

T2S Auto-collateralisation - Static Data Set-up and Messages

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T2S Programme Office European Central Bank



- This presentation provides detailed steps of CMB configuration as well as messages and process flows involved in the auto-collateralisation in T2S
- The presentation aim to address following key questions on T2S auto-collateralisation
 - How to setup the static data for Central Bank Autocollateralisation (with Repo and Pledge Model) and for Client-collateralisation (with Repo Model)?
 - Which are the different processes involved in the auto-collateralisation in T2S?
 - How information related to auto-collateralisation flows between T2S and T2S Actors via different messages?





1 Introduction

- **2** Set-up for Central Bank auto-collateralisation Repo
- 3 Set-up for Central Bank auto-collateralisation Pledge
- **4** Set-up for client collateralisation Repo
- **5** Message flow and bookings Repo and Pledge

6 Annex





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Features and Characteristics

- "Central bank auto-collateralisation" where the credit provider is the central bank
- "Client auto-collateralisation" wherein the credit provider is a payment bank
- T2S relies on auto-collateralisation "on flow" and autocollateralisation "on stock" within the same process

Building Blocks

- Collateralisation procedures
- Cash and securities accounts involved
- Monitoring tools
- Static data feed





EOD Cash Management

- Liquidity Rebalancing:
- Rebalance the potential available liquidity between T2S DCAs of the credit consumer
- Identify the T2S DCAs potentially involved and generate the liquidity transfers to rebalance the required amount
- Collateral Relocation:
- New auto-collateralisation transaction triggered at EoD
- ✓ The collateral relocation procedure is always REPO
- ✓ Relevant collateral is moved into the "Regular Collateral Account"
- Optional Cash Sweep:
- Standing orders for triggering "optional cash sweep" which takes place after the automatic reimbursement and prior to the "automated cash sweep"
- Remaining cash of each T2S DCA and central bank cash accounts is transferred to the linked RTGS account





1 Introduction

2 Set-up for Central Bank auto-collateralisation - Repo

3 Set-up for Central Bank auto-collateralisation – Pledge

4 Set-up for client collateralisation - Repo

5 Message flow and bookings – Repo and Pledge

6 Annex



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T2S Auto-collateralisation Framework

Central Bank Auto-collateralisation set-up: Repo Mode

Step	T2S Actor	Action	Note	Mode
1	СВ	Creation of a new T2S Central Bank Account.		A2A/U2A
2	СВ	Setting the T2S Central Bank Account as usable for providing intraday credit for auto- collateralisation purpose.	This action results in the creation of a Credit Memorandum Balance, which is linked to one or more BICs defined by the Central Bank.	U2A
3	CSD	Creation of a new CSD Participant for the Central Bank.	The BIC of the new CSD Participant matches with the BICs linked to the Credit Memorandum Balance created as a result of step 2	A2A/U2A
4	CSD	Creation of a new Securities Account to be used as Regular Collateral Account for the Central Bank collateralisation.	This Securities Account is used for collateral relocation during the EoD phase.	A2A/U2A
5	CSD	Linking the Securities Account for Regular Collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	This Securities Account must not be used for collateralisation purpose. This link is required for the settlement of relocation instructions.	U2A/A2A
6	CSD	Creation of a new Securities Account to be used as Receiving Securities Account for the Central Bank auto-collateralisation.	This is the Securities Account where the selected collateral has to be stored in case of auto-collateralisation. Only one receiving securities account must be defined for a specific Credit Memorandum Balance of a Payment Bank.	A2A/U2A
7	CSD	Linking the Securities Account for receiving collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	This Securities Account must not be used for collateralisation purpose. This link is required for the settlement of auto-collateralisation and reverse auto-collateralisation instructions.	U2A/A2A



T2S Auto-collateralisation Framework

Central Bank Auto-collateralisation set-up: Repo Mode

Step	T2S Actor	Action	Note	Mode
8	СВ	Creation of a new Payment Bank		A2A/U2A
9	СВ	Creation of a new T2S Dedicated Cash Account for the Payment Bank.		A2A/U2A
10	СВ	 Linking the T2S Dedicated Cash Account of the Payment Bank: to the T2S Central Bank Account to the Regular Securities Account to the Receiving Securities Account 	This action results in the creation of a Credit Memorandum Balance, which is linked to one or more BICs of the Payment Bank and to the specified T2S Dedicated Cash Account and Securities Accounts.	U2A
11	CSD	Creation of a new CSD Participant for the Payment Bank	The BIC of the new CSD Participant matches one of the BICs linked to the Credit Memorandum Balance created as a result of step 10.	A2A/U2A
12	CSD	Creation of a new Securities Account for the Payment Bank	This Securities Account must be linked to a T2S Dedicated Cash Account for the settlement of the cash leg of the relevant Settlement Instructions.	A2A/U2A
13	CSD	Linking the Securities Account of the Payment Bank to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose and/or for collateralisation purpose.	When defining the link between the Securities Account and the T2S Dedicated Cash Account for settlement purpose, the CSD must specify whether such link must be used as default value in the context of Settlement Instruction validation.	A2A/U2A
14	СВ	Creation of the auto-collateralisation limit for the Payment Bank T2S Dedicated Cash Account		U2A







Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 1 – Creation of Central Bank Cash Account

This step aims at creating the Central Bank Cash account that will provide intraday credit

Responsible actor: NCB

Both U2A and A2A are available to perform this step

- U2A: T2S Dedicated Cash Account New/Edit Screen: UHB sample screen next slide
- A2A: acmt.007: Sample message Step1_NCB_Cash_Account_creation.xml









Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 1 – Creation of Central Bank Cash Account

UHB Screen sample

Field description

	CASH	SERVICES	STATIC DATA	MONITORING	
🎾 Static Data 🔹 T2S De	dicated Cash Account »	Dedicated Cash Accounts »	Edit Dedicated Cash Accour	t	S 🖬 &
2S Dedicated Cash Accou	nt				\$
Account Identifier NCBCASHAC1		Opening Date * 2015-06-01		Closing Date *	
Type		Parent BIC		Party BIC	1
T2S Central Bank Acco Party Short Name New party for INTEG	Junt	T2SOPBICXXX Party Type PMBK		NCBAXATTAAA]
Floor Notification * O		Ceiling Notification * 1000000	Issue Curr. *	RTG5 Account * RTGSAC1	
estrictions					(\$)
No records found	Valid From *	Valid To *			
Restriction *					

Field name	Mandatory / Optional	Value
Account identifier	М	NCBCASHAC1
Opening date	М	01/06/2015
Closing date	0	
Туре	М	T2S central bank account
Parent BIC	М	T2SOPBICXXX
Party BIC	М	NCBAXXYYAAA
Floor notification	0	0
Ceiling notification	0	10000000
Issue currency	М	EUR
RTGS Account	М	RTGSAC1
Restriction	0	
Valid from	0	
Valid to	0	



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 2 – Creation of CMB linked to the Central Bank BIC

This step aims at creating the CMB linked to the Central Bank BIC

Responsible actor: NCB

Only U2A is available to perform this step

• CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 2 – Creation of CMB linked to the Central Bank BIC

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🗇 🛛 Static Data 🔹 T2S 🛛	Dedicated Cash Account 🔹	Credit Memorandum Balance	s » Edit Credit Memorandu	um Balance	a 9 2
Credit Memorandum Balan					
Credit Memorandum Balar 263001	nce Id	T2S Dedicated Cash Accou	int	Primary CMB	
		NCBCASHAC1		Yes	
Authorized BIC Rules					
Huttorized bie fuiles					
		10	(1 of 1) 🔛 🖂		
	Wildcard Pattern * 💠			Inclusion 🗘	Options
NCBAXXYY*			Yes		÷ ۵
		+ 10	changes left		
NCB T2S Dedicated Cash A	Account				
NCB T2S Dedicated Cash A		Valid From			
NCBPE EREDC A1		2013-07-10			
Develop Converting Assessment					
Regular Securities Account					(*)
Regular Securities Account NCBPE ERESA C1	t Number	Valid From 2013-07-10			
0					
Receiving Securities Acco	unt				\$
Receiving Securities Accor NCBPE ERESA C2	unt Number	Valid From 2013-07-10		Valid To 9999-12-31	
NOBFE EREDA UZ		2013-07-10		3339-12-31	
1					

Field description

Field name	Mandatory / Optional	Value
T2S Dedicated cash account	М	NCBCASHAC1
Primary CMB	М	Yes
Wildcard pattern	М	NCBAXXYY*
Inclusion	М	Yes
NCB T2S dedicated cash account	0	
Valid from	М	01/06/2015

Note: One or more wildcard patterns (minimum BIC4 plus asterisk) BIC 4*, BIC 8* or BIC11 are allowed for primary CMB.



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 3 – Creation of a CSD participant for the NCB

This step aims at creating a CSD participant for the Central Bank in the CSD

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014: Sample message: Step3_NCB_As_CSDP_creation.xml







Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 3 – Creation of a CSD participant for the NCB

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DAT		
	ties » Parties » Edit Party	SERVICES	STATIC DAT		
arty					3
arty					
Parent BIC *	Party Type		Valid From	Closing Date	
CSDAXXYYAAA	CSD Participant		2015-06-01	9999-12-31	
arty Code					
alid From	BIC *	_			
2013-08-29	NCBAXXYYAAA				
		_			
arty Name					
alid From	Party Long Name *			Party Short Name *	
013-08-29	NCBA			NCBA	
echnical Addresses					3
		10	(1 of 1) 🛛 🔛	FI	
		Address Valu	e * 🗇		Options
DN1					e 🖷
2		+ 10 0	hanges left		
arket-Specific Attribute	IS				:
		10 - 14	(1 of 1) 🔛	FI.	
	Attribute Name * 💠			Attribute Value * 💠	Options
No records found					
		+ 10 c	hanges left		
estrictions					
			2		
		10	(1 of 1) 🔛	F1	
Restri	ction * 🗇	Valid From	\$	Valid To 🗘	Options

10 changes left

Submit Cancel Reset Technical Addresses Network Services Links

No records found



Field description

Field name	Mandatory / Optional	Value
Parent BIC	М	CSDAXXYYAAA
BIC	М	NCBAXXYYAAA
Туре	М	CSD Participant
Opening date	М	01/06/2015
Long name	М	NCBA
Short name	М	NCBA
Technical address	М	DN1



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 4 – Creation of the NCB Regular Collateral Account

This step aims at creating the Regular Collateral Account of the Central Bank in the CSD

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 4 – Creation of the NCB Regular Collateral Account

