

From: Marosz, Kurt [Kurt.Marosz@Dresdner-Bank.com]
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Conversation: RE: public consultation on the CCBM2 User Requirements
Subject: RE: public consultation on the CCBM2 User Requirements

Dear Sir or Madam,

We appreciate the Eurosystems' efforts to consolidate and to enhance the current Correspondent Central Banking Model (CCBM) and the corresponding development of the TARGET2-Securities System, in order to increase the efficiency of the European Financial Market, as well as banks' liquidity management.

In Response to your public consultation on the CCBM2 User Requirements, we would like to give you the following comments:

Especially against the background of the current liquidity market crisis, the functionality of the pre-established Collateral Management Tools such as XEMAC, GC-Pooling and Tri-Party Repos has supported the liquidity management process considerably. Banks in Germany maintain approximately 65% of the total European collateral pool whereof 16% are settled via (XEMAC). Therefore, from a German market participant's perspective, we feel these particular functionalities should continue to serve as a (minimum) standard in considering further developments to the CCBM2-system .

Specifically, we would recommend considering the following major requirements:

1. Implementation of a direct access for all participants
 - o identical access rights and functionality for both, "user to application interface" (U2A) and "application to application" (A2A)
2. Support of established analysis and reporting tools
 - o in addition to an efficient technical pledging process, sufficient analysis and information tools should be provided in order to support the liquidity management process; therefore, we recommend initiating national workgroups lead-managed by the NCBs, which should lay the groundwork for the standards to be implemented in CCBM2.
3. Maintaining of Triparty Collateral Management Service

Finally, based on the close interface between CCBM2, T2S and T2, we would have expected one single system platform in order to provide real-time information and a cost efficient solution. If the Eurosystem should decide on an alternative platform solution, any resulting costs should not affect the users. Furthermore, we would like to emphasize our understanding that participation in the Eurosystem's open market operations, as a mandatory function, should not result in any costs being allocated to the users.

In case you should have any questions please do not hesitate to contact us.

Mit freundlichen Grüßen / kind regards

Kurt Marosz
Head of Liquidity Management

Dresdner Bank AG
Group Capital Management & Treasury

phone: +49 69 713-12020

fax: +49 69 713-19802

mobile: +49 1726964558

e-mail: <[mailto: kurt.marosz@dresdner-bank.com](mailto:kurt.marosz@dresdner-bank.com)>

Office: Theodor-Heuss-Allee 44-46, 60486 Frankfurt/M.

Post: Jürgen-Ponto-Platz 1, 60301 Frankfurt/M.