41) 'national central bank' or 'NCB' means a national central bank of a Member State whose currency is the euro;
- (42) 'non-marketable asset' means: (a) a non-marketable asset as defined in Article 2, (point 70), of Guideline (EU) 2015/510 (ECB/2014/60); (b) an additional credit claim eligible under Article 4 of Guideline ECB/2014/31;
- (43) 'non-marketable debt instrument backed by eligible credit claims' or 'DECC' means a non-marketable debt instrument backed by eligible credit claims as defined in Article 2, point (70a), of Guideline (EU) 2015/510 (ECB/2014/60);
- (44) 'pooling' means the operational method used by NCBs to maintain collateral mobilised by counterparties, whereby the counterparty makes collateral available to an NCB to collateralise credit from that NCB, and in which individual eligible assets are not linked to any specific Eurosystem credit operation, with the exception of RMBDs which are linked to a specific credit operation;
- (45) 'primary MCA' means the MCA, owned by the counterparty or a third party, and designated by the counterparty for the settlement of payments related to the management of collateral;
- (46) 'relayed link' means a link established between SSSs operated by two different CSDs that execute securities transactions or transfers through a third SSS operated by a CSD acting as an intermediary or, in the case of SSSs operated by CSDs participating in TARGET2-Securities, through several SSSs operated by CSDs acting as intermediaries;
- (47) 'retail mortgage-backed debt instrument' or 'RMBD' means an asset eligible for use as collateral in accordance with Article 107 of Guideline (EU) 2015/510 (ECB/2014/60) and Article 4 of Guideline ECB/2014/31;
- (48) 'retain booking mode' means the retention of marketable assets and/or DECCs that are mobilised as collateral on a securities account of the counterparty;

- (49) 'securities settlement system' or 'SSS' means a securities settlement system as defined in Article 2(1), point (10), of Regulation (EU) No 909/2014;
- (50) 'TARGET' means the new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system, regulated under Guideline (EU) 2022/912 (ECB/2022/8);
- (51) 'transfer booking mode' means the delivery of marketable assets or DECCs that are mobilised as collateral from a securities account of the counterparty to a securities account of the NCB;
- (52) 'T2S services' means T2S services as defined in Article 2, point (20), of Guideline ECB/2012/13 of the European Central Bank<sup>8</sup>.

### *Article 3*

#### **Account and pool structure**

1. To facilitate the mobilisation and management of collateral, NCBs shall:
  - (a) maintain asset accounts and cash accounts;
  - (b) require counterparties to maintain relevant asset accounts and cash accounts.
2. NCBs shall allow their counterparties to authorise a third party to manage the counterparty's designated asset accounts and/or cash accounts, in which case the following shall apply:
  - (a) where a counterparty authorises a third party to manage its designated asset account, the counterparty's asset account shall be managed by a third party sending instructions to, and receiving notices from, the NCB on behalf of the counterparty;
  - (b) where a counterparty authorises a third party to manage its designated cash account, the primary MCA designated by the counterparty shall be co-managed (in accordance with Article 2.1 a) and b) of Annex I, Part II of Guideline (EU) 2022/912 (ECB/2022/8)) by, or belong to, another TARGET participant.
3. For the purposes of receiving marketable assets and non-marketable debt instruments backed by eligible credit claims (DECCs) as collateral from counterparties NCBs may open external asset accounts. Such accounts shall only be opened in an eligible securities settlement system (eligible SSS).
4. NCBs shall open internal asset accounts for each counterparty in order to receive collateral from counterparties and/or to record information on the collateral mobilised by the counterparty. Separate internal asset accounts shall be opened for:
  - (a) marketable assets and DECCs;
  - (b) non-marketable assets other than DECCs.
5. NCBs shall use pooling to maintain collateral mobilised by its counterparties.
6. Each internal asset account and each collateral pool shall be identified by means of a unique and harmonised naming convention defined by the Eurosystem and set out in the document entitled

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<sup>8</sup> Guideline ECB/2012/13 of the European Central Bank of 18 July 2012 on TARGET2-Securities (OJ L 215, 11.8.2012, p. 19).



'Collateral management in Eurosystem credit operations - information for Eurosystem counterparties', which is published on the ECB's website.

7. Subject to the requirement for separation of pools laid down in paragraph 8, part of the collateral value of mobilised collateral may be reserved within a counterparty's collateral pool for purposes related to the collateralisation of Eurosystem credit operations or the other purposes listed in Annex V to this Guideline.
8. The collateral mobilised for the purposes of collateralising Eurosystem credit operations shall be maintained in a pool separate from the pools used for the management of collateral for other purposes referred to in paragraph 7. NCBs may maintain as many collateral pools per counterparty as required for these purposes.
9. NCBs may open several internal asset accounts per counterparty. One internal asset account shall be linked to only one collateral pool. One collateral pool may be linked to several internal asset accounts.
10. For the purposes of the provision of intraday credit to a counterparty, only the collateral pool maintained for collateralising Eurosystem credit operations shall be linked to the primary MCA in TARGET designated by the counterparty.
11. To support the execution of collateral management operations, NCBs shall debit the counterparty's primary MCA in TARGET in order to facilitate the payment of outstanding obligations to the Eurosystem with respect to, among others, the following activities:
  - (a) the repayment of maturing credit operations;
  - (b) the processing of corporate events;
  - (c) the mobilisation of cash as collateral;
  - (d) the collection of fees.

#### *Article 4*

#### **Collateral mobilisation**

1. Marketable assets and DECCs mobilised as collateral by a counterparty shall be delivered to an account held with an eligible SSS.
2. If the CSD where the asset is issued and the CSD where the asset is held are not identical, collateral shall only be mobilised if the SSSs operated by these two CSDs are connected by an eligible link.
3. If requested by another NCB (as home central bank (HCB)), an NCB (as CCB) shall maintain a segregated or omnibus securities account in an eligible SSS established in the jurisdiction where the CCB is established and shall hold the collateral on behalf of the HCB.
4. An NCB may, for the purposes of receiving collateral from its counterparties, open an account directly in an eligible SSS established in a jurisdiction other than that in which the NCB is established.
5. For the purposes of mobilising credit claims and ACCs as collateral, NCBs shall require counterparties to mobilise these assets to an asset account designated by the HCB. An NCB may

opt to manage the domestic mobilisation of credit claims and ACCs outside the ECMS, in which case that NCB shall determine whether an asset account is required for mobilisation purposes.

6. Where cash is mobilised as collateral, it shall be mobilised at the instruction of the NCB or the counterparty by debiting the counterparty designated primary MCA and crediting the HCB's account.
7. Credit claims shall only be mobilised as collateral via the correspondent central banking model (CCBM) for the purposes of collateralising Eurosystem credit operations. ACCs, RMBDs and fixed term deposits (FTDs) shall not be mobilised as collateral via the CCBM.
8. The legal effects of book entries (in either transfer booking mode or retain booking mode) on asset accounts shall be governed by the contractual or regulatory arrangements of the NCB with the counterparty. The use of accounts in mobilising assets shall be in accordance with the requirements under the national law relevant to the creation or release of security interests over such assets.