UHB Screen sample

Field description

Μ

identification

REGULARACCOUNT

SECURITIES	CASH Account » Securities Acco	SERVICES	STATIC DATA	MONITORING	à 🖬 2	Field name	Mandatory / Optional	Value
Securities Account					*			CSD Participant
Securities Account						Туре	Μ	account
Account Number * REGULARACCOUNT Securities Account Type *		Opening Date		Closing Date		Opening date	М	01/06/2015
CSD Participant accou	h	2015-06-01 Negative Position		2050-12-31 🕆 End Investor Account Flag		Closing date	0	
Pricing Scheme *						Hold/Release	М	Release
Account Holder						Negative position	n/a	
		BIC NCBAXXYYAAA	Name SN	Party Type CSD Participant		End Investor Flag	0	NONE
						Pricing Scheme	М	ISIN
						Parent BIC	М	CSDAXXYYAAA
						BIC	М	NCBAXXYYAAA
						Party Type	М	CSD Participant
						Account		·





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 5 – Link the Regular Collateral Account to the Central Bank Cash account

This step aims at linking the Regular Collateral Account of the Central Bank used for collateral relocation to the Central Bank Cash Account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 5 – Link the Regular Collateral Account to the Central Bank Cash account

Field description

UHB Screen sample

Mandatory / MONITORING SECURITIES CASH SERVICES STATIC DATA Field name Value Optional Static Data » Securities Account » Accounts Links » Edit Accounts Link Securities account Accounts Links REGULARACCOUNT number Μ T2S Dedicated Cash Account Securities Account Number **T2S Dedicated** REGULARACCOUNT NCBCASHAC1 Valid From Valid To Default Link Collateralisation Link **Cash Settlement Link** cash account Μ NCBCASHAC1 2012-09-22 2015-06-01 True False True Valid from Μ 01/06/2015 Submit Cancel Reset Valid to 0 **Default link** Μ True Collateralisation link Μ False Cash settlement link Μ True





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 6 – Creation of the NCB Receiving Account

This step aims at creating the Receiving Account that will be used during the autocollateralisation procedure to store the collateral given by the credit consumer during the intraday credit operation





(Step 11).

Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 6 – Creation of the NCB Receiving Account

UHB Screen sample

created after the creation of the PB as CSD participant

Field description

SECURITIES	CASH s Account » Securities A	SERVICES	STATIC DATA	MONITORING	<u> </u>	Field name	Mandatory / Optional	Value
							Optional	COD Deutliein ent
ecurities Account					*	T	м	CSD Participant
ecurities Account						Туре	М	account
Account Number * RECEIVINGACCOUN	T							
Securities Account Type *		Opening Date		Closing Date		Opening date	М	01/06/2015
CSD Participant acc	ount	2015-06-01		2050-12-31 🕆				
lold/Release *		Negative Position		End Investor Account Flag *		Closing date	0	
Release		L		No Account allocations 💌				
Pricing Scheme * ISIN						Hold/Release	Μ	Release
ccount Holder						Negative position	n/a	
	Parent BIC	BIC	Name SN	Party Type				
	SDAXXI TAAA	NCBAXXYYAAA	014	CSD Participant		End Investor Flag	0	NONE
						Pricing Scheme	Μ	ISIN
						Parent BIC	Μ	CSDAXXYYAAA
						BIC	Μ	NCBAXXYYAAA
						Party Type	Μ	CSD Participant
						Account		RECEIVINGACCOU
ote: In the cas	se of a Pled	ge model, the	receiving			identification	М	т



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 7 – Link the Receiving Account to the Central Bank Cash account

This step aims at linking the Receiving Account of the Central Bank to the Central Bank Cash account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 7 – Link the Receiving Account to the Central Bank Cash account

UHB Screen sample

Field description

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	a I 2	Field name	Mandatory / Optional	Value
						Securities account	optional	RECEIVINGACCOUN
Accounts Links					*	number	М	Т
RECEIVINGACCOU	NT	T2S Dedicated Cash Acco	unt			T2S Dedicated		
Valid From	Valid To	Default Link	Collateralisation Link	Cash Settlement Link		cash account	М	NCBCASHAC1
2015-06-01	2012-09-22	True	False	True				
						Valid from	М	01/06/2015
Submit Cancel	Reset					Valid to	0	
						Default link	М	True
						Collateralisation link	М	False
						Cash settlement		
						link	Μ	True

Note: In the case of a Pledge model, the receiving account belongs to the Payment Bank and linked in a later step to the Payment Bank DCA via Securities Accounts Links (Step 13).



ARGET 2-SECURITIES

Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 8 – Creation of the Payment Bank in the NCB

CSD as System

T2SOFBIEXXX **CSDAXXYYAAA**

Step 3

This step aims at creating the Payment Bank as a T2S Party in the NCB

Responsible actor: NCB

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014: Sample message: Step8 PB As PB creation.xml





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 8 – Creation of the Payment Bank in the NCB

EUROPEAN CENTRAL BANK

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🖻 Static Data 🔹 Parti	ies » Parties » Edit Party				a 5
arty					*
arty					
Parent BIC *	Party Type		Valid From	Closing Date	
NCBAXXYYAAA	Payment Bank		2015-06-01	9999-12-31	
arty Code					
/alid From	BIC *				
2013-08-29	PBAXXXYYAAA				
	PDAXAXITAAA				
arty Name (alid From	Party Long Name *			Party Short Name *	
2013-08-29	PBA			PBA	
	. =				
CSDPUKFFA04-TECH		Address Val + 10	ue * ◇ changes left		Options २ ট
	\$				2 B
	S	+ 10			2 B
arket-Specific Attributes	s Attribute Name * ≎	+ 10	changes left	bute Value * ≎	
CSDPUKFFA04-TECH		+ 10	changes left	bute Value * 🛇	2 m (\$
arket-Specific Attributes		+ 10	changes left	bute Value * 0	2 m (\$
arket-Specific Attributes		+ 10	changes left	bute Value * 0	2 m (\$
arket.Specific Attribute		+ 10	changes left	bute Value * ≎	₽ m
arket-Specific Attributes		+ 10	changes left	bute Value * 0	2 m (\$
arket-Specific Attributes		+ 10	<pre>changes left < (1 of 1) >> >> >= = Attri changes left < (1 of 1) >> => == == == == == == == == == == ==</pre>	bute Value * 0 Valid To 0	₽ m
arket-Specific Attributes	Attribute Name * ≎	+ 10	changes left (1 of 1) >> >> >> Attri changes left (1 of 1) >> >> >> >> >> >> >> >> >> >> >> >> >>		P m (≤)
arket-Specific Attributes	Attribute Name * ≎	+ 10	<pre>changes left < (1 of 1) >> >> >= = Attri changes left < (1 of 1) >> => == == == == == == == == == == ==</pre>		P m (≤)

Field description

Field name	Mandatory / Optional	Value
Parent BIC	М	NCBAXXYYAAA
BIC	М	PBAAXXYYAAA
Туре	М	Payment Bank
Opening date	М	01/06/2015
Long name	М	PBA
Short name	М	PBA
Technical address	М	DN2
Actual address	-	-
Valid from	М	01/06/2015
Street	М	Berger Strasse
House number	М	10800
Postal code	М	aaaaa
City	М	bbbbb
State or Province	М	ccccc
Country code	М	DD

Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 9 – Creation of a T2S Dedicated Cash Account for the Payment Bank

This step aims at creating the T2S Dedicated Cash Account for the Payment Bank

Responsible actor: NCB





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 9 – Creation of a T2S Dedicated Cash Account for the Payment Bank

UHB Screen sample

Field description

SECURITIES CASH	SERVICES	STATIC DATA	MONITORING		Field name	Mandatory /	Value
Static Data » T2S Dedicated Cash Acc	ount » Dedicated Cash Accounts »	Edit Dedicated Cash Accoun	t	a 🛛 Z		Optional	
T2S Dedicated Cash Account				 (*) 	Account identifier	М	PBDCA1
Account Identifier	Opening Date *		Closing Date *		Account identifier	IVI	FDUCAT
PBDCA1	2015-06-01 Parent BIC		2099-12-31 Party BIC		Opening date	М	01/06/2015
T2S Dedicated Cash Account	NCBAXXYYAAA]	PBAXXXYYAAA				
Party Short Name New party for INTEG	Party Type PMBK	_			Closing date	0	
Floor Notification *	Ceiling Notification *	Issue Curr. *	RTGS Account *		Туре	М	T2S dedicated cash account
					Parent BIC	М	NCBAXXYYAAA
Restrictions Type	Valid From 🗘	Valid To	\$	©ptions	Party BIC	М	PBAAXXYYAAA
No records found					Floor notification	0	0
Add/Update Restriction Restriction * Valid From *	¥alid To *				Ceiling notification	0	10000000
Add Row Update Row					Issue currency	М	EUR
					RTGS Account	Μ	RTGSAC2
					Restriction	0	
					Valid from	0	
Submit Cancel Reset					Valid to	0	



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 10 – Linking the T2S DCA to the T2S Central Bank Account, Regular and Receiving Account

CSD as System T2SOFBIEXXX

CSDAXXYYAAA

Step 3

This step aims at linking the T2S Dedicated Cash Account of the Payment Bank to the T2S **Central Bank Cash Account, Regular and Receiving Account**

Responsible actor: NCB

Only U2A is available to perform this step

CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 10 – Linking the T2S DCA to the T2S Central Bank Account, Regular and Receiving Account

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
💝 Static Data » T2S [Dedicated Cash Account »	Credit Memorandum Balances	» Edit Credit Memorandu	m Balance	a 🛛
Credit Memorandum Balan					*
Credit Memorandum Balar 263001	ice Id	T2S Dedicated Cash Account	t 7	Primary CMB	
		PBDCA1		Yes	
Authorized DIC Dules					
Authorized BIC Rules					۸
		10 🗸 🗔 🔜	(1 of 1) 🔛 🔛		
	Wildcard Pattern * 🗇			Inclusion \$	Options
PBAXXXYY*			Yes		÷ ۵
		+ 10 cł	nanges left		
NCB T2S Dedicated Cash A	iccount				*
NCB T2S Dedicated Cash A	ccount Number	Valid From			
NCBCASHAC1		2015-06-01			
6					
Regular Securities Account	ıt				*
Regular Securities Account	t Number	Valid From			
REGULARACCOU	NT	2015-06-01			
1					
Receiving Securities Acco					(*)
Receiving Securities Acco					<u> </u>
RECEIVINGACCO	UNT	2015-06-01		Valid To 9999-12-31	
<i>i</i>					
Submit Cance	el Reset				

