

T2S CHANGE REVIEW GROUP

Olivier Leveque
+49 69 1344 95182
T2S.CRG@ecb.int

Outcome

Teleconference of the T2S Change Review Group (CRG)

26 May 2020, 10:00-12:00 and 14:00-16:00

1. Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG members agreed to postpone two agenda items (T2S-0705-SYS CRDM Business Interface Impact on T2S; CRG-PBR-0022 Clarification note proposing a consistent wording of the T2S cash forecast) and approved the modified agenda of the meeting.

2. CRG action points list

Outcome

The ECB team provided an update on the status of open CRG action points. CRG members took note, in particular, of the following:

- AP-3921 (ECB team to ensure that the ongoing work to define a strategy for the long-term evolution of messages used in TARGET Services also includes a review of the principles for message customisation): CRG members took note that ECB and 4CB teams further work on a strategy for the long-term evolution of messages would take place in the second half of 2020, considering the higher priority of current competing tasks. The due date for AP-3921 was changed to 18 November 2020.
- AP-3914 (ECB team to provide for discussion a list of messages planned to be used in TARGET Services and their respective coordinating group). Similarly, the due date for AP-3914 was changed to 18 November 2020.

Follow-up action:

- CRG members to confirm the closure of action points proposed for closure [5 June 2020]

3. Analysis of change requests

3.1 Change requests under implementation

- T2S-0629-SYS (Enhance Cash Forecast Query and Report to display CORP related cash movements separately)

Outcome

The CRG agreed to the proposed UDFS and UHB updates resulting from CR-629, and confirmed its earlier recommendation to the PMG to implement CR-629 in T2S R5.0.

Follow-up action:

- ECB team to inform T2S technical groups of the updated CR [5 June 2020]

- T2S-0630-SYS (Cash forecast: skip cash closing days and introduce breakdown per Hold/Released status)

Outcome

In the scenario of a party holding DCAs in different currencies, the “next cash business day” might correspond to different calendar dates due to the different closing days of some currencies. In such a scenario, CRG members clarified that the T2S “next day cash forecast”, if no currency is specified, should cover both currencies and include, for each DCA, the data relevant for the next business day of its respective currency. As a result, the report / query response sent by T2S could include data referring to two different calendar dates, depending on the currency considered.

Subject to a further update of CR-630 to reflect this preference, the CRG agreed to the proposed UDFS and UHB updates resulting from CR-630, and confirmed its earlier recommendation to the PMG to implement CR-630 in T2S R5.0.

Follow-up action:

- 4CB to provide an updated CR-630 reflecting the CRG preference in a multi-currency scenario [5 June 2020]
- ECB team to inform T2S technical groups of the updated CR [5 June 2020]

- T2S-0654-URD (T2S Penalty Mechanism)

Outcome

The CRG took note of minor, additional adjustments to CR-654 (UHB annex and message examples) compared to the version reviewed by CRG members in a written consultation launched on 6 May 2020. Subject to a clarification of the times during which penalty-related screens in the T2S GUI would be unavailable, the CRG confirmed its earlier recommendation to the PMG to implement CR-654 in T2S R4.2.

Follow-up action:

- 4CB to clarify the times during which penalty-related screens in the T2S GUI would be unavailable [29 May 2020]
- ECB team to inform T2S technical groups of the updated CR [5 June 2020]

- T2S-0708-URD (Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA (including CB accounts))
- T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)
- T2S-0710-URD (Daily maintenance window only for urgent changes)

Outcome

The CRG agreed to the proposed documentation updates resulting from CR-708, CR-709 and CR-710, and confirmed its earlier recommendation to the PMG to implement these CRs in T2S R5.0.

Follow-up action:

- ECB team to inform T2S technical groups of the updated CRs [5 June 2020]

3.2 Change requests already authorised (and not yet under implementation)

- T2S-0680-SYS (T2S should allow ECMS to receive flat file statement of holdings, transactions and pending instructions at the level of securities accounts)

Outcome

The CRG agreed to the 4CB proposal to include in the solution design for CR-680 that the billing of flat file reports to CSDs should be broken down per securities account owner, in order to segregate the billing for the reports that will be sent to ECMS.

- T2S-0692-SYS (Send status update message upon transition to 'Failing')

Outcome

The CRG took note of the results of the detailed assessment of CR-692 and agreed to recommend to the PMG to implement CR-692 in T2S release 4.2.

- ~~T2S-0705-SYS (CRDM Business Interface Impact on T2S)~~

Outcome

Discussion postponed to the next CRG meeting.

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

- T2S-0723-SYS (Introduce reason code as parameter for T2S message subscription logic)

Outcome

The CRG took note of the results of the preliminary assessment of CR-723, and agreed to recommend the CR for authorisation by the T2S Steering Level.

The choice of CR parameters should be documented as follows:

- Legal/business importance: High – by allowing unsubscribing from messages on a more granular basis, the CR could contribute to reduce the volume of messages sent by T2S
- Market implementation efforts: Low – no adaptation is needed on T2S actors' side
- Operation/technical risk: Low – The CR is an enhancement of an existing functionality
- Financial impact parameter: 400kEUR < High < 700kEUR

Follow-up action:

- CRG members to provide business values for CR-723, so that it can be ranked upon authorisation [19 June 2020]

3.3.2 Candidates for preliminary assessment / Newly raised CRs

- T2S-0732-SYS (Inclusion of VAT numbers in T2S invoices)

Outcome

The CRG took note of minor updates to CR-732 clarifying that the inclusion of VAT info on T2S invoices should be optional, and that T2S services were and remained not subject to VAT.

CRG members agreed to launch the preliminary assessment of CR-732.

