

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Clearstream	Institute: CSD	Date raised: 03/12/2012
Request title: Reference to identify instructions matched in T2S		Request ref. no: T2S 0388 SYS
Request type: Common		Urgency: Fast-track
1. Legal/business importance parameter: Critical	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter:	
Requestor Category: CSD	Status: Withdrawn by the initiator	

Reason for change and expected benefits/business motivation:

The change will allow CSDs to identify the pair of instructions that are matched and that are resulting in double entry booking within its books. Depending on the settlement scenario, this will apply to business instructions, realignment instructions and auto (client)-collateralisation instructions.

Description of requested change:

Business requirement

T2S should return upon matching of instructions (Business Instructions, Realignments or auto (client)-collateralisation instructions) a unique reference that allows CSDs to identify the pair of instructions that have matched in T2S.

This information should be propagated as soon as available in the status/ confirmation messages, as well as in the generation notification message where applicable. (E.g. realignment, and collateral related instructions)

Impacted messages	Function
Sese.024	Status advice
Sese.025	Settlement confirmation
Sese.032	Generation notification

Submitted annexes / related documents:

Attachment of CR 388 (Reference to identify instructions matched in T2S)

Proposed wording for the Change request:

N/a see annex in ppt.

High level description of Impact:

Outcome/Decisions:

CRG Telco of 10 December 2012: The CR was withdrawn by the initiator as a result of the decision of the CRG to send the Change Request T2S-0389_SYS (Reference to identify instructions matched in T2S and identification of origin of CoSD generated blockings) for detailed assessment.



Attachment of CR 388 (Reference to identify instructions matched in T2S)

ECB T2S Programme Office
European Central Bank

Description of the Request

- T2S reporting must be extended to allow the T2S users to identify the instruction legs that comprises a single transaction. In particular:

- T2S matching feedback must indicate to which instruction in T2S an existing instruction was matched

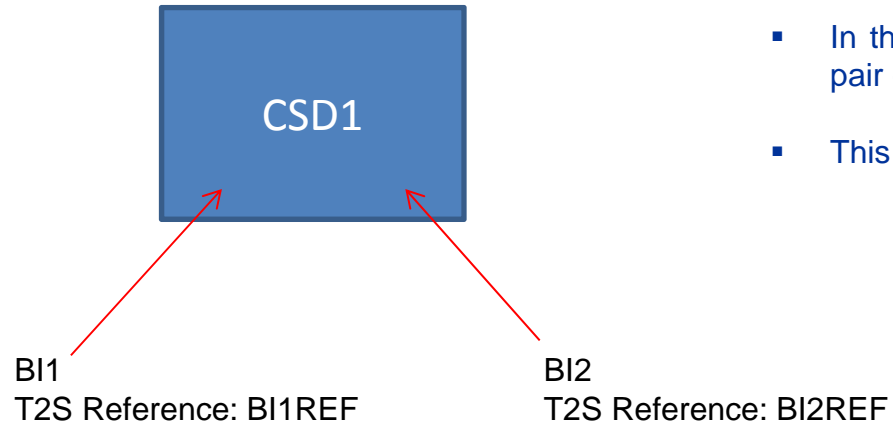
T2S generated auto-collateralisation transactions must include the T2S Matching Reference that is common to all the settlement instructions moving securities related to the auto-collateralisation transaction (e.g. same reference will be provided in realignment in case of cross-border auto-collateralisation)

- T2S generated realignments must allow an unambiguous identification to which cross-border transaction they relate, in particular in cross-border cases with more than one Investor CSD and thus with more than one realignment instruction at the Issuer CSD
- This should be achieved via a common reference assigned to the transaction

Messaging implementation:

- Either go for supplementary data which is clean (*without qualifiers – to be confirmed by Clearstream*)
- Or for a free text field available and that is not one that is used by CSDs/T2S already (e.g. NOT CmonId, AcctOwnrTxId, AcctSvcrTxId, MktInfrstrctrTxId, PrcrTxId, PoolId, TradId, CorpActnEvtId) if any available
- Please note that the field we had identified to avoid the use of supplementary data is TxDtIs\SettlementInstructionProcessingAdditionalDetails and this field is present in all status
 - *To be confirmed by CRG/Clearstream if that can be used*