Field description

Field name	Mandatory / Optional	Value
T2S Dedicated		
cash account	М	PBDCA1
Primary CMB	М	Yes
	IVI	100
Wildcard pattern	М	PBAAXXYY*
Inclusion	М	Yes
NCB T2S dedicated	IVI	165
cash account	М	NCBCASHAC1
Valid from	Μ	01/06/2015
Regular securities account	М	REGULARACCOUNT
doodant		
Valid from	М	01/06/2015
Receiving securities		RECEIVINGACCOUN
account	Μ	Т
Valid from	Μ	01/06/2015
Valid to	0	

Note:

EUROPEAN CENTRAL BANK

EUROSYSTEM

- One or more wildcard patterns (minimum BIC4 plus asterisk) BIC4*, BIC8* or BIC11 are possible in the primary CMB. The list of BICs defined will be used to identify securities accounts authorised to link to the PB T2S DCA (PBDCA1) in the step 13
- In the case of a Pledge model, the Collateral Receiving Account will be mentioned in the CMB after being linked to the Payment Bank DCA via Securities Accounts Links



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 11 – Creation of the Payment Bank as CSD Participan

CSD as System

Step 11

T2SOFBIEXXX **CSDAXXYYAAA**

Step 3

This step aims at creating the Payment Bank as CSD Participant in the CSD

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014: Sample message: Step11 PB As CSDP creation.xml





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 11 – Creation of the Payment Bank as CSD Participant

2

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
💝 Static Data » Partie	s » Parties » Edit Party				
Party					\$
Party					
Parent BIC *	Party Type		Valid From	Closing Date	
CSDAXXYYAAA	CSD Participant		2015-06-01	9999-12-31 (1	
Party Code					
Valid From 2013-08-29		_			
1	PBAAAATTAAA				
Party Name					
Valid From	Party Long Name *		_	Party Short Name *	
2013-08-29	PBA			PBA	
1					
Technical Addresses					×
		10 🗸 🖂	(1 of 1) 🔛 📧		
		Address Value	* \$		Options
DN2					P 🗃
		+ 10 ct	anges left		

1	Market-Specific Attributes					
	10 🗸	(1 of 1) > >				
	Attribute Name * 🗇	Attribute Value * 💠	Options			
	No records found					
	+	10 changes left				

10 💌 🔫 (1 of 1) 🔛 🖃					
Restriction * 🗇	Valid From * 🗇	Valid To 🗘	Options		
No records found					
+ 10 changes left					

Submit Cancel Reset Technical Addresses Network Services Links



Field description

Field name	Mandatory / Optional	Value
Parent BIC	М	CSDAXXYYAAA
BIC	М	PBAAXXYYAAA
Туре	М	CSD Participant
Opening date	М	01/06/2015
Long name	М	PBA
Short name	М	PBA
Technical address	М	DN2



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 12 – Creation of the Payment Bank Providing Account

CSD as System

T2SOFBICKXX **CSDAXXYYAAA**

Step 3

This step aims at creating the Collateral Providing Account for the Payment Bank in the CSD

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Securities Account New/Edit Screen: UHB sample screen next slide
- Reda.018: Sample message: Step12 PB providing account creation





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 12 – Creation of the Payment Bank Providing Account

UHB Screen sample

Field description

0

SECURITIES	CASH	SERVICES Accounts » Edit Securities Ar	STATIC DATA	MONITORING	 Field name	Mandatory / Optional	Value
Securities Account	es Account » Jecunites.	Accounts - Ean Seconnes A	count		Туре	М	CSD Participant account
Securities Account Account Number *					Opening date	М	01/06/2015
PBPROVIDINGAC Securities Account Type * CSD Participant ac	accumt	Opening Date 2015-06-01		Closing Date 2050-12-31	Closing date	0	
Hold:Release *	count	Negative Position		End Investor Account Flag*	Hold/Release	М	Release
Pricing Scheme *					Negative position	0	
Account Holder					Parent BIC	М	CSDAXXYYAAA
Valid From	Parent BIC CSDAXXYYAAA	BIC	Name SN	Party Type Central Securities Depository (CSD)	BIC	М	PBAAXXYYAAA
					Account identification	М	PBPROVIDINGAC
					End Investor Flag	0	NONE

Note: In the case of a pledge model, the Collateral Receiving Account belonging to the Payment Bank will be created at this stage.

ISIN



Pricing Scheme



Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 13 – Linking the Payment Bank T2S DCA to the Collateral Providing Account

This step aims at linking theT2S Dedicated Cash Account of the payment bank to its securities Collateral Providing Account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 13 – Linking the Payment Bank T2S DCA to the Collateral Providing Account

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🎾 Static Data 🔹 Sect	Lrities Account 🔹 Accounts	s Links 🔹 Edit Accounts Link	(a 2
Accounts Links					*
Securities Account Numb		T2S Dedicated Cash Ac	count		
Valid From 2015-06-01	Valid To 2012-09-22	Default Link True	Collateralisation Link True	Cash Settlement Link	
					(6
Submit	Reset				

Field description

Field name	Mandatory / Optional	Value
Securities account number	М	PBPROVIDINGAC
T2S Dedicated cash account	М	PBDCA1
Valid from	М	01/06/2015
Valid to	0	
Default link	М	True
Collateralisation link	М	True*
Cash settlement link	М	True**

Note:

- The list of BICs defined in step 10 will be used to identify securities accounts authorised to trigger auto-collateralisation on the PB T2S DCA (PBDCA1) used for settlement of cash leg of a securities transaction and/or used as providing collateral account.
- In the case of a Pledge model, the Collateral Receiving Account of the PB will be linked to the PB DCA at this stage

* T2S only allows a value 'True'. This means that the securities account is linked to a DCA for the provision of collateral.

** T2S also allows a value 'False'. This means that this securities account cannot be used for settlement of normal business instructions. However, T2S will cancel the reverse collateral instructions in case there were a revalidation triggered by a relevant static data update. Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 14 – Creation of the auto-collateralisation limit

CSD as System

CSDAXXYYAAA

Step 11

Step 3

This step aims at creating the auto-collateralisation limit for the Payment Bank

Responsible actor: NCB

Only U2A is available to perform this step

• Limit - New/Edit Screen: UHB sample screen next slide




Overview of set-up for auto-collateralisation with Central Bank (Repo) Step 14 – Creation of the auto-collateralisation limit

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING		
🖻 Static Data 🔹 T2S 🛛	Dedicated Cash Account » L	.imits » Edit Limit			A 🛛 2	
imit					*	
.imit Id		T2S Dedicated Cash Account	it Number	CMB Id		
106001		PBDCA1		106001		
imit Type		Amount *		Valid From *		
Auto-collateralisa	ition	50000000		2015-06-01		
Submit Cance	Reset					

Field name	Mandatory / Optional	Value
T2S DCS Number	М	PBDCA1
CMB Id	М	106001
Limit type	М	Auto-collateralisation
Amount	М	To be defined
Valid from	М	01/06/2015





1 Introduction

2 Set-up for Central Bank auto-collateralisation - Repo

00000

3 Set-up for Central Bank auto-collateralisation – Pledge

4 Set-up for client collateralisation - Repo

5 Message flow and bookings – Repo and Pledge

6 Annex



T2S Auto-collateralisation Framework

Central Bank Auto-collateralisation set-up: Pledge Mode

Step	T2S Actor	Action	Note	Mode
1	СВ	Creation of a new T2S Central Bank Account.		A2A/U2A
2	СВ	Setting the T2S Central Bank Account for providing intraday credit for auto-collateralisation purpose.	This action results in the creation of a Credit Memorandum Balance, which is linked to one or more BICs defined by the Central Bank.	U2A
3	CSD	Creation of a new CSD Participant for the Central Bank.	The BIC of the new CSD Participant matches with one of the BICs linked to the Credit Memorandum Balance created as a result of step 2.	A2A/U2A
4	CSD	Creation of a new Securities Account to be used as Regular Collateral Account for the Central Bank collateralisation.	This Securities Account is used for collateral relocation during the EoD phase.	A2A/U2A
5	CSD	Linking the Securities Account for Regular Collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	This Securities Account must not be used for collateralisation purpose. This link is required for the settlement of relocation instructions.	A2A/U2A
6	СВ	Creation of a new Payment Bank.		A2A/U2A
7	СВ	Creation of a new T2S Dedicated Cash Account for the Payment Bank.		A2A/U2A
8	СВ	 Linking the T2S Dedicated Cash Account of the Payment Bank: to the T2S Central Bank Account to the Regular Securities Account 	This action results in the creation of a Primary Credit Memorandum Balance, which is linked to the one or more BICs of the Payment Bank and to the specified T2S Dedicated Cash Account and Securities Accounts.	U2A



T2S Auto-collateralisation Framework

Central Bank Auto-collateralisation set-up: Pledge Mode

Step	T2S Actor	Action	Note	Mode
9	CSD	Creation of a new CSD Participant for the Payment Bank	The BIC of the new CSD Participant matches one of the BICs linked to the Credit Memorandum Balance created as a result of step 8.	A2A/U2A
10	CSD	Creation of a new Securities Account to be used as Receiving Securities Account for the Central Bank auto-collateralisation.	This is the Securities Account where the selected collateral has to be stored in case of auto- collateralisation. Only one receiving securities account must be defined for a specific Credit Memorandum Balance of a Payment Bank.	A2A/U2A
11	CSD	Linking the Securities Account for receiving collateral to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose.	This Securities Account must not be used for collateralisation purpose. This link is required for the settlement of auto-collateralisation and reverse auto-collateralisation instructions.	A2A/U2A
12	СВ	Linking the T2S Dedicated Cash Account of the Payment Bank to the Receiving Securities Account	Update of the Primary Credit Memorandum Balance created as a result of step 8.	U2A





T2S Auto-collateralisation Framework

Central Bank Auto-collateralisation set-up: Pledge Mode

Step	T2S Actor	Action	Note	Mode
13	CSD	Creation of a new Securities Account for the Payment Bank	This Securities Account must be linked to a T2S Dedicated Cash Account for the settlement of the cash leg of the relevant Settlement Instructions.	A2A/U2A
14	CSD	Linking the Securities Account of the Payment Bank to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose and/or for collateralisation purpose.	When defining the link between the Securities Account and the T2S Dedicated Cash Account for settlement purpose, the CSD must specify whether such link must be used as default value in the context of Settlement Instruction validation.	A2A/U2A
15	СВ	Creation of the auto-collateralisation limit for the Payment Bank T2S Dedicated Cash Account		U2A







Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 1 – Creation of Central Bank Cash Account

This step aims at creating the Central Bank Cash account that will provide intraday credit

Responsible actor: NCB

Both U2A and A2A are available to perform this step

- U2A: T2S Dedicated Cash Account New/Edit Screen: UHB sample screen next slide
- A2A: acmt.007: Sample message Step1_NCB_Cash_Account_creation.xml







Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 1 – Creation of Central Bank Cash Account

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🖻 Static Data 🔹 T2S Dedicate	d Cash Account » Dedica	ted Cash Accounts 🏾 »	Edit Dedicated Cash Accour	nt	\$ 2 &
2S Dedicated Cash Account					(*)
Account Identifier	00	ening Date *		Closing Date *	
NCBCASHAC1		015-06-01		2099-12-31	
Туре	Pa	ent BIC		Party BIC	
T2S Central Bank Account	т	2SOPBICXXX		NCBAXXYYAAA	
Party Short Name New party for INTEG	Par PM	ty Туре 3К			
Floor Notification *	Cei	ling Notification *	Issue Curr. *	RTGS Account *	
0	1	000000	EUR	RTGSAC1	
estrictions					\$
Type 🗘	Valid From	\$	Valid To	\$	Options
No records found					
dd/Update Restriction					
	From * Val	id To *			
Add Row Update Row					
Submit Cancel	Reset				
				()	

Field name	Mandatory / Optional	Value
Account identifier	М	NCBCASHAC1
Opening date	М	01/06/2015
Closing date	0	
Туре	М	T2S central bank account
Parent BIC	М	T2SOPBICXXX
Party BIC	М	NCBAXXYYAAA
Floor notification	0	0
Ceiling notification	0	10000000
Issue currency	М	EUR
RTGS Account	М	RTGSAC1
Restriction	0	
Valid from	0	
Valid to	0	



Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 2 – Creation of CMB linked to the Central Bank BIC

This step aims at creating the CMB linked to the Central Bank BIC

Responsible actor: NCB

Only U2A is available to perform this step

• CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 2 – Creation of CMB linked to the Central Bank BIC

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🗇 Static Data » T2S	Dedicated Cash Account	» Credit Memorandum Balance	es » Credit Memorandum E	Balance Details » Edit Credit	🖨 🔛 i
Credit Memorandum Bala					×
Credit Memorandum Bala 300015	nce Id	T2S Dedicated Cash Acco	unt	Primary CMB	
		NCBCASHAC1		Yes	
Authorized BIC Rules					(*)
♦ Wildcard Pattern	n 🌣 Inclusion Op	41			
		otions			
NCBAXXYY*	Yes				
Add/Domous Dulo					
Add/Remove Rule	Inclusion				
Wildcard Pattern					
Add Row Update R	ow				
NCB T2S Dedicated Cash	Account				(*)
NCB T2S Dedicated Cash A		Valid From			
340004		Sat Jan 01 00:00:00 CET	2011		
NCB T2S Bedicated Cash A	Account *	亩			
···· •		Valid From *			
Regular Securities Account	nt				*
Regular Securities Accourt	nt	Valid From			
330004		Sat Jan 01 00:00:00 CET	2011		
~					
(
Receiving Securities Acco					\$
Receiving Securities Acco 330004	unt	Valid From Sat Jan 01 00:00:00 CET	2011	Valid To Mon Jan 01 00:00:00 CET 2018	
Receiving Securities Acco	unt *	Valid From *			
				To *	
Submit Cance	el Reset				

Field description

Mandatory / Optional	Value
М	NCBCASHAC1
М	Yes
М	NCBAXXYY*
М	Yes
0	
М	01/06/2015
	Optional M M M M O

Note: One or more wildcard patterns (minimum BIC4 plus asterisk) BIC 4*, BIC 8* or BIC11 are allowed for primary CMB.



Overview of set-up for auto-collateralisation with Central Bank (Pledge), Step 3 – Creation of a CSD participant for the NCB

This step aims at creating a CSD participant for the Central Bank in the CSD

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014: Sample message: Step3_NCB_As_CSDP_creation.xml







Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 3 – Creation of a CSD participant for the NCB

UHB Screen sample

Static Data > Parties > Edit Party Party Party Party Party Party Party Code CSDAXXYYAAA CSD Participant 2015-06-01 9999-12-33 Party Code Valid From BIC * 2013-06-29 NCBAXXYYAAA Party Name Valid From Party Iong Name * NCBA Technical Addresses	SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
arty arty arty arty arty arty arty Person BiC Perty Type Valid From DNT Perty Long Name * NCBAXXYYAAA BiC * NCBAXXYYAAA CSD Party Long Name * NCBA NCBAXXYYAAA Comparison of the second			SERVICES	STATIC DATA	MONITORING	
arty arent BIC ' Party Type CSD Participant 2015-06-01 9999-12:-33 0 arty Code aid From BIC ' 013-08-29 NCBAXXYYAAA arty Name aid From O13-08-29 NCBAXXYYAAA arty Name ' NCBA NCBA Party Short Name ' NCBA NCBA Party Short Name ' NCBA NCBA Address Value ' 0 Option Address Value ' 0 Option 10 · · · (1 of 1) · · · Attribute Value * 0 Option Attribute Name ' 0 Attribute Name ' 0 Attribute Name ' 0 No records found + 10 changes left	Static Data / Fartie	s / Failles / Eultraily				
Darent BIC Party Type CSDAXXYYAAA CSD Participant 2015-06-01 Party Code Jaid from DI3-08-29 Party Long Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * Option Party Short Name * <p< td=""><td>arty</td><td></td><td></td><td></td><td></td><td>*</td></p<>	arty					*
Darent BIC Party Type CSD AXXYYAAA CSD Participant 2015-06-01 Party Code taid from 1013-08-29 Party Long Name * NCBA Party Short Name *	arty					
CSDAXXYYAAA CSD Participant 2015-06-01 9999-12-31 0 arty Code Add from DN Atdress value* Address value* Option Address value* Option Attribute Name * 10************************************		Party Type		Valid From	Closing Date	
arty Code Salid from Solid Form				2015-06-01		
Auid From D13-08-29 Arity Name Address Party Short Name * NCBA Party Short Name * Addresses Party Short Name * Party Short Name * Party Short Name * Address Value * 0 Adtribute Name * 0 Adtribute Name * 0 Adtribute N						
2013-08-29 Active Name Total from 2013-08-29 Party Long Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA Party Short Name * NCBA NCBA NCBA Party Short Name * NCBA NCBA Party Short Name * NCBA NCBA Party Short Name * Addresses Option Address Value * 0 Option Party Short Name * Addresses Image:	arty Code					
Add From 241d From 2013-06-29 Party Long Name * NCBA Party Short Na	/alid From	BIC *				
Arty Name Val from 10 Arty Short Name * NCBA Party Short Name * Addresses Addresses Party Short Name * Addresses Party Short Name * Party Short Name * Addresses Party Short Name * Party Short Na	2013-08-29	NCBAXXYYAAA				
Valid From 2013-08-29 NCBA echnical Addresses echnical Addresses IO I I I I I I I I I I I I I I I I I I						
Add From D013-08-29 Party Long Name * Party Short Name * NCBA NCBA						
2013-08-29 NCBA IO T I I I I I I I I I I I I I I I I I I						
echnical Addresses echnical Addresses ili i i i i i i i i i i i i i i i i i						
achnical Addresses		NCBA			NCBA	
10 m (1 or 1) >> >> Address Value * 0 Option DN1 + 10 changes left tarket.Specific Attributes 10 m ((1 or 1)) Attribute Name * 0 Attribute Value * 0 Option Attribute Name * 0 Attribute Value * 0 Option No records found + 10 changes left						
10 • • • • • • • • • • • • • • • • • • •						
Address Value * 0 Option DN1 + 10 changes left harket.Specific Attributes 10 • • • • • Attribute Value * 0 Attribute Name * 0 Attribute Value * 0 Option No records found + 10 changes left	echnical Addresses					۲
DN1 + 10 changes left larket-Specific Attributes Attribute Name * Attribute Value * Option No records found + 10 changes left estrictions 10 • <<			10 -	(1 of 1) 🕞 🖂		
Iarket-Specific Attributes Iarket-Specific Attribute Name * Iarket-Specific Attribute Name * Attribute			Address Va	ue * 💠		Options
+ 10 changes left arket-Specific Attributes IO	DN1					e 👜
10 • • • • • • • • • • • • • • • • • • •			+ 10	changes left		
10 • • • • • • • • • • • • • • • • • • •						
10 • • • • • • • • • • • • • • • • • • •						
Attribute Name * Attribute Name * Attribute Value * Option No records found + 10 changes left estrictions	arket-Specific Attributes					*
No records found + 10 changes left estrictions 10 • (1 of 1) >> >>			10 -	(1 of 1) 🕞 🖂		
No records found + 10 changes left estrictions 10 • I = I = I + I + I + I + I + I + I + I +		Attribute Name * 🗇		Atti	ribute Value * 💠	Options
estrictions	No records found					
10 💌 📧 (1 of 1) 🔊			+ 10	changes left		
10 V d d (1 of 1) >> >>						
10 💌 📧 (1 of 1) 🔊						
	estrictions					*
			10 -	(1 of 1)		
Restriction 1 Walid From 1 Walid To A						
No records found		ion * 🗘	Valid From	1* 0	Valid To 🗘	Options

10 changes left

Submit Cancel Reset Technical Addresses Network Services Links



Field name	Mandatory / Optional	Value
Parent BIC	М	CSDAXXYYAAA
BIC	М	NCBAXXYYAAA
Туре	М	CSD Participant
Opening date	М	01/06/2015
Long name	М	NCBA
Short name	М	NCBA
Technical address	М	DN1



Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 4 – Creation of the NCB Regular Collateral Account

This step aims at creating the Regular Collateral Account of the Central Bank in the CSD

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 4 – Creation of the NCB Regular Collateral Account

UHB Screen sample

Field description

SECURITIES	CASH rities Account » Securities A	SERVICES	STATIC DATA	MONITORING	à 🛙 2	Field name	Mandatory / Optional	Value
Securities Account						Туре	М	CSD Participant account
Account Number *	IT					Opening date	М	01/06/2015
Securities Account Type * CSD Participant acc Hold/Release *	count	Opening Date 2015-06-01 Negative Position		Closing Date 2050-12-31 End Investor Account Flag * No Account allocation		Closing date	0	
Release Pricing Scheme * Account				NO ACCOUNT ATTOCATION	13	Hold/Release	М	Release
Account Holder						Negative position	n/a	
Valid From 2013-05-10	Parent BIC CSDAXXYYAAA	BIC NCBAXXYYAAA	Name SN	Party Type Central Securities Deposito	iry (CSD)	Parent BIC	М	CSDAXXYYAAA
						BIC	М	NCBAXXYYAAA
						Account identification	М	REGULARACCOUNT
						End Investor Flag	0	NONE
						Pricing Scheme	М	ISIN