#### *Article 5*

#### **Mobilisation and demobilisation of marketable assets and DECCs**

1. Where a counterparty seeks to mobilise or demobilise marketable assets or DECCs as collateral, NCBs shall, prior to accepting a request for such mobilisation or demobilisation, perform validation checks – as defined by the Eurosystem and set out in the document entitled 'Collateral management in Eurosystem credit operations - information for Eurosystem counterparties', which is published on the ECB's website – in accordance with that document, on the mobilisation or demobilisation instructions submitted by the relevant counterparty.
2. Marketable assets and DECCs shall be mobilised on a free of payment (FOP) basis, with the exception of auto-collateralisation transactions, as referred to in Article 8, in respect of which settlement is performed on a delivery versus payment (DVP) basis.
3. Prior to accepting a demobilisation instruction, NCBs shall reduce the value of the relevant collateral pool and, if relevant, the credit line by an amount equal to the collateral value of the marketable assets or DECCs for which demobilisation is requested. If this reduction in the value of the collateral pool would result in the total value of the collateral pool becoming lower than the total credit position, the NCBs shall put the demobilisation request on hold and shall not carry out the adjustment to the collateral pool and, if relevant, the credit line. NCBs shall reject demobilisation instructions which remain on hold at the end of the day.
4. Final adjustments to asset positions and to the collateral pool shall become effective upon receipt of a settlement confirmation from T2S.
5. If requested by the HCB, an NCB shall act as CCB on behalf of such HCB in relation to the mobilisation of marketable assets and DECCs via the CCBM. In the case of mobilisation and demobilisation of marketable assets and DECCs via the CCBM, the HCB shall be responsible for checking the validity of the mobilisation or demobilisation request submitted by the counterparty, and the CCB shall be responsible for issues relating to the settlement of the instruction which require interaction with the CSD. The CCB shall ensure that the HCB receives all information exchanged between the CCB and T2S.

6. Notwithstanding paragraphs 1 to 5, the HCB may block the mobilisation and demobilisation of marketable assets and DECCs on material grounds, including but not limited to, an event of default or on the grounds of prudence.
7. Furthermore, the HCB, or the CCB in the case of the CCBM, may reject a request to mobilise marketable assets and DECCs in respect of which a counterparty has not submitted the required taxation documentation or other documentation required by the HCB, or the CCB, as appropriate.

#### *Article 6*

#### **Mobilisation and demobilisation of non-marketable assets other than DECCs**

1. Where a counterparty seeks to register, mobilise or demobilise credit claims or individual ACCs as collateral, NCBs shall, prior to accepting a request for such registration, mobilisation or demobilisation, perform validation checks – as defined by the Eurosystem and set out in the document entitled ‘Collateral management in Eurosystem credit operations - information for Eurosystem counterparties’, which is published on the ECB’s website – in accordance with that document, on the registration, mobilisation or demobilisation instructions submitted by the relevant counterparty.
2. Prior to mobilising a credit claim or an individual ACC as collateral, the counterparty seeking to do so must register that credit claim or individual ACC with the HCB, or – in the case of mobilisation via the CCBM – with the CCB. In either case, the HCB shall require the counterparty to provide, at a minimum, as part of the registration process, a set of core data elements as defined by the Eurosystem and set out in the document entitled ‘Collateral management in Eurosystem credit operations - information for Eurosystem counterparties’, which is published on the ECB’s website.
3. Without prejudice to the counterparties’ obligation under Article 101(1), point (a) (iv) of Guideline (EU) 2015/510 (ECB/2014/60), NCBs shall require counterparties to send updates to the core data elements on mobilised credit claims or individual ACCs provided in accordance with paragraph 2 within the course of the next business day whenever there is a change in those core data elements.
4. Where the credit claim is not governed by the law of the jurisdiction where the HCB is established, the HCB may use the CCBM for the mobilisation of the credit claim. For these purposes, the NCB acting as CCB in accordance with paragraph 5 shall prepare a set of terms and conditions, in the form set out in Annex III, to be agreed with the counterparty of the HCB to facilitate the mobilisation of credit claims governed by the law of the jurisdiction where the CCB is established.
5. If requested by the HCB, an NCB shall act as CCB on behalf of such HCB in relation to the mobilisation of credit claims, subject to all of the following conditions:
  - (a) the credit claim fulfils the definition of credit claim set out in Article 2, point (13), of Guideline (EU) 2015/510 (ECB/2014/60) and satisfies all relevant eligibility criteria set out in that Guideline;
  - (b) the credit claim may lawfully be mobilised between the counterparty and the HCB (represented when applicable by the CCB) using collateralisation arrangements governed by the law of the jurisdiction where the CCB is established;

- (c) the credit claim is mobilised for the purposes of collateralising Eurosystem credit operations.
6. The CCB shall take all measures and actions necessary under the law of the jurisdiction where it is established to ensure that a CCBM operation is valid, binding and enforceable. The CCB shall:
- (a) check the information on the credit claim provided by the counterparty against the eligibility criteria and, where applicable, the validity of signatures against the list of signatures received;
  - (b) if requested, assist the HCB in determining whether there are close links, as described in Article 138 of Guideline (EU) 2015/510 (ECB/2014/60), between the counterparty and the relevant obligor under the asset, and in taking the necessary enforcement measures.

The HCB shall assist the CCB (including, but not limited to, where the debtor and/or the creditor and/or the guarantor is located in the same jurisdiction as the HCB) by promptly providing the CCB with all documents and carrying out any actions or formalities requested by the CCB which are necessary to enable the CCB to perform its obligations.

7. The CCB shall be liable to the HCB only for the negligent execution of its obligations under paragraph 6, points (a) and (b). The CCB's liability shall be assessed on the basis of the law of the jurisdiction where it is established, and shall be limited to the amount of the credit claim, excluding any consequential damage.
8. The CCB shall be liable to the HCB for the breach of any other obligations only in the event of gross negligence or wilful misconduct, and the CCB's liability shall be assessed on the basis of the law of the jurisdiction where it is established.
9. An NCB shall, upon the request of an HCB, act as ACB in relation to the mobilisation of credit claims. An NCB acting as ACB shall advise the HCB on the mobilisation of the credit claim to ensure compliance with the legal requirements that apply in the jurisdiction where the ACB is established. In particular, and in the form of the terms and conditions set out in Annex IV, the ACB shall specify:
- (a) whether registration and notification is required and, if so, the rules and form to be complied with for such registration and notification;
  - (b) other requirements to be fulfilled for the purpose of creating a valid and enforceable security interest over the credit claim;
  - (c) whether the credit claim agreement must contain additional clauses to facilitate the creation by the HCB of a further security interest over the mobilised credit claim after its initial mobilisation.