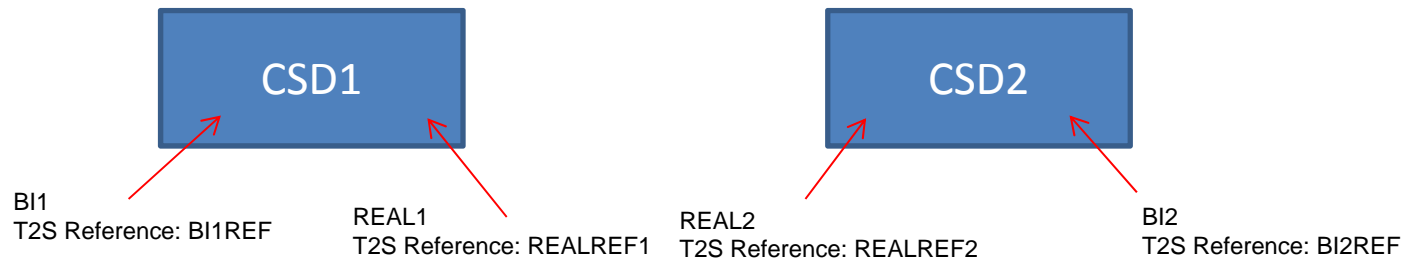
Scenario I – Intra-CSD settlement



- In this scenario, a single reference should be returned for the pair of instructions
- This applies to Already matched instructions also

Reporting of	sese.024	sese.025
BI1	ABC	ABC
BI2	ABC	ABC

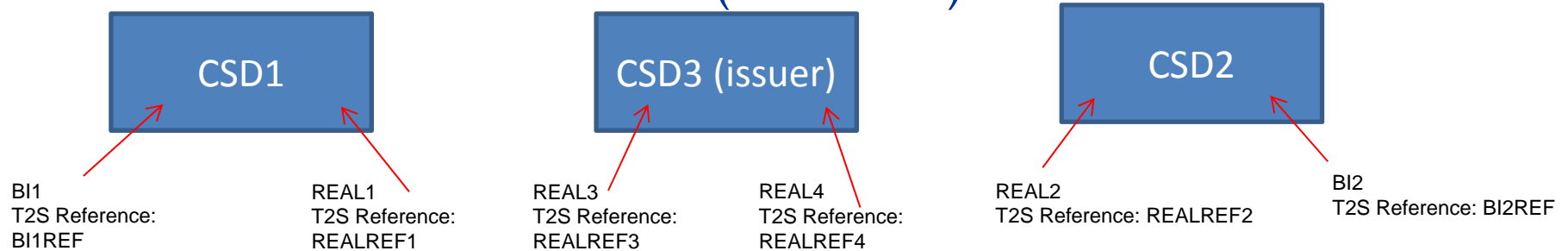
Scenario 2 – Cross-CSD settlement (two CSDs)



- In this scenario, the single transaction reference shall be propagated to status / confirmations of all the instructions. This will allow each CSD to reconcile the two instructions that have matched in its scope.

Reporting of	sese.024	sese.025	sese.032
BI1	ABC	ABC	n/a
BI2	ABC	ABC	n/a
REAL1	ABC	ABC	Link INFO with BIREF Link INFO with B2REF
REAL2	ABC	ABC	Link INFO with BIREF Link INFO with B2REF

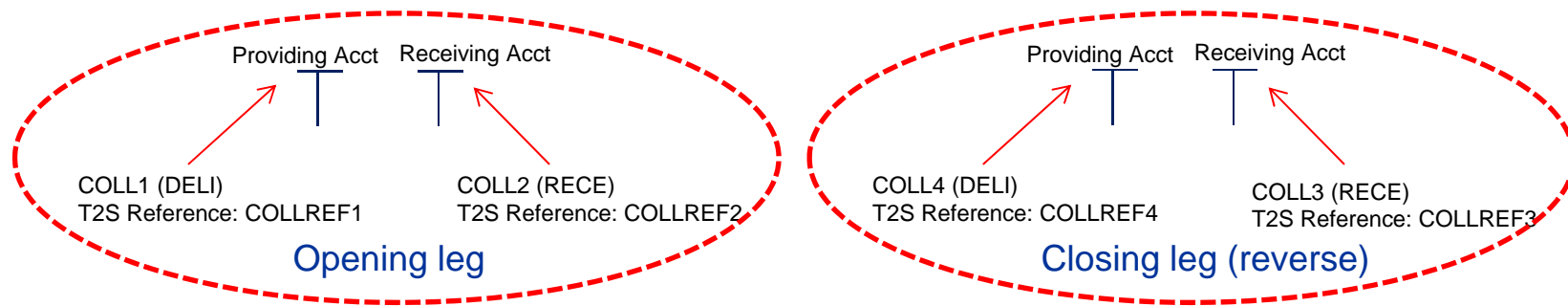
Scenario 3 – Cross-CSD settlement (three CSDs)



Similarly to previous scenario, the common transaction reference is provided for all instructions