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 5 – Link the Regular Collateral Account to the Central Bank Cash account

This step aims at linking the Regular Collateral Account of the Central Bank used for collateral relocation to the Central Bank Cash Account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 5 – Link the Regular Collateral Account to the Central Bank Cash account

UHB Screen sample

Mandatory / MONITORING SECURITIES CASH SERVICES STATIC DATA Field name Value Optional Static Data » Securities Account » Accounts Links » Edit Accounts Link Securities account Accounts Links REGULARACCOUNT number Μ T2S Dedicated Cash Account Securities Account Number **T2S Dedicated** REGULARACCOUNT NCBCASHAC1 Valid From Valid To Default Link Collateralisation Link **Cash Settlement Link** cash account Μ NCBCASHAC1 2012-09-22 2015-06-01 True False True Valid from Μ 01/06/2015 Submit Cancel Reset Valid to 0 **Default link** Μ True Collateralisation link Μ False Cash settlement link Μ True



Field description

00000

TARGET 2-SECURITIES

Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 6 – Creation of the Payment Bank in the NCB

CSD as System

T2SOFBIEXXX **CSDAXXYYAAA**

Step 3

This step aims at creating the Payment Bank as a T2S Party in the NCB

Responsible actor: NCB



- Party New/Edit Screen: UHB sample screen next slide
- Reda.014





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 6 – Creation of the Payment Bank in the NCB

UHB Screen sample

Submit Cancel Reset Technical Addresses Network Services Links

SECURITIES MONITORING CASH SERVICES STATIC DATA A Static Data > Parties > Parties > Edit Party 4 2 2 Party Party Valid From Daront BIC * Party Type Closing Date 2015-06-01 9999-12-31 m NCBAXXYYAAA Payment Bank Party Code Valid From BIC * 2013-08-29 PBAXXXYYAAA Party Name Valid From Party Long Name Party Short Name * 2013-08-29 PBA PBA Technical Addresses 10 💌 14 <4 (1 of 1) Address Value * 0 Options р DN2 + 10 changes left Market-Specific Attributes 10 🗸 (1 of 1) Attribute Name * 🗘 Attribute Value * 🗘 Options No records found + 10 changes left Restrictions 10 👻 (1 of 1) Restriction * 💠 Valid From * 🗘 Valid To Options No records found + 10 changes left

Field name	Mandatory / Optional	Value
Parent BIC	М	NCBAXXYYAAA
BIC	М	PBAAXXYYAAA
Туре	М	Payment Bank
Opening date	М	01/06/2015
Long name	М	PBA
Short name	М	PBA
Technical address	М	DN2
Actual address	-	-
Valid from	М	01/06/2015
Street	М	Berger Strasse
House number	М	10800
Postal code	М	aaaaa
City	М	bbbbb
State or Province	М	CCCCC
Country code	М	DD



Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 7 – Creation of a T2S Dedicated Cash Account for the Payment Bank

This step aims at creating the T2S Dedicated Cash Account for the Payment Bank

Responsible actor: NCB





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 7 – Creation of a T2S Dedicated Cash Account for the Payment Bank

UHB Screen sample

SECURITIES CASH	SERVICES	STATIC DATA	MONITORING		Field name	Mandatory /	Value
Static Data » T2S Dedicated Cash Account	unt » Dedicated Cash Accounts » E	Edit Dedicated Cash Accoun	t	A 🛛 2		Optional	
T2S Dedicated Cash Account				*	Account identifier	М	PBDCA1
Account Identifier	Opening Date *		Closing Date *		Account identifier	IVI	FBDCAT
PBDCA1	2015-06-01 Parent BIC		2099-12-31 Party BIC		Opening date	М	01/06/2015
T2S Dedicated Cash Account	NCBAXXYYAAA]	PBAXXXYYAAA				
Party Short Name New party for INTEG	Party Type PMBK	1			Closing date	0	
Floor Notification *	Ceiling Notification *	Issue Curr. *	RTGS Account *		Туре	М	T2S dedicated cash account
][]			Parent BIC	М	NCBAXXYYAAA
Restrictions Type	Valid From \diamond	Valid To	\$	©ptions	Party BIC	М	PBAAXXYYAAA
No records found					Floor notification	0	0
Add/Update Restriction Restriction * Valid From *	¥alid To *				Ceiling notification	0	10000000
Add Row Update Row					Issue currency	М	EUR
					RTGS Account	М	RTGSAC2
					Restriction	0	
					Valid from	0	
Submit Cancel Reset					Valid to	0	





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 8 – Linking the T2S DCA to the T2S Central Bank Account and **Regular Account**

CSD as System T2SOFBIEXXX

CSDAXXYYAAA

Step 3

This step aims at linking the T2S Dedicated Cash Account of the Payment Bank to the T2S **Central Bank Cash Account and Regular Account**



Only U2A is available to perform this step

CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 8 – Linking the T2S DCA to the T2S Central Bank Account and Regular Account

UHB Screen sample

1		1				
	SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
	🗇 Static Data » T2S I	Dedicated Cash Account 🔹	Credit Memorandum Balances	 Edit Credit Memorandun 	n Balance	a 🛛 2
ŀ	Credit Memorandum Balar					*
	Credit Memorandum Balar 263001	nce Id	T2S Dedicated Cash Accour PBDCA1	nt	Primary CMB Yes	
			IBBOAT			
L						
F	Authorized BIC Rules					
ŀ	Autorized Dic Tules					
			10 🗸 🗔	(1 of 1) 🔛 🔛		
		Wildcard Pattern * 💠			Inclusion \$	Options
	PBAXXXYY*		Y	es		ت (
			+ 10 c	hanges left		
L						
	NCD TOC Dedicated Cash /	lanount				(*)
ŀ	NCB T2S Dedicated Cash #					×
	NCB T2S Dedicated Cash A	ccount Number	Valid From 2015-06-01			
	NCBCASHAC1		2013-00-01			
L	r					
_						
	Regular Securities Accour	nt				*
	Regular Securities Account		Valid From			
	REGULARACCOUN	NT	2015-06-01			
	r					
ſ	Receiving Securities Acco	unt				*
ľ	Receiving Securities Acco		Valid From		Valid To	
					9999-12-31	
	7					
L	-					
_						
	Submit Cance	Reset				

Field description

Mandatory / Optional	Value
М	PBDCA1
М	Yes
М	PBAAXXYY*
М	Yes
М	NCBCASHAC1
М	01/06/2015
М	REGULARACCOUNT
М	01/06/2015
М	(will be filled in a later stage)
М	(will be filled in a later stage)
0	
	Optional M M M M M M M M M M M M

Note:

EUROPEAN CENTRAL BANK

EUROSYSTEM

- One or more wildcard patterns (minimum BIC4 plus asterisk) BIC4*, BIC8* or BIC11 are possible in the primary CMB. The list of BICs defined will be used to identify securities accounts authorised to link to the PB T2S DCA (PBDCA1) in the step 14
- The Collateral Receiving Account will be mentioned in the CMB after being linked to the Payment Bank DCA via Securities Accounts Links

ARGET 2-SECURITIES

Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 9 – Creation of the Payment Bank as CSD Participa

CSD as System

Step 9

T2SOFBIEXXX **CSDAXXYYAAA**

Step 3

This step aims at creating the Payment Bank as CSD Participant in the CSD

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014





DN2

Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 9 – Creation of the Payment Bank as CSD Participan

UHB Screen sample

SECURITIES SERVICES MONITORING CASH STATIC DATA 💝 Static Data » Parties » Parties » Edit Party 4 2 2 Party Party Valid From Daront BIC * Party Type Closing Date 9999-12-31 m CSD Participant CSDAXXYYAAA 2015-06-01 Party Code Valid From BIC * 2013-08-29 PBAAXXYYAAA Party Name Valid From Party Long Name Party Short Name 2013-08-29 PBA PBA Technical Addresses 10 💌 14 <4 (1 of 1) Address Value * 0 Options р

r	farket-Specific Attributes				
	10 🗸 🗔	(1 of 1) >> >=			
	Attribute Name * Attribute Value * Opti				
	No records found				
	+	10 changes left			

+ 10 changes left

10 V 14 (4 (1 of 1) P) P1					
Restriction * 🗇	Valid From * 💠	Valid To 💠	Option		
No records found					
+ 10 changes left					

Submit Cancel Reset Technical Addresses Network Services Links



Field name	Mandatory / Optional	Value
Parent BIC	М	CSDAXXYYAAA
BIC	М	PBAAXXYYAAA
Туре	М	CSD Participant
Opening date	Μ	01/06/2015
Long name	Μ	PBA
Short name	М	PBA
Technical address	М	DN2

Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 10 – Creation of the Payment Bank collateral Receiving Account

This step aims at creating the Receiving Account that will be used during the autocollateralisation procedure to store the collateral given by the credit consumer during the intraday credit operation





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 10 – Creation of the Payment Bank collateral Receiving Account

UHB Screen sample

Field description

0

0

NONE

ISIN

SECURITIES	CASH s Account » Securities	SERVICES	STATIC DATA	MONITORING	A E 2	Field name	Mandatory / Optional	Value
Securities Account					*	Туре	М	CSD Participant account
Securities Account Account Number *						Opening date	M	01/06/2015
RECEIVINGACCOUNT		Opening Date		Closing Date		Closing date	0	01/00/2013
CSD Participant accor Hold/Release * Release	unt	2015-06-01 Negative Position		2050-12-31 (f) End Investor Account Flag * No Account allocations		Hold/Release	м	Release
Pricing Scheme *						Negative position	n/a	Reiddid
Account Holder	Parent BIC	BIC	Name	Party Type		Parent BIC	M	CSDAXXYYAAA
	CSDAXXYYAAA	PBAAXXYYAAA	SN	Central Securities Depository (CSD)		BIC	М	ΡΒΑΑΧΧΥΥΑΑΑ
						Account identification	M	RECEIVINGACCOUN T



End Investor Flag

Pricing Scheme



Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 11 – Link the Receiving Account to the Payment Bank Cash account

This step aims at linking the Receiving Account of the Payment Bank to the Payment Bank Cash account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 11 – Link the Receiving Account to the Payment Bank Cash account

UHB Screen sample

Static Data » Securities Account » Accounts Links » Edit Accounts Link Accounts Links Securities Account Number T2S Dedicated Cash Account PBDCA1	a . (*
Securities Account Number T2S Dedicated Cash Account	
RECEIVINGACCOUNT PBDCA1	
Valid From Valid To Default Link Collateralisation Link Cash Settlement Link	
2015-06-01 2012-09-22 True False False	
Submit Cancel Reset	