If required, the ACB shall provide assistance in executing the tasks necessary to fulfil the requirements mentioned in points (a) to (c).

At the HCB's request, and where the debtor and/or the guarantor are established in the jurisdiction where the ACB is established, the ACB shall provide relevant information on that debtor and/or guarantor, including close link checks and in-house credit assessment system (ICAS) rating.

10. The mobilisation and demobilisation of (a) RMBDs and (b) pools of ACCs shall be carried out in accordance with the procedures defined by the HCB.

11. Fixed term deposits (FTDs) shall be automatically mobilised as collateral as part of the settlement of the FTD. The settlement shall take place by debiting the counterparty's primary MCA and crediting the HCB's account.

#### *Article 7*

#### **Triparty collateral management services**

1. NCBs shall allow counterparties to mobilise the following assets as collateral to the HCB using the triparty collateral management services of an eligible triparty agent (eligible TPA):
  - (a) marketable assets and DECCs issued in the CSD operating the eligible SSS where the asset account is held;
  - (b) marketable assets issued in a CSD whose SSS has an eligible link with the SSS where the asset account is held.
2. Mobilisation of marketable assets and DECCs using the services of a TPA in accordance with paragraph 1 may be carried out using the domestic, links, CCBM or direct access mobilisation channels, as applicable.
3. In the case of mobilisation via the CCBM, the CCB shall, at the HCB's request, enter into contractual arrangements with the TPA in accordance with the criteria set out in Annex II. The following division of responsibility between the HCB and the CCB shall apply:
  - (a) The HCB shall be responsible for checking that the counterparty is adequately collateralised prior to authorising the TPA to take further actions related to the processing of decreases or closures of a triparty transaction and the payment of corporate event proceeds.
  - (b) The CCB shall be responsible for any issues relating to the management of the triparty transaction that require interaction with the TPA. The CCB shall ensure that the HCB receives all relevant information exchanged between the CCB and the TPA.

#### *Article 8*

#### **Auto-collateralisation**

1. Auto-collateralisation shall be accessed via the domestic, links, CCBM or direct access mobilisation channels.
2. An NCB shall, at the request of an HCB, act as the CCB on behalf of that HCB for T2S auto-collateralisation transactions.
3. CCBM auto-collateralisation transactions shall be supported using either the transfer booking mode or the retain booking mode, as determined by the CCB.
4. To support the execution of auto-collateralisation transactions, each HCB shall define on a daily basis a list of marketable assets and DECCs eligible for use in auto-collateralisation. That list may include assets issued in the CSD operating the eligible SSS where the HCB holds an account, as well as assets issued in a CSD whose SSS has an eligible link with the eligible SSS.

*Article 9***Credit position management**

1. NCBs shall update a counterparty's credit position as part of the settlement of the related Eurosystem credit operation.
2. NCBs shall settle Eurosystem credit operations on a net basis, with the exception that in contingency situations they may settle such credit operations on a gross basis.
3. For counterparties with access to intraday credit in TARGET, all collateral value, other than that attributed to RMBDs, in the counterparty's collateral pool dedicated to the collateralisation of Eurosystem credit operations that is neither required to collateralise Eurosystem monetary policy operations nor reserved shall be made available as a credit line in line with paragraph 4.
4. The value of the credit line shall be determined by the HCB in accordance with changes in the amount of the available collateral (i.e. a floating credit line), except in the case where the counterparty and/or the HCB set a maximum value of the credit line to limit the amount of intraday credit that may be obtained in TARGET (i.e. a maximum credit line).
5. Where, pursuant to paragraph 4, the HCB and the counterparty each set a different maximum value of the credit line, the maximum value shall be the lower of the two.
6. Where the maximum value of a credit line set by a counterparty hinders the settlement of a Eurosystem credit operation, the HCB may remove that maximum value.

*Article 10***Corporate events**

1. The HCB shall notify its counterparties in advance of corporate events communicated by the CSD and involving marketable assets or DECCs that the counterparty has mobilised as collateral.
2. Where participation in a corporate event is voluntary or involves a choice of options, the HCB shall act in accordance with the corporate event instruction submitted by the counterparty by the response deadline set out in the NCB's notification. If the counterparty does not submit a corporate event instruction, the default option communicated by the CSD, where applicable, shall apply.
3. Subject to paragraphs 4 and 5, in the case of a corporate event involving a cash flow from the issuer to the counterparty (i.e. positive cash flow), the HCB shall, following receipt of the corporate event proceeds, transfer such proceeds to one of the following accounts:
  - (a) in the case of euro denominated cash proceeds, the primary MCA designated by the counterparty;
  - (b) in the case of non-euro denominated cash proceeds, the non-euro cash account designated by the counterparty.
4. The HCB shall not transfer the corporate event proceeds referred to in paragraph 3 to the counterparty in any of the following cases:
  - (a) the counterparty has insufficient collateral in its collateral pool (i.e. a margin call);

- (b) the collateral mobilised by the counterparty with the Eurosystem is blocked due to an event of default or on the grounds of prudence.
- 5. Euro-denominated cash proceeds shall be automatically mobilised as collateral to an amount not exceeding the amount of the margin call at 16:55 CET on the day on which the corporate event proceeds are received by the HCB if the margin call referred to in paragraph 4, point (a), remains outstanding at that time. Corporate event proceeds in excess of the amount required to collateralise the margin call (if any) shall be transferred to the counterparty by the HCB.
- 6. In the case of a positive cash flow on marketable assets or DECCs mobilised via the CCBM, the CCB shall credit the corporate event proceeds to the euro or non-euro cash account designated by the HCB, as relevant, to facilitate onward payment of the proceeds by the HCB to the primary MCA, for proceeds denominated in euro, or to the non-euro account designated by the counterparty, for non-euro denominated proceeds.
- 7. For corporate events involving a cash flow from the counterparty to the issuer (i.e. negative cash flow), the HCB shall recover the amount due in one of the following ways:
  - (a) in the case of euro denominated cash proceeds, by debiting the primary MCA designated by the counterparty;
  - (b) in the case of non-euro denominated cash proceeds, by debiting the non-euro cash account designated by the counterparty or, where no debit authorisation is in place, by instructing the counterparty to credit the cash account specified by the HCB.
- 8. In the case of a negative cash flow on marketable assets or DECCs mobilised via the CCBM, the HCB shall credit the corporate event proceeds to the euro or non-euro cash account designated by the CCB, as relevant.
- 9. Where after payment has been made the CSD issues a reversal notice to reverse the cash and securities movements involved in the corporate event, the HCB shall take the following action:
  - (a) in the case of a positive cash flow, the HCB shall debit the cash amount due from the same account to which the original payment was made;
  - (b) in the case of a negative cash flow, the HCB shall credit the cash amount due to the same account from which the original payment was made.
- 10. If the reversal notice referred to in paragraph 9 relates to assets mobilised via the CCBM, the following shall apply:
  - (a) in the case of a positive cash flow, the HCB shall credit the cash account designated by the CCB with the amount due;
  - (b) in the case of a negative cash flow, the CCB shall credit the cash account designated by the HCB with the amount due.
- 11. For corporate event proceeds relating to marketable assets or DECCs mobilised via the CCBM, and unless the counterparty has provided the documentation necessary for tax relief or such relief applies as a matter of law, the CCB shall deduct or withhold the amount of any tax required to be deducted or withheld in respect of any proceeds, for which the CCB is liable or accountable to the tax authorities.

