T2S PROGRAMME OFFICE

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v1.1

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Summary

Meeting of the Change Review Group (CRG)

6 September 2016, from 09:30 to 17:30

held at Banco de España, Madrid

1. Introductory session

The Chairperson, Karen Birkel, welcomed the participants and the new/delegate CRG representative of CITI and Oesterreichische Kontrollbank (OeKB), Simon Copsey and Walter Sattmann respectively.

The Chairperson informed that the aim of the CRG meeting was to discuss the detailed assessment of Change Requests which are candidates for T2S Release 1.3, to discuss the preliminary assessment of the Change Requests, to discuss the new Change Requests from market, to inform CRG about the SGMS feedback on CR-590 and CR-611, to present few Change Requests from the backlog of Change Requests and agree on Batch 1 of Change Requests for 4CB preliminary assessment

The Chairperson informed the members that all the Change Requests that were presented to the CRG have now been published on the CRG website.

The Chairperson informed the CRG that Release Management Sub-Group (RMSG) proposed that the operational governance procedures should be extended to include the process for specific Change Requests, because it currently only covers common Change Requests. This information is also important for the Change Request prioritisation activity because it could be expected that the CRG may need to handle specific Change Requests. The Chairperson further added that the RMSG was considering that in future the CRG is only informed about the addition of production problems in the

release scope rather than involving the CRG in the decision making. However until the final decision is made CRG would be asked for recommendation to include the problem tickets in the release scope.

The CRG was informed about the feedback from the Operations Managers Group (OMG) about updates to the Data Migration Tool (DMT) files and operational impact assessment conducted by the OMG for the Change Requests. The OMG as well as the Project Managers Group (PMG) is of the opinion that the DMT files should be updated to ensure consistency to avoid operational issues. Consistent update of DMT files would also ensure that the files are ready for use in future. The OMG was not in favour of documenting the operational impact within the Change Request. The OMG reassured that they would raise a red flag if an impact assessment of a Change Request is a showstopper and then the CRG would have to decide about the Change Request.

The Chairperson mentioned that additional CRG teleconferences will be organised to present the Change Requests on hold. The objective would be to discuss the open questions related to the Change Requests and mature the Change Requests so that they could be considered for preliminary assessment.

2. Feedback on action points from previous CRG meetings

The participants were informed that only the 'open' action points would be discussed during the meeting. The feedback of CRG members for action points which were 'pending closure' would be collected through the written procedure[1].

T2SACTION-2526: related to clarification note from the User testing Sub Group (UTSG) on recycling period at EOD. The 4CB will include the clarification provided in the UTSG note about the recycling process for ending instructions and recycling period in the UDFS via a next editorial Change Request.

Update: The 4CB informed that the clarification about the recycling process for ending instructions and recycling period will be included in the next editorial Change Request T2S-0633-SYS (Multiplex Editorial Change Request on UDFS and UHB). The action point remains open.

T2SACTION-2524: related to Change Request T2S-0439-SYS (Decoupling of the link between securities and cash accounts for settlement and the link for the provision of collateral) which will be part of "Batch 0" for the preliminary assessment. Banca d'Italia will inform ECB next week if CR-439 could be withdrawn.

Update: Banca d'Italia informed that market consultation on the Change Request is on-going. Based on the outcome of the market consultation they may consider withdrawing or keeping the Change Request. The action point remains open.

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[1] During the written procedure from 08 September 2016 till 23 September 2016, the CRG members did not raise any objection for the action points with the status 'pending closure'; hence the action points were considered closed.

T2SACTION-2515: related to Change Request T2S-0358-URD (Unblocking of ISIN as part of Corporate Actions handling) VP Securities will connect trilaterally with 4CB and ECB to discuss some details related to the Change Request.

Update: The action point remains open.

T2SACTION-2512: related to business value for Change Requests for future releases. The CRG members will provide the business value for all the Change Requests that are on hold, by 18 November 2016.

Update: The CRG was informed that the CRG written procedure for assigning business value to Change Requests for future releases is currently on-going. The action point remains open.

T2SACTION-2511: related to Change Request T2S-0623-SYS (Standing rebalancing of securities positions). CR Initiator (Euroclear) to update the Change Request to include a description of the relevance of this change, i.e. to describe why the Change Request would add considerable value compared to the current workaround solutions.