Field description

<u>R</u>	Field name	Mandatory / Optional	Value
0	Securities account number	М	RECEIVINGACCOUN T
	T2S Dedicated cash account	М	PBDCA1
, a	Valid from	М	01/06/2015
	Valid to	0	
	Default link	М	True
	Collateralisation link	М	False
	Cash settlement link	М	False*

*DCU6046: "When performing a Credit Memorandum Balance update request, the Receiving Securities Account Identifier specified must be linked to the primary CMB of the T2S Dedicated Cash Account Identifier with Collateralisation Link set to false and Cash Settlement Link set to false in case the Collateralisation Procedure for Auto-collateralisation Rule of the relevant NCB is not set to Repo and Primary CMB is set to True"





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 12 – Linking the Payment Bank Cash account to the Receiving. Account

> CSD as System T2SOFBIEXXX

CSDAXXYYAAA

Step 9

Step 3

This step aims at linking the T2S Dedicated Cash Account of the Payment Bank to the Collateral **Receiving Account**

Responsible actor: NCB

Only U2A is available to perform this step

CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 12 – Linking the Payment Bank Cash account to the Receiving Account

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
			es » Edit Credit Memorandu		 []
- Static Data - 125	Dedicated Cash Account * 0	credit meritorandum balant			
Credit Memorandum Bala	nce				\$
Credit Memorandum Bala 263001	nce Id	T2S Dedicated Cash Acco PBDCA1	punt	Primary CMB Yes	
Authorized BIC Rules					\$
		10 🗸 🗔	< (1 of 1) 🕨 📧		
	Wildcard Pattern * 🗇			Inclusion 🗘	Options
PBAXXXYY*			Yes		2 m
		+ 10) changes left		
NCB T2S Dedicated Cash # NCB T2S Dedicated Cash # NCBCASHAC1		Valid From 2015-06-01			(*)
Regular Securities Account	nt				8
Regular Securities Accour REGULARACCOU	nt Number	Valid From 2015-06-01			
Receiving Securities Acco	punt				*
Receiving Securities Acco		Valid From 2015-06-01		Valid To 9999-12-31	
Submit Canc	el Reset				

Field name	Mandatory / Optional	Value
T2S Dedicated		
cash account	Μ	PBDCA1
Primary CMB	М	Yes
T findary OND	1 1 1	100
Wildcard pattern	Μ	PBAAXXYY*
Inclusion	Μ	Yes
NCB T2S dedicated		
cash account	Μ	NCBCASHAC1
Valid from	Μ	01/06/2015
Regular securities		
account	Μ	REGULARACCOUNT
Valid from	Μ	01/06/2015
Receiving securities		RECEIVINGACCOUN
account	Μ	Т
Valid from	Μ	01/06/2015
Valid to	0	





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 13 – Creation of the Payment Bank Providing Account

This step aims at creating the Collateral Providing Account for the Payment Bank in the CSD

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 13 – Creation of the Payment Bank Providing Account

UHB Screen sample

Field description

SECURITIES	CASH ies Account » Securities /	SERVICES	STATIC DATA	MONITORING	ê 🛛 2	Field name	Mandatory / Optional	Value
Securities Account					٤	Туре	М	CSD Participant account
Securities Account Account Number * PBPROVIDINGAC						Opening date	М	01/06/2015
Securities Account Type * CSD Participant acco	ount	Opening Date 2015-06-01		Closing Date 2050 - 12 - 31		Closing date	0	
Hold/Release * Release Pricing Scheme *		Negative Position		End Investor Account Flag* No Account allocations 💌		Hold/Release	М	Release
Account 💌						Negative position	0	
	Parent BIC CSDAXXYYAAA	BIC	Name SN	Party Type Central Securities Deposito	y (CSD)	Parent BIC	М	CSDAXXYYAAA
L						BIC	М	PBAAXXYYAAA
						Account identification	М	PBPROVIDINGAC
						End Investor Flag	0	NONE
						Pricing Scheme	0	ISIN





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 14 – Linking the Payment Bank T2S DCA to the Collateral Providing Account

This step aims at linking theT2S Dedicated Cash Account of the payment bank to its securities Collateral Providing Account

Responsible actor: CSD





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 14 – Linking the Payment Bank T2S DCA to the Collateral Providing Account

UHB Screen sample

Curities Account Number T2S Dedicated Cash Account PBPROVIDINGAC PBDCA1 lid From Valid To 2015-06-01 2012-09-22 True True True True						(*)
lid From Valid To Default Link Collateralisation Link Cash Settlement Link				ccount		
2012-00-22		-	-	Collateralisation Link	Cash Settlement Link	
	2015-06-01					

Field description

3	Field name	Mandatory / Optional	Value
	Securities account number	М	PBPROVIDINGAC
	T2S Dedicated cash account	М	PBDCA1
	Valid from	М	01/06/2015
	Valid to	0	
	Default link	М	True
	Collateralisation link	М	True*
	Cash settlement link	М	True**

Note:

- The list of BICs defined in step 10 will be used to identify securities accounts authorised to trigger auto-collateralisation on the PB T2S DCA (PBDCA1)
- In the case of a Pledge model, the Collateral Receiving Account of the PB will be linked to the PB DCA at this stage

* T2S only allows a value 'True'. This means that the securities account is linked to a DCA for the provision of collateral.

** T2S also allows a value 'False'. This means that this securities account cannot be used for settlement of normal business instructions. However, T2S will cancel the reverse collateral instructions in case there were a revalidation triggered by a relevant static data update. Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 15 – Creation of the auto-collateralisation limit

CSD as System

CSDAXXYYAAA

Step 9

Step 3

This step aims at creating the auto-collateralisation limit for the Payment Bank

Responsible actor: NCB

Only U2A is available to perform this step

• Limit - New/Edit Screen: UHB sample screen next slide





Overview of set-up for auto-collateralisation with Central Bank (Pledge) Step 15 – Creation of the auto-collateralisation limit

UHB Screen sample

		SERVICES	STATIC DATA	MONITORING	
Static Data » T2S Dedi	licated Cash Account 🌸 Li	imits » Edit Limit		00.00	A 🛛 2
nit					*
nit ld 16001		T2S Dedicated Cash Accour PBDCA1	nt Number	CMB Id 106001	
nit Туре		Amount *		Valid From *	
Auto-collateralisation	1	50000000		2015-06-01	

1	Field name	Mandatory / Optional	Value
	T2S DCA Number	М	PBDCA1
	CMB Id	М	106001
	Limit type	М	Auto-collateralisation
	Amount	М	To be defined
	Valid from	М	01/06/2015




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2 Set-up for Central Bank auto-collateralisation - Repo

- 3 Set-up for Central Bank auto-collateralisation Pledge
- **4** Set-up for client collateralisation Repo
- **5** Message flow and bookings Repo and Pledge

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T2S Auto-collateralisation Framework

Client Collateralisation set-up: Repo Model

Step	T2S Actor	Action	Note	Mode
1	CSD	Creation of a new CSD Participant for the client.		A2A/U2 A
2	Payme nt Bank	Authorising the client for collateralisation, linking the T2S Dedicated Cash Account of the Payment Bank to the Securities Account for receiving collateral.	This action results in the creation of a Secondary Credit Memorandum Balance for the relevant T2S Dedicated Cash Account, which is linked to one or more BICs of the client and to the specified Securities Account. The Receiving Securities Account must be one of the Securities Accounts of the Payment Bank.	U2A
3	Payme nt Bank	Creation and set-up of the external guarantee, auto-collateralisation and unsecured credit limits.		U2A
4	CSD	Creation of a new Securities Account for the client.		A2A/U2 A
5	CSD	Linking the Securities Account to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose and/or for collateralisation purpose.		A2A/U2 A







Overview of set-up for client auto-collateralisation (Repo) Step 1 - Creation of the clients of the Payment Bank as CSD Participants

This step aims at creating the clients of the Payment Bank as CSD participants

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Party New/Edit Screen: UHB sample screen next slide
- Reda.014: Sample message: Step1_Client_PB_As_CSDP_creation.xml









Overview of set-up for client auto-collateralisation (Repo) Step 1 - Creation of the clients of the Payment Bank as CSD Participants

UHB Screen sample

Field description

			ounpre					
SECURITIES	CASH s > Parties > Edit Party	SERVICES	STATIC DATA	MONITORING	ê 🛛 2	Field name	Mandatory / Optional	Value
Party					*			
Party Parent BIC *	Party Type		Valid From	Closing Date 9999-12-31		Parent BIC	М	CSDAXXYYAAA
CSDAXXYYAAA	CSD Participant		2015-06-01	3333 12 01		BIC	М	PBCLXXYYA1A
Party Code Valid From 2013-08-29	BIC * PBCLXXYYA1A					Туре	М	CSD Participant
Party Name						Opening date	М	01/06/2015
Valid From 2013-08-29	Party Long Name * PBCLA			Party Short Name * PBCLA		Long name	М	PBCLA
Technical Addresses					(*)	Short name	М	PBCLA
		10 💌 🖂 🗧	(1 of 1) 🛛 🖂					
		Address Valu	ie * \$		Options ショ	Technical address	М	DN3
DN3		+ 10	changes left		T			
Market-Specific Attributes					*			
		10	(1 of 1) 🔛 🖃					
No records found	Attribute Name * 💠		Attr	ibute Value * 🗘	Options			
		+ 10	changes left					
Restrictions					(*)			
		10 -	(1 of 1) 🕞 🖃					
Restrict	ion * 💠	Valid From	* \$	Valid To \diamond	Options			
		+ 10	changes left					
Submit Cance	Reset Technic	al Addresses Network S	ervices Links					





Overview of set-up for client auto-collateralisation (Repo) Step 2 - Creation of the secondary CMB linked to the Payment Bank-B

This step aims at creating the secondary CMB

Responsible actor: Payment Bank

Only U2A is available to perform this step

CMB - New/Edit Screen: UHB sample screen next slide





Overview of set-up for client auto-collateralisation (Repo) Step 2 - Creation of the secondary CMB linked to the Payment Bank B

UHB Screen sample

SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🗇 Static Data » T2S I	Dedicated Cash Account >	Credit Memorandum Balances	s » Edit Credit Memorandur	n Balance	a E
Credit Memorandum Balan	ce				
Credit Memorandum Balar 263001		T2S Dedicated Cash Accou PBDCA1	nt	Primary CMB No	
Authorized BIC Rules					*
		10 💌 🗔 🗠	i (1 of 1) 🔛 💷		
	Wildcard Pattern * 💠			Inclusion \$	Options
PBCLXXYY*			'es changes left		ت د ا
NCB T2S Dedicated Cash A NCBPE EREDC A1	ccount Number	Valid From 2015-06-01			
Regular Securities Accoun	t				
Regular Securities Accoun NCBPE ERESA C1	t Number	Valid From 2013-07-10			
¢					
Receiving Securities Acco					*
Receiving Securities Accor PBRECEIVINGAC	unt Number	Valid From 2013-07-10		Valid To 9999-12-31	
Submit Cance	el Reset				