*Article 11***Daily management of collateral**

1. NCBs shall perform a daily revaluation of mobilised collateral in accordance with the valuation and risk control rules laid down in Guideline (EU) 2015/510 (ECB/2014/60), Guideline ECB/2014/31 and Guideline (EU) 2016/65 of the European Central Bank (ECB/2015/35)<sup>9</sup>.
2. NCBs shall update credit positions and collateral positions daily to take into account accrued interest.
3. NCBs shall issue an end of day margin call between 19:00 CET and 19:30 CET on each business day if, following the revaluation of mobilised collateral and update of the credit positions and collateral positions referred to in paragraphs 1 and 2 respectively, there is no longer sufficient collateral in a given collateral pool.
4. NCBs may issue margin calls at any time, if a collateral insufficiency is detected during the day.
5. Where a margin call has not been resolved by 16:55 CET on a given business day, in order to collateralise the remaining deficit the HCB shall automatically mobilise the cash proceeds of a corporate event (if any) as collateral in accordance with Article 10(5). If the cash proceeds of the corporate event are not sufficient to fully resolve the margin call or in the absence of cash proceeds of the corporate event, the HCB shall automatically mobilise cash as collateral by debiting the primary MCA designated by the counterparty for an amount equal to the margin call. Following the daily revaluation of the collateral pool and the calculation of accrued interest on the cash mobilised as collateral, any cash mobilised in excess of the amount required to cover the margin call shall be automatically demobilised by the HCB.
6. NCBs shall perform, on a daily basis, a reconciliation of the holdings held on each asset account.

*Article 12***Fees**

1. For marketable assets and DECCs, each NCB shall recover from its counterparties fees charged by CSDs and TPAs. For collateral mobilised via the CCBM, the HCB shall transfer the fees collected from its counterparties to the CCB.
2. In respect of credit claims, ACCs and RMBDs mobilised as collateral, the HCB or, in the case of collateral mobilised via the CCBM, the CCB shall determine whether to charge a fee. Where fees are charged, the level of the transaction fee and the service fee shall be determined by the HCB, or in the case of collateral mobilised via the CCBM, the CCB.
3. The HCB shall debit the fees due from the counterparty's primary MCA in TARGET on a monthly basis.

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<sup>9</sup> Guideline (EU) 2016/65 of the European Central Bank of 18 November 2015 on the valuation haircuts applied in the implementation of the Eurosystem monetary policy framework (ECB/2015/35) (OJ L 14, 21.1.2016, p. 30).



*Article 13***Reallocation and realisation of collateral**

1. Collateral may be reallocated from the asset account designated at the time of mobilisation to another asset account in the following circumstances:
  - (a) in the event of a merger or acquisition involving two or more counterparties of the HCB, in which case the HCB may reallocate collateral from the asset accounts and collateral pools maintained by the merged or acquired entity;
  - (b) in the event of a counterparty default, in which case the HCB may reallocate collateral from a counterparty account to an NCB account used for the realisation of collateral;
  - (c) in the event that a counterparty maintains multiple collateral pools for different purposes, that counterparty may reallocate collateral from one counterparty asset account to another counterparty asset account in order to augment the amount of collateral held in a given collateral pool.
2. Where an HCB becomes aware of a counterparty default or suspension, the HCB reserves the right to immediately block all collateral management activity by the counterparty involved.
3. In the case of collateral mobilised via the CCBM, where the CCB is notified by the HCB of the counterparty's default and on the HCB's instruction, the CCB shall:
  - (a) as applicable, take any necessary measures and actions to be performed under the law of the jurisdiction where the CCB is established to realise the collateral on behalf of the HCB;
  - (b) as applicable, take any necessary measures and actions to be performed under the law of the jurisdiction where the CCB is established to enable the HCB to realise the collateral.

*Article 14***Contingency arrangements**

An NCB shall have arrangements in place with its counterparties to accept mobilisation and demobilisation instructions via secure email or any other contingency communication channel if, in exceptional circumstances, a counterparty is unable to communicate with its HCB via the ECMS in user to application (U2A) mode or application to application (A2A) mode. In such circumstances, NCBs may act on behalf of their counterparties upon instruction received from them via secure email or any other contingency communication channel.

*Article 15***Settlement discipline measures**

NCBs shall exchange information on penalties levied on, or due to, an NCB for settlement fails, as specified in the provisions of Title II, Chapter III of Regulation (EU) No 909/2014 that relate to collateral mobilised via the CCBM.

*Article 16*

**Taking effect and implementation**

1. This Guideline shall take effect on the day of its notification to the national central banks of the Member States whose currency is the euro.
2. The national central banks of the Member States whose currency is the euro shall take the necessary measures to comply with this Guideline and apply them from 18 November 2024. They shall notify the ECB of the texts and means relating to those measures by 11 October 2024 at the latest.

*Article 17*

**Addressees**

This Guideline is addressed to all Eurosystem central banks.

Done at Frankfurt am Main, 13 August 2024.

*For the Governing Council of the ECB*

*The President of the ECB*

Christine LAGARDE

**ELIGIBILITY CRITERIA FOR THE USE OF SECURITIES SETTLEMENT SYSTEMS AND LINKS BETWEEN SECURITIES SETTLEMENT SYSTEMS IN EUROSISTEM CREDIT OPERATIONS**