Reporting of	sese.024	sese.025	sese.032
B11	ABC	ABC	n/a
B12	ABC	ABC	n/a
REAL1	ABC	ABC	Link INFO with B1REF Link INFO with B2REF
REAL2	ABC	ABC	Link INFO with B1REF Link INFO with B2REF
REAL3	ABC	ABC	Link INFO with B1REF Link INFO with B2REF
REAL4	ABC	ABC	Link INFO with B1REF Link INFO with B2REF

Scenario 4 (a) – Auto/Client collateralisation (Intra-CSD) – Repo procedure (on stock or on flow)

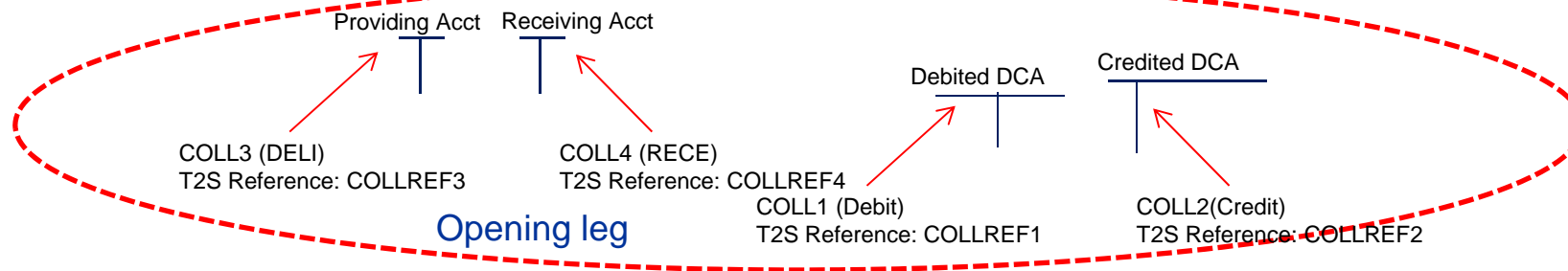


- Opening and closing legs do not need to be linked
- T2S should provide common reference to the opening legs and another one to the closing legs

Reporting of	sese.024*	sese.025	sese.032
COLL1 (Deli)	n/a	ABC	-
COLL2 (Rece)	n/a	ABC	-
COLL3 (Deli)	DEF	DEF	-
COLL4 (Rece)	DEF	DEF	-

* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Scenario 4 (b) – Auto collateralisation (Intra-CSD) –pledge procedure (on stock or on flow)

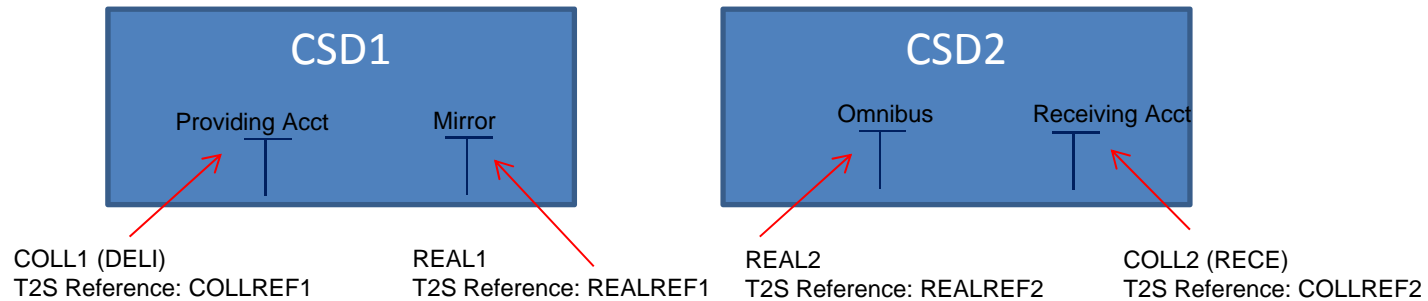


- Opening and closing legs do not need to be linked

* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Reporting of	sese.024*	sese.025	sese.032
COLL1 (Debit PFOD)	n/a	ABC	Link INFO with COLL4
COLL2 (Credit PFOD)	n/a	ABC	Link INFO with COLL3
COLL3 (Deli FOP)	n/a	HJK	Link INFO with COLL2
COLL4 (Rece FOP)	n/a	HJK	Link INFO with COLL1
COLL5 (Credit PFOD)	DEF	DEF	Link INFO with COLL8
COLL6 (Debit PFOD)	DEF	DEF	Link INFO with COLL7
COLL7 (Rece FOP)	LMN	LMN	Link INFO with COLL6
COLL8 (Deli FOP)	LMN	LMN	Link INFO with COLL5