Field description

Mandatory / Optional	Value
М	PBDCA1
М	No
М	PBCLXXYY*
М	Yes
0	
М	01/06/2015
М	PBRECEIVINGAC
	Optional M M M M O M

Note:

- In order to allow the re-use of client collateral on flow for CB auto-collateralisation, the PBRECEIVINGAC should be the same as the PBPROVIDINGAC defined during CB autocollateralisation procedure (Step 12 and 13)
- The Regular Securities Account in the screenshot must be ignored





Overview of set-up for client auto-collateralisation (Repo) Step 3 - Creation of the client auto-collateralisation limits

This step aims at creating the external guarantee, auto-collateralisation and unsecured credit limits

Responsible actor: Payment Bank

Only U2A is available to perform this step

• Limit - New/Edit Screen : UHB sample screen next slide





Overview of set-up for client auto-collateralisation (Repo) Step 3 - Creation of the client auto-collateralisation limits

UHB Screen sample

		_		_	
SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🗇 Static Data » T2S [Dedicated Cash Account » L	imits » Edit Limit			a 🛛 2
Limit Limit Id		T2S Dedicated Cash Accou	nt Number	CMB Id	(*)
106001 Limit Type External guarantee		PBDCA1 Amount * 1000000		106001 Valid From * 2015-06-01	
Submit Cance		0177/0220			
SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	
🗇 Static Data » T2S [Dedicated Cash Account » L	limits » Edit Limit			â 🛛 2
Limit					*
Limit Id 106001		T2S Dedicated Cash Accou PBDCA1	nt Number	CMB Id 106001	
Limit Type Auto-collateralisatio	n	Amount * 2500000		Valid From * 2015-06-01	
Submit Cance	Reset				
SECURITIES	CASH	SERVICES	STATIC DATA	MONITORING	ADS
Static Data > T2S	Dedicated Cash Account	Limits » Edit Limit			A 4 3

SECURITIES CASH SERVICES STATIC DATA MONITORING Imit Imit



Field description

Field name	Mandatory / Optional	Value
T2S DCA Number	М	PBDCA1
Authorised BIC	М	PBCLXXYYA1A
		External guarantee,
		auto-collateralisation,
Limit type	М	unsecured credit
Amount	М	To be defined
Valid from	М	01/06/2015

Note:

- The "Authorised BIC" field will be inputted in the "Limits – New" screen
- Any of the BICs fitting the matching rule defined in the secondary CMB can be inputted



Overview of set-up for client auto-collateralisation (Repo) Step 4 - Creation of the Providing Securities Accounts for the client

This step aims at creating the Securities Accounts of the clients for providing collateral

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Securities Account New/Edit Screen: UHB sample screen next slide
- Reda.018: Sample message: Step4_PB_client_providing_account_creation.xml





Overview of set-up for client auto-collateralisation (Repo) Step 4 - Creation of the Providing Securities Accounts for the client-

UHB Screen sample

Field description

0

ISIN

SECURITIES	CASH es Account » Securities A	SERVICES	STATIC DATA	MONITORING	A II 2	Field name	Mandatory / Optional	Value
Securities Account					\$	Туре	М	CSD participant account
Securities Account Account Number * PBCLIENTPROVAC						Opening date	М	01/06/2015
Securities Account Type * CSD Participant acco	unt	Opening Date 2015-06-01]	Closing Date 2050-12-31 1		Closing date	0	
Hold/Release * Release Pricing Scheme *		Negative Position		End Investor Account Flag * No Account allocations		Hold/Release	М	Release
Account -						Negative position	0	
	Parent BIC CSDAXXYYAAA	BIC PBCLXXYYA1A	Name SN	Party Type Central Securities Depository (CSD)		Parent BIC	М	CSDAXXYYAAA
	CSDAAATTAAA	PBCLAATTATA				BIC	М	PBCLXXYYA1A
						Account identification	М	PBCLIENTPROVAC
						End Investor Flag	0	NONE



Pricing Scheme



Overview of set-up for client auto-collateralisation (Repo) Step 5 – Linking the clients Securities Accounts to the T2S DCA of the Payment Bank

This step aims at linking the Securities Accounts of the clients to the T2S DCA of the Payment Bank for cash settlement and/or collateralisation purpose

Responsible actor: CSD

Both U2A and A2A are available to perform this step

- Securities Accounts Links New/Edit Screen: UHB sample screen next slide
- Reda.049: Sample message: Step5_CMB_Account_link_Client_Providing.xml





Overview of set-up for client auto-collateralisation (Repo) Step 5 – Linking the clients Securities Accounts to the T2S DCA of the Payment Bank

UHB Screen sample

ccounts Links					
ecurities Account Num		T2S Dedicated Cash A	Account		
PBCLIENTPRO\	/AC	PBDCA1			
/alid From	Valid To	Default Link	Collateralisation Link	Cash Settlement Link	
2015-06-01	2012-09-22	True	True	True	

Field description

No.	Field name	Mandatory / Optional	Value
	Securities account number	М	PBCLIENTPROVAC
	T2S Dedicated cash account	М	PBDCA1
	Valid from	М	01/06/2015
	Valid to	0	
	Default link	М	True
	Collateralisation link	М	True*
	Cash settlement link	М	True**

* T2S only allows a value 'True'. This means that the securities account is linked to a DCA for the provision of collateral.

** T2S also allows a value 'False'. This means that this securities account cannot be used for settlement of normal business instructions. However, T2S will cancel the reverse client collateral instructions in case there were a revalidation triggered by a relevant static data update intraday or by the recycling of the pending DVP instruction at the start of the day.





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3 Set-up for Central Bank auto-collateralisation – Pledge

4 Set-up for client collateralisation - Repo

5 Message flow and bookings – Repo and Pledge

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- one for the credit provider as RVP
- one for the credit consumer as DVP





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Messaging flow for Repo procedure Generation of closing leg

When T2S settles the opening leg providing credit to the Payment Bank, it also generates the reimbursement instructions which are on hold for the credit consumer:

- one for the credit provider as DVP
- one for the credit consumer as RVP





Messaging flow for Repo procedure Reimbursement of intraday credit

The reimbursement will be done during the same settlement day either by:

- The Payment Bank (release of the reimbursement instructions)
- T2S during dynamic reimbursement for collateral substitution
- ✓ T2S if a limit is decreased during the settlement day and results in negative headroom
- T2S due to automatic reimbursement before End of Day relocation of collateral to the regular NCB account







EUROSYSTEM







Messaging flow for Pledge procedure Generation of closing leg

When T2S settles the opening leg providing credit to the Payment Bank, it also generates the reimbursement instructions which are on hold for the credit consumer:

- One delivering FOP and one receiving PFOD for the credit provider
- One receiving FOP and one delivering PFOD for the credit consumer







EUROSYSTEM



- Collateral relocation is a new auto-collateralisation transaction triggered at EoD should the PB not have sufficient resources to reimburse its intra-day credit
- The collateral relocation procedure is applicable in a similar way no matter which Auto-collateralisation procedure was chosen by the NCB (E.g. Repo, pledge or pledge-sub)
 - As such collateral relocation behaves like the Repo model from settlement point of view (e.g. two DVP instructions)
- The collateral relocation will move the relevant collateral into the so called "Regular Collateral account"
- Collateral relocation might trigger realignment in T2S depending on the location of the collateral providing account of the PB
- There is no reverse leg created by T2S





Messaging flow for <u>all</u> procedures Collateral relocation

Two DVP instructions are generated for all procedures:

- one for the credit provider as RVP
- one for the credit consumer as DVP

The collateral is moved to the Regular Collateral Account of the Central Bank





EUROSYSTEM



1 Introduction

2 Set-up for Central Bank auto-collateralisation - Repo

3 Set-up for Central Bank auto-collateralisation – Pledge

4 Set-up for client collateralisation - Repo

5 Message flow and bookings – Repo and Pledge

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Steps required for set-up of REPO procedure UDFS References

Refer Table 17-18 in UDFS 2.0

Step	T2S Actor	Action	Mapping UDFS Table
1	СВ	Creation of a new T2S Central Bank Account.	Table 17 - Step 1
2	СВ	Setting the T2S Central Bank Account for providing intraday credit for auto- collateralisation purpose.	Table 17 - Step 2
3	CSD	Creation of a new CSD Participant for the Central Bank.	Table 17 - Step 3
4	CSD	Creation of a new Securities Account to be used as regular securities account for the Central Bank collateralisation.	
5	CSD	Linking the Securities Account for regular collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	Table 17 - Step 5
6	CSD	Creation of a new Securities Account to be used as receiving securities account for the Central Bank collateralisation.	Table 17 - Step 6
7	CSD	Linking the Securities Account for receiving collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	Table 17 - Step 7
8	СВ	Creation of a new Payment Bank	Table 18 - Step 1
9	СВ	Creation of a new T2S Dedicated Cash Account for the Payment Bank.	Table 18 - Step 2
10	СВ	Linking the T2S Dedicated Cash Account of the Payment Bank: •to the T2S Central Bank Account •to the regular Securities Account •to the receiving Securities Account	Table 18 - Step 3
11		Creation of a new CSD Participant for the Payment Bank	Table 18 - Step 4
12	- CSD	Creation of a new Securities Account for the Payment Bank	Table 18 - Step 8
13	CSD	Linking the Securities Account of the Payment Bank to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose and/or for collateralisation purpose.	Table 18 - Step 9
14	СВ	Creation of the auto-collateralisation limit for the Payment Bank T2S Dedicated Cash Account	Table 18 - Step 10





Steps required for set-up of REPO procedure Interaction modes for the steps and associated A2A message / I screens (1/2)