**I. ELIGIBILITY CRITERIA FOR SECURITIES SETTLEMENT SYSTEMS (SSSs) AND LINKS BETWEEN SSSs**

1. The Eurosystem determines the eligibility of an SSS operated by a central securities depository (CSD) established in a Member State whose currency is the euro (hereinafter an 'SSS operator' or an 'operator of an SSS') on the basis of all of the following criteria:
  - (a) the euro area SSS operator complies with the requirements laid down in Regulation (EU) No 909/2014;
  - (b) the NCB of the Member State in which the SSS operates has established and maintains appropriate contractual or other legally binding arrangements with the euro area SSS operator, which include the Eurosystem requirements laid down in Section II;
  - (c) the euro area SSS operator relies on T2S services for the operation of the SSS.
2. The Eurosystem determines the eligibility of a direct link or a relayed link, involving only euro area SSS, on the basis of the following criteria:
  - (a) the direct link or, in the case of a relayed link, all underlying direct links, complies or comply with the requirements laid down in Regulation (EU) No 909/2014;
  - (b) the investor securities settlement system (investor SSS) has been considered eligible by the Eurosystem because it complies with the eligibility criteria set out in paragraph 1;
  - (c) any intermediary securities settlement system (intermediary SSS) and the issuer securities settlement system (issuer SSS) involved in the link are either eligible or have been deemed compliant with the eligibility criteria set out in paragraph 1, points (a) and (b);
  - (d) each direct link and relayed link through which eligible assets can be held between the issuer SSS and the investor SSS in parallel with the direct link or relayed link whose eligibility is being determined, has been considered eligible by the Eurosystem.
3. Before determining the eligibility of a direct link or relayed link involving one or more SSSs operated by CSDs established in a European Economic Area (EEA) State whose currency is not the euro (hereinafter a 'non-euro area EEA SSS' operated by a 'non-euro area EEA SSS operator'), the Eurosystem carries out a business case analysis which takes into account, inter alia, (a) the value of the eligible assets issued in those SSSs and (b) the value of the eligible assets held by counterparties in those SSSs.
4. Where the outcome of the business case analysis is positive, the Eurosystem determines the eligibility of a link involving non-euro area EEA SSSs on the basis of the following criteria.
  - (a) The direct link or, in the case of a relayed link, all underlying direct links, complies or comply with the requirements laid down in Regulation (EU) No 909/2014.

- (b) For direct links, the NCB of the Member State in which the investor SSS operates has established and maintains appropriate contractual or other legally binding arrangements with the euro area operator of the investor SSS. These contractual or other legally binding arrangements must specify the obligation of the euro area SSS operator to implement the provisions laid down in Section II in its legal arrangements with the non-euro area EEA operator of the issuer SSS.

For relayed links, all underlying direct links in which a non-euro area EEA SSS acts as the issuer SSS must fulfil the criterion set out in the first paragraph of point (b). In a relayed link where both the intermediary SSS and the issuer SSS are non-euro area EEA SSSs, the NCB of the Member State in which the investor SSS operates must establish and maintain appropriate contractual or other legally binding arrangements with the euro area operator of the investor SSS. These contractual or other legally binding arrangements must specify not only the obligation of the euro area SSS operator to implement the provisions laid down in Section II in its legal arrangements with the non-euro area EEA operator of the intermediary SSS but also the obligation of the non-euro area EEA operator of the intermediary SSS to implement the legal provisions laid down in Section II in its contractual or other legally binding arrangements with the non-euro area EEA operator of the issuer SSS.

- (c) The investor SSS involved in the link has been considered eligible by the Eurosystem.
- (d) Any intermediary SSS and the issuer SSS involved in the link are either eligible or have been deemed compliant with the eligibility criterion set out in paragraph 1, point (a).
- (e) Each direct link and relayed link through which eligible assets can be held between the issuer SSS and the investor SSS in parallel with the direct link or relayed link whose eligibility is being determined, has been considered eligible by the Eurosystem.
- (f) The NCB of the non-euro area EEA State in which the issuer SSS operates has committed to reporting information on the eligible assets traded on domestic acceptable markets in a manner determined by the Eurosystem.

## **II. EUROSISTEM REQUIREMENTS**

1. In order to ensure legal soundness, an SSS operator must satisfy the NCB of the Member State in which the SSS operates, by reference to binding legal documentation, whether in the form of a duly executed contract or by reference to the mandatory terms and conditions of the relevant SSS operator or otherwise, that:
  - (a) the entitlement to securities held in an SSS operated by that SSS operator, including to securities held through the links operated by the SSS operator (held in accounts maintained by the linked SSS operators), is governed by the law of an EEA State;
  - (b) the entitlement of the participants in the SSS to securities held in that SSS is clear, unambiguous and ensures that the participants in the SSS are not exposed to the insolvency of that SSS operator;

- (c) where the SSS acts in the capacity of an issuer SSS, the entitlement of the linked investor SSS to securities held in the issuer SSS is clear, unambiguous and ensures that the investor SSS and its participants are not exposed to the insolvency of the issuer SSS operator;
  - (d) where the SSS acts in the capacity of an investor SSS, the entitlement of that SSS to the securities held in the linked issuer SSS is clear, unambiguous and ensures that the investor SSS and its participants are not exposed to the insolvency of the issuer SSS operator;
  - (e) no lien or similar mechanism provided for under applicable law or contractual arrangements will have a negative impact on the NCB's entitlement to the securities held in the SSS;
  - (f) the procedure for allocating any shortfall of securities held in the SSS, in particular in the event of the insolvency of: (i) the SSS operator; (ii) any third party involved in safekeeping the securities; or (iii) any linked issuer SSS, is clear and unambiguous;
  - (g) the procedures to be followed in order to claim securities under the legal framework of the SSS are clear and unambiguous, including, where the SSS acts as an investor SSS, any formalities to be fulfilled towards the linked issuer SSS.
2. An SSS operator must ensure that when the SSS it operates acts as an investor SSS, securities transfers made via links will be final within the meaning of Directive 98/26/EC of the European Parliament and of the Council<sup>10</sup>, i.e. it is not possible to revoke, unwind, rescind or otherwise undo such securities transfers.
  3. When the SSS that it operates acts as an issuer SSS, an SSS operator must ensure that it does not make use of a third-party institution, such as a bank or any party other than the SSS acting as intermediary between the issuer and the issuer SSS, or the SSS operator must ensure that its SSS has a direct or relayed link with an SSS which has this (unique and direct) relationship.
  4. In order to utilise the links between SSSs used to settle central bank transactions<sup>11</sup>, facilities must be in place to allow intraday free of payment (FOP) settlement. In case intraday delivery-versus-payment (DVP) settlement is used, cash settlement has to be conducted in central bank money. Settlement may be conducted in real-time on a gross basis or in a series of batch processes with intraday finality. This requirement is considered as fulfilled for direct and relayed links in which all SSSs involved in the link rely on T2S services.
  5. With regard to operating hours and opening days:
    - (a) an SSS and its links must provide settlement services on all business days;
    - (b) an SSS must operate between the hours of 07:00 and 18:00 Central European Time (CET)<sup>12</sup>;
    - (c) SSSs involved in direct links or relayed links must enable their participants to submit instructions for same-day DVP settlement via the issuer and/or the intermediary SSS, as applicable, to the investor SSS until at least 15.30 CET;

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<sup>10</sup> Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45).

<sup>11</sup> The settlement mechanism used by the Eurosystem for collateral mobilisation is specified in Article 5(2).

<sup>12</sup> CET takes account of the change to Central European Summer Time.

- (d) SSSs involved in direct links or relayed links must enable their participants to submit instructions for same-day FOP settlement via the issuer or intermediary SSS, as applicable, to the investor SSS until at least 17:45 CET;
- (e) SSSs must have measures in place to ensure that the operating times specified in points (b) to (d) are extended in the event of emergency.