- T2S-0734-SYS (Allow 18 digits (of which max 2 decimals) in Amount fields of messages camt.004, camt.052, camt.053)

Outcome

CRG members agreed to launch the preliminary assessment of CR-734.

- T2S-0735-SYS (Message transmission fees itemized per securities account)

Outcome

CRG members agreed that several updates to CR-735 should be considered:

- the CR should explicitly list the messages intended to be in scope;
- the CR should reference also the billing items 'Transmission (inbound)' and 'Messages bundled into a file (inbound)'; and
- the CR should explicitly mention that in cases where the instructing party is different from the securities account owner, CR-735 would result in billing items being allocated to a different party than the current one (account owner instead of instructing party).

Follow-up action:

- CRG members to provide additional comments/questions on CR-735 [5 June 2020]
- Iberclear (CR initiator) to provide an updated version of CR-735 [24 June 2020]

- T2S-0736-SYS (Multiplex Editorial Change Request on UDFS and UHB (for R4.2))

Outcome

CRG members requested more time to review CR-736.

Follow-up action:

- CRG members to provide via written procedure their recommendation to the T2S Steering Level on the authorisation of CR-736 and the inclusion of the editorial updates it contains in the scope defining documents for T2S release 4.2 [5 June 2020]

4. Clarification notes

- Clarification note on CSLD CR-0038

Outcome

The CRG took note of CSLD CR-0038 and agreed to inform the PMG that the CRG considers the impact of CSLD CR-0038 on T2S functionality (new business rule at Cash Account level, preventing the creation of new Cash Accounts in different Currencies when the Currency is defined at System Entity level) to be acceptable.

- Clarification note on CSLD CRs and CSLD PBIs with CRDM impacts (in T2S R4.2)

Outcome

The CRG took note on CSLD CRs with CRDM impacts and agreed to inform the PMG that the CRG considers the impact of CSLD CR-0006, 0020, 0023 and 0038 on T2S functionality (impact mentioned above for CSLD-CR-0038, and possibility for payment banks to define floor/ceiling notification amounts on their DCAs) to be acceptable.

Follow-up action:

- 4CB to provide documentation updates reflecting the impacts identified [29 May 2020]
- ECB team to number clarification notes supporting cross-service impact assessment using the following pattern: T2S-ICN-#### [2 July 2020]

- ~~CRG-PBR-0022 (Clarification note proposing consistent wording of cash forecast)~~

Outcome

Discussion postponed to the next CRG meeting.

5. Any other business

- Debriefing of the workshop on NTS algorithms

Outcome

The CRG took note of the following main outcomes of the technical workshop on NTS algorithms held on 20 May 2020:

- Workshop participants agreed that any algorithmic solver/solution would always be a balance between precision and performance.
- 4CB and Clearstream will investigate bilaterally a possible short-term solution to ensure that the 'Reserved' priority flag ensures the settlement of a restriction before competing instructions with a lower priority. The outcome of this investigation will be shared with the CRG members.
- 4CB will continue to analyse and test a potential long-term solution improving the way transactions are selected for settlement during NTS (multi-criteria optimisation) to be further discussed in the T2S governance.

Follow-up action:

- ECB team to draft a comprehensive note summarising the state of play of the NTS algorithm investigations including references to related topics mentioned during the discussion (German registered shares processes, limits of a solution based on instruction links, earlier discussions on the interplay between transaction age and order of settlement [2 July 2020])

- INC0263753: T2S not able to derive DCA for PFODs in OUT-CSD settlement

Outcome

The CRG took note of the description of INC263753 by Clearstream and of the 4CB view that the behaviour of T2S is consistent with its design and documentation. CRG members agreed to discuss the way forward during the next CRG meeting.

Follow-up action:

- CRG members to provide their views on INC0263753, aiming at determining whether there is a CRG consensus that T2S should be able to settle Payment Free of Delivery instructions with an external CSD [5 June 2020]

- Update to the list of fields relevant for GDPR requests

Outcome

The CRG confirmed a minor update to the list of GDPR-relevant fields

Follow-up action:

- ECB team to inform the relevant technical groups involved in assessing the GDPR implications for T2S [5 June 2020]

- Potential new CR to input Cash Discount penalty rate as annual rate

Outcome

The CRG took note that the ECB team planned to present during the next CRG meeting a new CR on the format in which the Cash Discount penalty rate, used for CSDR penalty calculations, should be provided to T2S.

- Way forward on the 2018 report of the T2S External Examiner

Outcome

The CRG took note of the summary of relevant external examiner recommendations, and took note of the planned way forward to review the CRG mandate in the coming months, based on the CSG approach.

- Update on capacity consumption to the PMG

Outcome

The CRG took note of the update on capacity consumption to be presented to the PMG on 28 May 2020.

5.1 CRG meeting dates

The following CRG meetings are planned in 2019-2020 (to be confirmed at least 4 weeks in advance):

2 July 2020	02/07 10:00-16:00	Teleconference
9 July 2020	09/07 10:00-12:00	Follow-up telco (if needed)
17 September 2020	17/09 09:30-17:30	ECB Main building
October 2020 (if needed)	Dedicated GUI session	Non T2S-specific screens
18 November 2020	18/11 09:30-17:30	ECB Main building

Outcome

The CRG took note that the physical meeting foreseen on 2 July 2020 would be replaced by a teleconference on the same date, complemented by a follow-up teleconference on 9 July 2020 if needed.

For the GUI session envisaged in October 2020 CRG members invited the ECB team to organise it in a lean set-up, i.e. without a physical meeting.

Follow-up action:

- ECB team to propose a revised format for the presentation of future GUI screens (non T2S-specific screens) to the CRG [2 July 2020]