Step	T2S Actor	Action	Mode	Inbound	Outbound	U2A Screen
1	СВ	Creation of a new T2S Central Bank Account.	A2A/U2A	acmt.007.001.01	acmt.010.001.01 acmt.011.001.01	T2S Dedicated Cash Account – New/Edit Screen
2	СВ	Setting the T2S Central Bank Account for providing intraday credit for auto-collateralisation purpose.	U2A	n/a	n/a	CMB - New/Edit Screen
3	CSD	Creation of a new CSD Participant for the Central Bank.	A2A/U2A	reda.014.001.01	reda.016.001.01	Party - New/Edit Screen
4	CSD	Creation of a new Securities Account to be used as regular securities account for the Central Bank collateralisation.	A2A/U2A	reda.018.001.01	reda.020.001.01	Securities Account - New/Edit Screen
5	CSD	Linking the Securities Account for regular collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	U2A/A2A	reda.049.001.01	reda.051.001.01	Securities Accounts Link - New/Edit Screen
6	CSD	Creation of a new Securities Account to be used as receiving securities account for the Central Bank collateralisation.	A2A/U2A	reda.018.001.01	reda.020.001.01	Securities Account - New/Edit Screen
7	CSD	Linking the Securities Account for receiving collateral to the Central Bank T2S Dedicated Cash Account for cash settlement purpose.	U2A/A2A	reda.049.001.01	reda.051.001.01	Securities Accounts Link - New/Edit Screen





Steps required for set-up of REPO procedure Interaction modes for the steps and associated A2A message / U screens (2/2)

Step	T2S Actor	Action	Mode	Inbound	Outbound	U2A Screen
8	CB	Creation of a new Payment Bank	A2A/U2A	reda.014.001.01	reda.016.001.01	Party - New/Edit Screen
9	СВ	Creation of a new T2S Dedicated Cash Account for the Payment Bank.	A2A/U2A	acmt.007.001.01	acmt.010.001.01 acmt.011.001.01	T2S Dedicated Cash Account – New/Edit Screen
10	СВ	Linking the T2S Dedicated Cash Account of the Payment Bank: •to the T2S Central Bank Account •to the regular Securities Account •to the receiving Securities Account	U2A	n/a	n/a	CMB - New/Edit Screen
11	CSD	Creation of a new CSD Participant for the Payment Bank	A2A/U2A	reda.014.001.01	reda.016.001.01	Party - New/Edit Screen
12	0.30	Creation of a new Securities Account for the Payment Bank	AZA/UZA	reda.018.001.01	reda.020.001.01	Securities Account - New/Edit Screen
13	CSD	Linking the Securities Account of the Payment Bank to the T2S Dedicated Cash Account of the Payment Bank for cash settlement purpose and/or for collateralisation purpose.		reda.049.001.01	reda.051.001.01	Securities Accounts Link - New/Edit Screen
14	СВ	Creation of the auto-collateralisation limit for the Payment Bank T2S Dedicated Cash Account.	U2A	n/a	n/a	Limit - New/Edit Screen





Content of opening legs of auto-collateralisation instructions REPO

FIELD	Credit provider side	Credit consumer side
<acctownrtxid></acctownrtxid>	NONREF	NONREF
<mktinfrstrctrtxid></mktinfrstrctrtxid>	ABCDEF111	ABCDEF222
<sctiesmvmnttp></sctiesmvmnttp>	RECE	DELI
<pmt></pmt>	АРМТ	АРМТ
<traddt><dt></dt></traddt>	2015-01-02	2015-01-02
<sttimdt><dt></dt></sttimdt>	2015-01-02	2015-01-02
<mtchgsts><cd></cd></mtchgsts>	MACH	MACH
<isin></isin>	ISIN0000001	ISIN0000001
<sttlmqty><unit></unit></sttlmqty>	25000	25000
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<sctiestxtp></sctiestxtp>	COLI	COLO
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<dlvrgsttimpties><pty1></pty1></dlvrgsttimpties>	PaymentBankBIC	PaymentBankBIC
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<rcvgsttimpties><dpstry></dpstry></rcvgsttimpties>	CSDBIC	CSDBIC
<rcvgsttimpties><pty1></pty1></rcvgsttimpties>	CentralBankBIC	CentralBankBIC
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<prcgsts><ackdaccptd></ackdaccptd></prcgsts>	NORE	NORE
		ELIBOSYSTEM

EUROSYSTEM



Content of closing legs of auto-collateralisation instructions REPO

FIELD	Credit provider side	Credit consumer side
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<sfkpgacct></sfkpgacct>	CB Receiving account	PB Providing account
<cshacct><prtry></prtry></cshacct>	CB DCA	PB DCA
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<dlvrgsttimpties><pty1></pty1></dlvrgsttimpties>	CentralBankBIC	CentralBankBIC
<dlvrgsttimpties><pty1><sfkpgacct></sfkpgacct></pty1></dlvrgsttimpties>	-	CB Receiving account
<rcvgsttimpties><dpstry></dpstry></rcvgsttimpties>	CSDBIC	CSDBIC
<rcvgsttimpties><pty1></pty1></rcvgsttimpties>	PaymentBankBIC	PaymentBankBIC
<rcvgsttimpties><pty1><sfkpgacct></sfkpgacct></pty1></rcvgsttimpties>	PB Providing account	-
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<pdg><rsn><cd></cd></rsn></pdg>	-	PREA
		EUKUSTSIEM





Content of opening legs of auto-collateralisation instructions Pledge

FIELD	Credit pro	vider side	Credit cor	nsumer side
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<mktinfrstrctrtxid></mktinfrstrctrtxid>	ABCDEF111	ABCDEF112	ABCDEF222	ABCDEF223
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<sfkpgacct></sfkpgacct>	Receiving account pledged	Receiving account pledged	PB Providing account	PB Providing account
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<sctiestxtp></sctiestxtp>	COLI	COLI	COLO	COLO
<dlvrgsttimpties><dpstry></dpstry></dlvrgsttimpties>	CSDBIC	CSDBIC	CSDBIC	CSDBIC
<dlvrgsttimpties><pty1></pty1></dlvrgsttimpties>	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC
<dlvrgsttimpties><pty1><sfkpgacct></sfkpgacct></pty1></dlvrgsttimpties>	PB Providing account	PB Providing account	-	-
<rcvgsttimpties><dpstry></dpstry></rcvgsttimpties>	CSDBIC	CSDBIC	CSDBIC	CSDBIC
<rcvgsttimpties><pty1></pty1></rcvgsttimpties>	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC
<rcvgsttimpties><pty1><sfkpgacct></sfkpgacct></pty1></rcvgsttimpties>	-	-	Receiving account pledged	Receiving account pledged
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<addtlrsninf></addtlrsninf>	Collateral operation []	Collateral operation []	Collateral operation []	Collateral operation []
<prcgsts><ackdaccptd></ackdaccptd></prcgsts>	NORE	NORE	NORE	NORE



Content of closing legs of auto-collateralisation instructions Pledge

FIELD	Credit prov	vider side	Credit co	onsumer side
<acctownrtxid></acctownrtxid>	NONREF	NONREF	NONREF	NONREF
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<sttlmqty><unit></unit></sttlmqty>	25000	0	25000	0
<sfkpgacct></sfkpgacct>	Receiving account pledged	Receiving account pledged	PB Providing account	PB Providing account
<hidind><ind></ind></hidind>	-	-	-	True <rsn><cd>PTYH</cd></rsn>
<cshacct><prtry></prtry></cshacct>	-	CB DCA	-	PB DCA
<sctiestxtp></sctiestxtp>	COLI	COLI	COLO	COLO
<divrgsttimpties><dpstry></dpstry></divrgsttimpties>	CSDBIC	CSDBIC	CSDBIC	CSDBIC
<divrgsttimpties><pty1></pty1></divrgsttimpties>	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC
<divrgsttimpties><pty1><sfkpgacct></sfkpgacct></pty1></divrgsttimpties>	-	-	Receiving account pledged	Receiving account pledged
<rcvgsttimpties><dpstry></dpstry></rcvgsttimpties>	CSDBIC	CSDBIC	CSDBIC	CSDBIC
<rcvgsttimpties><pty1></pty1></rcvgsttimpties>	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC	PaymentBankBIC
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<addtlrsninf></addtlrsninf>	Collateral operation []	Collateral operation []	Collateral operation []	Collateral operation []
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T2S Auto-collateralisation Framework Central Bank Auto-collateralisation set-up: Repo Model

TARGET 2-SECURITIES



EUROPEAN CENTRAL BANK

* Central Bank CMI ** Payment Bank CMB1



	Primary CMB setup		
	For CB auto-collateralisation		
Technical object	Central Bank CMB	Payment Bank CMB1	
Cash account	T2S Central Bank account	T2S Dedicated Cash Account	
BIC	Combinations of BICs. If wildcard pattern: minimum is BIC4 (NCBA*). No overlap between different BIC patterns.	Combinations of BICs. If wildcard pattern: minimum is BIC4 (PBEE*). No overlap between different BIC patterns.	
Regular Securities Account	N/A	Regular collateral account	
Receiving Securities Account	N/A	Receiving collateral account in case of Repo and Pledge procedure	
	- Regular collateral account with	- PB providing account	
	Collateral link = No	Collateral link = Yes	
Linked securities accounts through "CMB Securities Accounts Links"	Settlement Link = Yes	Settlement Link = Yes	
	 Receiving collateral account in case of Repo procedure 	- PB Receiving collateral account in case of pledge procedure	
	Collateral link = No	Collateral link = No	
	Settlement Link = Yes	Settlement Link = No	
BIC Validation rule	BIC11 of the owner of the linked securities accounts must match with the BIC(s) authorised in this CMB	BIC11 of the owner of the linked securities accounts must match with the BIC(s) authorised in this CMB	



T2S Auto-collateralisation Framework Client Auto-collateralisation set-up: Repo Model



EUROPEAN CENTRAL BANK



	Secondary CMBs setup		
	For client collateralisation		
Technical object	Payment Bank CMB2	Payment Bank CMB3	
Cash account	T2S Dedicated Cash Account	T2S Dedicated Cash Account	
BIC	Combinations of BICs. If wildcard pattern: minimum is BIC4 (PBCA*). No overlap with BIC patterns in different CMBs on the same DCA.	Combinations of BICs. If wildcard pattern: minimum is BIC4 (PBCA*). No overlap with BIC patterns in different CMBs on the same DCA.	
Regular Securities Account	N/A	N/A	
Receiving Securities Account	PB receiving account	PB receiving account	
Linked securities	- Client collateral providing account	- Client collateral providing account	
accounts through "CMB Securities	Collateral link = Yes Collateral link = Yes		
Accounts Links"	Settlement Link = Yes	Settlement Link = Yes	
BIC	BIC11 of the owner of the linked securities accounts must match with the BIC(s) authorised in this CMB and	BIC11 of the owner of the linked securities accounts must match with the BIC(s) authorised in this CMB and	
Validation rule	Not match with the BIC8 defined in the PB's primary	Not match with the BIC8 defined in the PB's primary	
		СМВ	







linked via one CMB or several CMBs.

EUROPEAN CENTRAL BANK



Thank you for your attention www.t2s.eu