Owing to the settlement features of TARGET2-Securities, the requirements set out in points (a) to (e) are considered as fulfilled for SSSs relying on T2S services, and for direct and relayed links in which all SSSs involved in the link rely on T2S services.

### III. APPLICATION PROCEDURE

1. Euro area SSS operators that intend for their services to be used in Eurosystem credit operations must submit an application for eligibility to the NCB of the Member State in which the SSS is established.
2. For links, including those involving a non-euro area EEA SSS, the operator of the investor SSS must submit the application for eligibility to the NCB of the Member State in which the investor SSS operates.
3. The Eurosystem may reject an application or, where the SSS or link is already eligible, the Eurosystem may suspend or withdraw eligibility if:
  - (a) one or more of the eligibility criteria provided for in Section I are not met;
  - (b) the use of the SSS or link could affect the safety and efficiency of Eurosystem credit operations and expose the Eurosystem to the risk of financial losses, or is otherwise deemed, on the grounds of prudence, to pose a risk to the Eurosystem.
4. The Eurosystem decision on the eligibility of an SSS or link is notified to the SSS operator which submitted the application for eligibility. The Eurosystem shall provide reasons for a negative decision.
5. The SSS or link may be used for Eurosystem credit operations once it has been published in the Eurosystem lists of eligible SSSs and eligible links on the ECB's website.

## **ELIGIBILITY CRITERIA FOR THE USE OF TRIPARTY AGENTS IN EUROSISTEM CREDIT OPERATIONS**

### **I. ELIGIBILITY CRITERIA FOR THE PROVISION OF TRIPARTY COLLATERAL MANAGEMENT SERVICES (TCMS) TO THE EUROSISTEM BY TRIPARTY AGENTS (TPAs)**

1. The Eurosystem determines the eligibility of a TPA to provide TCMS to the Eurosystem on the basis of all of the following criteria:
  - (a) the euro area TPA is operated by a central securities depository (CSD) established in a Member State whose currency is the euro and complies with the requirements laid down in Regulation (EU) No 909/2014;
  - (b) the TPA provides its TCMS to the Eurosystem in compliance with the Single Triparty Model for Europe, as set out in the Single Collateral Management Rulebook for Europe;
  - (c) the NCB which allows the use of TCMS via either the domestic or direct access mobilisation channels has established and maintains appropriate contractual or other legally binding arrangements with the euro area TPA operator, which include the Eurosystem requirements laid down in Section II.

### **II. EUROSISTEM REQUIREMENTS**

1. To ensure legal soundness, a TPA operator must satisfy the NCB which allows the use of TCMS via either the domestic or direct access mobilisation channels that the entitlement to securities held in an SSS and pledged or transferred to an NCB in the context of TCMS does not expose the NCB, as collateral taker, to the insolvency or default of the counterparty.
2. The NCB must ensure that the contractual arrangements in place with the TPA specify that:
  - (a) the contractual liability of the TPA towards the NCB is not limited in its amount and in particular that it contains no minimum threshold or maximum cap;
  - (b) the TPA is liable towards the NCB for all direct losses caused by its negligent or wilful breach of any obligation in the context of providing TCMS;
  - (c) the TPA is liable towards the NCB for any negligence or wilful misconduct on the part of third parties to which it has delegated, subdelegated or outsourced part of its tasks as a Eurosystem-eligible TPA;
  - (d) in the event of force majeure, the TPA must take timely and adequate action with a view to minimising any negative consequences for the NCB.
3. Prior to allocating assets to a triparty transaction, the TPA must execute the following tasks:
  - (a) the TPA must check that the ISIN is eligible based on the latest list of eligible assets provided by the HCB (or by the CCB in the case of CCBM transactions);
  - (b) the TPA must check that the ISIN has not been excluded from use in the given transaction;

- (c) the TPA must check that there is not a forbidden close link between the issuer of the security and the counterparty based on the latest close link information provided by the HCB (or by the CCB in the case of CCBM transactions);
  - (d) the TPA must value the asset in accordance with the latest pricing information provided by the Eurosystem;
  - (e) the TPA must apply the own-use haircut in the event that the asset is subject to own use.
4. To support TPAs in executing the tasks referred to in paragraph 3, the TPA shall use collateral management data provided to it on a daily basis. The data provided comprises:
- (a) Eligible assets data – information on changes to the list of eligible assets, i.e. a list compiled in delta mode, is provided to TPAs on a daily basis by the HCB (or by the CCB in the case of CCBM transactions). The delta list of eligible assets only includes assets:
    - (i) issued in the CSD operating the SSS where the collateral is held or
    - (ii) issued in a CSD whose SSS has an eligible link with the SSS where the collateral is held.

A separate delta list of eligible assets may be provided per HCB. The data provided includes the following elements:

    - ISIN
    - NCB: BIC identifying the NCB for which the ISIN is eligible or ineligible.
  - (b) Pricing information – a list of prices for each eligible asset relevant to the given TPA, i.e. a list compiled in full mode, is provided to TPAs on a daily basis by the ECB on behalf of the Eurosystem. This data is provided on a disaggregated basis and includes the following elements:
    - (i) Clean price
    - (ii) Accrued interest
    - (iii) Pool factor
    - (iv) Haircut, i.e. standard haircut to be applied to the security by the TPA
    - (v) Close-link haircut, i.e. additional haircut to be applied to the security by the TPA if the security is eligible for own-use by the counterparty
    - (vi) FX rate (relevant if the asset is denominated in a non-euro currency)
  - (c) Close links data – information on changes in close links data, i.e. a list compiled in delta mode, is provided to TPAs by the ECB on behalf of the Eurosystem only for counterparties with an active triparty transaction on each day in which there is a change in such data. The data provided includes the following elements:
    - (i) ISIN
    - (ii) Counterparty – BIC identifying the counterparty with a close link to the ISIN.
5. The data specified in paragraph 4 is provided to the TPA at the end of each business day and applies from the start of the next business day. All data is provided using an ISO 20022 business file. In exceptional circumstances the TPA may be requested to process and apply updated data on an intraday basis. In addition, the TPA must comply with the following rules in relation to the data:



- (a) If dissemination of collateral management data is not possible on a given day, by default the TPA must use previously reported prices.
  - (b) The TPA must treat the data as confidential and use the data exclusively for the purposes of collateralising Eurosystem credit operations.
  - (c) Disaggregated pricing data may not be shared with collateral givers (i.e. counterparties). The TPA may disclose to the collateral giver, only the collateral value per ISIN.
6. Substitution of collateral must be settled using procedures that link the release of the securities initially posted as collateral to the delivery of the new collateral, i.e. on a delivery-versus-delivery (DvD) or delivery-versus-payment (DvP) basis. Alternatively, substitution of collateral may be settled by depositing the new collateral before the initially posted collateral is released.
7. The TPA must have measures in place to ensure that the operating times and cut-off times specified in the Single Collateral Management Rulebook for Europe are extended in the event of emergency.
8. To facilitate any need to realise collateral, the TPA must satisfy the following requirements:
- (a) The TPA must have in place procedures and processes ensuring that collateral is available in a timely manner for realisation in the case of a default of an eligible counterparty. In the event of the default of a counterparty with an active triparty transaction, the TPA, upon request from the HCB, via the CCB in the case of CCBM, must suspend, without undue delay, all activity on the triparty transaction. Upon request from an NCB, the TPA must also, without undue delay, transfer the allocated collateral from the asset account (i.e. collateral receiving account) to another T2S securities account designated by the NCB for the purposes of realisation of collateral.
  - (b) The TPA must ensure that there are no technical or operational restrictions on accessing the collateral in the case of collateral realisation by an NCB.
  - (c) The TPA must ensure that the operational framework adequately mitigates the possibility of execution errors.