Scenario 5 (a) – Auto/Client collateralisation (Cross-CSD) – Repo procedure



- Opening and closing legs do not need to be linked
- T2S should return one common reference for the set of instructions related to the opening leg and another one related to the closing leg)

* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Reporting of	sese.024 (closing)	sese.025	sese.032
COLL1 (Deli)	n/a	ABC	
COLL2 (Rece)	n/a	ABC	
REAL1	n/a	ABC	Link INFO with COLLREF1 Link INFO with COLLREF2
REAL2	n/a	ABC	Link INFO with COLLREF1 Link INFO with COLLREF2
COLL3 (Rece)	DEF	DEF	
COLL4 (Deli)	DEF	DEF	
REAL3	DEF	DEF	Link INFO with COLLREF3 Link INFO with COLLREF4
REAL4	DEF	DEF	Link INFO with COLLREF3 Link INFO with COLLREF4

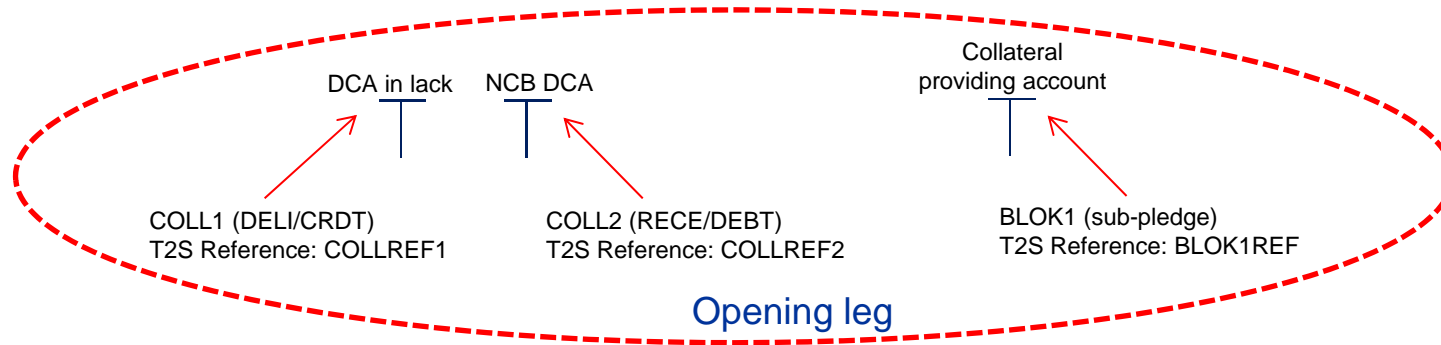
Scenario 5 (B) – Auto collateralisation (Cross -CSD) –pledge procedure (on stock or on flow)

- Opening and closing legs do not need to be linked
- T2S should return one common reference for the set of instructions related to the opening leg and another one related to the closing leg) including the realignments

Reporting of	sese.024 *(closing)	sese.025	sese.032
COLL1 (Debit PFOD)	n/a	ABC	Link INFO with COLL4
COLL2 (Credit PFOD)	n/a	ABC	Link INFO with COLL3
COLL3 (Deli FOP)	n/a	HJK	Link INFO with COLL2
COLL4 (Rece FOP)	n/a	HJK	Link INFO with COLL1
REAL1	n/a	HJK	Link INFO with COLL3 Link INFO with COLL4
REAL2	n/a	HJK	Link INFO with COLL3 Link INFO with COLL4
COLL5 (Debit PFOD)	DEF	DEF	Link INFO with COLL8
COLL6(Credit PFOD)	DEF	DEF	Link INFO with COLL7
COLL7 (Deli FOP)	LMN	LMN	Link INFO with COLL6
COLL8(Rece FOP)	LMN	LMN	Link INFO with COLL5
REAL3	LMN	LMN	Link INFO with COLL7 Link INFO with COLL8
REAL4	LMN	LMN	Link INFO with COLL7 Link INFO with COLL8

* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Scenario 6 – Auto/Client collateralisation (Intra-CSD) – Pledge-Sub procedure



- Pledge-Sub never triggers realignments
- Opening and closing legs do not need to be linked (only opening legs shown in the below table)
- T2S should return a common reference for the opening leg of the Auto-collateralisation in pledge (similarly one common for the closing leg)

Reporting of	sese.024 (closing)	sese.025	sese.032
COLL1 (DeI PFOD)	n/a	ABC	LINK INFO BLOCK1
COLL2 (Rece PFOD)	n/a	ABC	-
COLL3 (Rece PFOD)	DEF	DEF	LINK INFO BLOCK2
COLL4 (Deli PFOD)	DEF	DEF	-

COLL1 contains the reference of the blocking in sese.032 currently