### III. APPLICATION PROCEDURE

1. Euro area TPA operators that intend for their services to be used in Eurosystem credit operations must apply eligibility to the NCB of the Member State in which the TPA operator is established.
2. The Eurosystem may reject an application or, where the TPA is already eligible, the Eurosystem may restrict, suspend or withdraw eligibility if:
  - (a) one or more of the eligibility criteria provided for in Section I are not met;
  - (b) the use of the TPA could affect the safety and efficiency of Eurosystem credit operations and expose the Eurosystem to the risk of financial losses, or is otherwise deemed, on the grounds of prudence, to pose a risk to the Eurosystem.
3. The Eurosystem decision on the eligibility of a TPA is notified to the TPA operator which submitted the application for eligibility. The Eurosystem provides reasons for a negative decision.
4. A TPA may be used for Eurosystem credit operations once it has been published in the Eurosystem list of eligible TPAs on the ECB's website.

## COMMON FEATURES FOR TERMS AND CONDITIONS WHEN ACTING AS A CCB FOR CREDIT CLAIMS

### *Article 1*

#### **Scope**

1. Counterparties may use credit claims to collateralise Eurosystem credit operations on a cross-border basis (i.e. counterparties may obtain funds from their respective home central bank (HCB) – the national central bank (NCB) of the Member State whose currency is the euro where they are located – by making use of credit claims governed by a law other than the law of the jurisdiction where the HCB is established). The NCB of the country whose law governs the credit claim acts as a correspondent central bank (CCB).
2. These terms and conditions apply where [insert name of CCB] acts as a CCB [insert if applicable: for credit claims mobilised by [insert name of HCB's counterparty]].
3. A counterparty seeking to mobilise a credit claim governed by [insert country adjective] law shall comply with the following provisions, which complement the terms and conditions applicable between the counterparty and the HCB.
4. Any action by the CCB pursuant to these terms and conditions is taken by the CCB on behalf of the HCB, and the CCB's acts and omissions shall be attributed to the HCB. The obligation to comply with the requirements set out in these terms and conditions shall be the responsibility of the counterparty.

### *Article 2*

#### **Collateralisation arrangement**

The legal collateralisation arrangement used for the creation of a security interest is [pledge/assignment/floating charge].

### *Article 3*

#### **Credit claim agreement**

1. The credit claim agreement [needs/does not need] to contain additional clauses.
2. [Insert if applicable: The following additional clauses need to be included in the credit claim agreement: [insert text of additional clauses]].

### *Article 4*

#### **Information to be submitted prior to initial mobilisation of credit claims**

1. Prior to the initial mobilisation of credit claims, the counterparty shall inform the HCB of its intention to mobilise assets where [insert name of CCB] acts as a CCB.

2. The counterparty shall provide to the HCB the following information for onward transmission to [insert name of CCB] by [email/post] to the following address: [insert email or postal address]:
  - [(a) the information specified in Article 5 on the credit assessment source[.];]
  - [(b) [Insert if applicable: a list of the counterparty's authorised signatures].]

#### *Article 5*

##### **Registration of the credit assessment source**

1. A counterparty shall register the credit assessment source with the HCB prior to the initial mobilisation of credit claims.
2. Where a counterparty carries out the registration specified in paragraph 1, it shall provide the HCB with the minimum data set out in the [insert reference to minimum data requirements].
3. Where a counterparty wishes to change the registered credit assessment source, the counterparty shall comply with paragraphs 1 and 2 providing details of the alternative credit assessment source.

#### *Article 6*

##### **Registration of credit claims**

1. Credit claims shall be registered with [insert name of CCB] prior to mobilisation. A counterparty shall submit the registration instruction to the HCB for onward transmission to the CCB.
2. Where a counterparty submits a registration instruction specified in paragraph 1, it shall provide the minimum data set out in the [insert reference to minimum data requirements].
3. The [insert name of CCB] shall assign a standardised Eurosystem credit claim identifier to each credit claim successfully registered.
4. The HCB shall notify the counterparty of the Eurosystem credit claim identifier.
5. The counterparty shall quote the Eurosystem credit claim identifier in all future instructions submitted regarding the credit claim.
6. Public registration of the credit claim [is also/is not] required.  
 [Insert if applicable: [The CCB/The counterparty] shall register the credit claim in [register name] maintained by [insert name of the authority that maintains the register].]  
 [Insert the following where the counterparty registers the credit claim: The counterparty shall provide [insert name of CCB] with confirmation of the registration.]

#### *Article 7*

##### **Delivery of documentation**

Documentation [shall/shall not] be provided as part of the registration process.

[Insert if applicable: The counterparty shall provide [insert name of CCB] with a copy of the credit claim agreement by [email/post] to the following address: [insert email or postal address].]

*Article 8***Confirmation of registration**

A credit claim shall be deemed registered where the requirements set out in Articles 5 and 6 and, where required, Article 7, have been fulfilled. The HCB shall provide the counterparty with a confirmation of registration.

*Article 9***Notification of the debtor and guarantor prior to the mobilisation of the credit claim**

1. Notification of the debtor prior to the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification has to be performed, according to [insert country adjective] law, prior to the mobilisation of the credit claim, by [the CCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to [insert name of CCB] by [email/post] to the following address: [insert email or postal address].]
2. Notification of the guarantor prior to the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification has to be performed, according to [insert country adjective] law, prior to the mobilisation of the credit claim, by [the CCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to [insert name of CCB] by [email/post] to the following address: [insert email or postal address].]

*Article 10***Mobilisation of credit claims**

Where a credit claim has been registered and the notification requirements set out in Article 9 have been complied with, the credit claim may be mobilised as collateral. To mobilise a credit claim, a counterparty shall submit instructions to the HCB which shall transmit the instructions to [insert name of CCB] for further processing.

*Article 11***Notification of the debtor and guarantor after the mobilisation of the credit claim**

1. Notification of the debtor after the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification has to be performed, according to [insert country adjective] law, after the mobilisation of the credit claim, by [the CCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by

it to [insert name of CCB] by [email/post] to the following address: [insert email or postal address].]

2. Notification of the guarantor after the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification has to be performed, according to [insert country adjective] law, after the mobilisation of the credit claim, by [the CCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to [insert name of CCB] by [email/post] to the following address: [insert email or postal address].]

#### *Article 12*

#### **Changes affecting mobilised credit claims**

1. A counterparty shall communicate any change in the core data elements concerning mobilised credit claims to the HCB within the course of the next business day.
2. The HCB shall share the information referred to in paragraph 1 with [insert name of CCB].

#### *Article 13*

#### **Demobilisation of credit claims**

A counterparty shall submit instructions to demobilise a credit claim to the HCB, which shall forward such instructions to [insert name of CCB] for further processing.

#### *Article 14*

#### **Fees**

[insert name of CCB] [charges/does not charge] fees for the mobilisation and management of credit claims. [Insert if fees are charged: Details of the fees charged are set out in the document entitled 'Collateral management in Eurosystem credit operations - information for Eurosystem counterparties', which is published on the ECB's website. The HCB shall debit the fees on a monthly basis from the counterparty's primary MCA in TARGET.]

## COMMON FEATURES FOR TERMS AND CONDITIONS WHEN ACTING AS AN ACB FOR CREDIT CLAIMS

### *Article 1*

#### **Scope**

1. Where a credit claim is governed by the law of the jurisdiction of the home central bank (HCB), and one or more of the debtor, guarantor or creditor of the credit claim is located in a different euro area Member State, the HCB may request the support of an assisting central bank (ACB) to provide assistance and advice to the HCB on the mobilisation of the credit claim. The ACB shall be the NCB of the Member State where the debtor and/or guarantor and/or creditor of a credit claim is located.
2. These terms and conditions shall apply when [insert name of ACB] acts as an ACB.
3. A counterparty seeking to mobilise a credit claim where [insert name of ACB] acts as an ACB shall comply with the following provisions, which complement the terms and conditions applicable between the counterparty and the HCB.

### *Article 2*

#### **Collateralisation arrangement**

The legal collateralisation arrangement used for the creation of a security interest is [pledge/assignment/floating charge].

### *Article 3*

#### **Credit claim agreement**

1. The credit claim agreement [needs/does not need] to contain additional clauses to facilitate the creation of a further security interest after mobilisation of the credit claim.  
[Insert if applicable: The following additional clauses shall be included in the credit claim agreement: [insert text of additional clauses].]

### *Article 4*

#### **Registration of credit claims**

1. Public registration of the credit claim is [is also/is not] required.  
[Insert if applicable: When [insert name of ACB] acts as ACB, registration [is /is not] required, in accordance with the requirements of the conflict of law rules applicable in the jurisdiction in which the HCB is established. Registration shall be performed according to the rules of the jurisdiction that requires registration].]

[Insert if applicable: Registration shall be performed, in [register name] maintained by [insert name of the authority that maintains the register], according to the respective rules applicable to the registry, by [the HCB/the counterparty].]

[Insert the following when the public registration is performed by the counterparty: When the public registration is performed by the counterparty, a confirmation of the registration shall be sent to the HCB by [email/post].]

#### *Article 5*

##### **Notification of the debtor and guarantor prior to the mobilisation of the credit claim**

1. Notification of the debtor prior to the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification shall be performed, according to [insert country adjective] law, prior to the mobilisation of the credit claim, by [the HCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to the HCB by [email/post].]
2. Notification of the guarantor prior to the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification shall be performed, according to [insert country adjective] law, prior to the mobilisation of the credit claim, by [the HCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to the HCB by [email/post].]

#### *Article 6*

##### **Notification of the debtor and guarantor after the mobilisation of the credit claim**

1. Notification of the debtor after the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification shall be performed, according to [insert country adjective] law, after the mobilisation of the credit claim, by [the HCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to the HCB by [email/post].]
2. Notification of the guarantor after the mobilisation of the credit claim [is/is not] required.
  - (a) [Insert if applicable: Notification shall be performed, according to [insert country adjective] law, after the mobilisation of the credit claim, by [the HCB/the counterparty].]
  - (b) [Insert the following when the notification is performed by the counterparty: When the notification is performed by the counterparty, a confirmation of the notification shall be sent by it to the HCB by [email/post].]

## OTHER PURPOSES FOR MOBILISATION OF COLLATERAL

	Purpose	Definition
1	<b>Emergency Liquidity Assistance</b>	Collateral reserved for the collateralisation of Emergency Liquidity Assistance (ELA) operations.
2	<b>Retail Payment System Guarantee</b>	Collateral reserved by retail payment system participants in order to secure the processing of payments in a retail payment system by means of a guarantee.
3	<b>CCP Margin Fund</b>	Collateral reserved by a CCP on behalf of a CCP participant in order to fulfil margin requirement obligations. In order to comply with EMIR requirements, each margin requirement differentiates between fixed income margin requirements vs. cash/derivatives margin requirements. This in turn is further differentiated between own book trades of the clearing member vs. trades for clients of the clearing member.
4	<b>CCP Default Fund</b>	Collateral reserved by a CCP on behalf of a CCP participant in order to fulfil default fund requirement obligations. In order to comply with EMIR requirements, each default fund requirement differentiates between fixed income default fund requirements vs. cash/derivatives default fund requirements related to own book trades of the clearing member.
5	<b>Eurosystem Reserve Management Services</b>	Collateral reserved for the purposes of providing Eurosystem reserve management services to central banks, monetary authorities or state institutions located outside the euro area and to international organisations.
6	<b>Banknotes</b>	Collateral reserved as a guarantee to cover a potential gap in banknotes withdrawals and lodgements.
7	<b>FX Transactions</b>	Collateral reserved to mitigate against exchange rate fluctuations in foreign exchange transactions and gold transactions.
8	<b>Cheque Guarantee</b>	Collateral reserved to act as a guarantee for the clearing/circulation of cashier's cheques issued by banks.
9	<b>National Deposit Insurance</b>	Collateral reserved to fulfil obligations owing in respect of National Deposit Insurance.
10	<b>SEPA Direct Debits</b>	Collateral reserved to act as a guarantee for the fulfilment of counterparties' SEPA Direct Debits (SDD).
11	<b>Instant Payments</b>	Collateral reserved to act as a guarantee for the fulfilment of emergency liquidity needs for local Instant Payments schemes.
12	<b>Eurosystem Repo Facility for Foreign Central Banks</b>	Collateral reserved for the collateralisation of euro liquidity provided to non-euro area central banks in the context of the Eurosystem repo facility for central banks.
13	<b>Collateralised Cash Management Services</b>	Collateral reserved for the provision of collateralised cash management services by a central bank (acting as financial agent) to public domestic institutional clients.