Update: The CRG was informed that the Change Request was updated by the CR initiator. The updated Change Request will be discussed during the next CRG teleconference. The action point was closed.

T2SACTION-2509: related to Change Request T2S-0621-SYS (Multiple pending reason codes (combination of lack of securities and lack of cash)). The ECB will share the Change Request and related presentation with the DCPG and will ask DCPG to provide a view about their reporting requirements.

Update: The CRG was informed that after the CRG has discussed the presentation on possible solutions for reporting the accurate status of a settlement instruction during the meeting, based on the opinion of the CRG members the Change Request as well as the presentation will be shared with the DCPG along with the other Change Requests which are relevant for DCPG. The action point remains open.

T2SACTION-2507: related to Change Request T2S-0621-SYS (Multiple pending reason codes (combination of lack of securities and lack of cash)). The ECB will inform CSDR TF that status 'lack of cash' could result from a scenario where sufficient securities were not available in the securities account and hence auto-collateralisation availability would not be considered. The CSDR TF should be asked if they see a problem in the current T2S reporting logic regarding penalties regime.

Update: The CRG was informed that the CSDR Task Force had been informed that the status 'lack of cash' could result from a scenario where sufficient securities were not available in the securities account and the CSDR Task Force has not yet concluded on the topic. The action point remains open.

T2SACTION-2504: related to Change Request T2S-0620-SYS (Allow CSDs to query for all positions in a given security via T2S GUI). CR initiator (Clearstream) will update the Change Request

to remove the last paragraph (Additionally, the T2S Operator should be able to generate, on request of a CSD, a position report containing all positions of a given CSD in T2S. This report should be made available to the CSD in csv form) in the Description of Change Request. Also, the request for a new error code QMPC0XX should be replaced by a cross-field validation in the CR.

Update: The CRG was informed that the update on the Change Request was awaited from the CR initiator. The action point remains open.

T2SACTION-2503: related to Change Request T2S-0614-SYS (Reason code FUTU (Instruction is awaiting the settlement date) should not be used for unmatched instructions). The 4CB will add as part of the next editorial Change Request a footnote to the UDFS to indicate that T2S reporting logic is for the time being not in line with Rule 7.

Update: The CRG was informed that the addition of a footnote to the UDFS to indicate that T2S reporting logic is for the time being not in line with Rule 7 has been proposed via Change Request T2S-0633-SYS (Multiplex Editorial Change Request on UDFS and UHB). The action point was marked as 'pending closure'.

T2SACTION-2501: related to Change Request T2S-0613-SYS (T2S should give the possibility to receive outbound T2S messages bundled in files). The 4CB will provide a high level feasibility statement on whether it is technically easier to bundle messages in a file, i.e. if the pricing policy is justified in terms of the level of technical implementation.

Update: The CRG was informed that the 4CB is currently analysing the feasibility of bundling messages in a file. The analysis will be shared with the CRG during the next CRG meeting. The action point remains open.

T2SACTION-2447: related to Change Requests T2S-0617-SYS (Handling Liquidity Transfers with future value date) - The 4CB will confirm during detailed assessment of the Change Request (i) if future dated liquidity transfer could be tracked via any means in T2S (ii) the special checks that will be implemented to ensure that liquidity transfers with specified future business dates will be accepted by T2S.

Update: The 4CB confirmed point (ii) and informed the CRG that the point (i) was included in the detailed assessment. The action point was closed.

T2SACTION-2436: related to Plan to resolve the existing Change Request backlog - The ECB will share a presentation with the CRG members giving details of the Change Requests that are on hold.

Update: The CRG was informed that the ECB had prepared three presentations giving details of the Change Requests on hold. The Change Requests in the presentations were grouped according to the batches of CRs for preliminary assessment. Additional CRG Telco will be organised to go through the presentations. The action point was closed.

T2SACTION-2434: related to Change Request T2S-0590-SYS (Include information from the underlying settlement instruction in the T2S 'Bank to customer statement (camt.053)' message for optimising reconciliation) - The CR initiator (NBB) will update the Change Request and check with their market whether the Change Request is still needed, given that significant parts were proposed to be dropped.

Update: The CR initiator informed their market participant still support the Change Request. The action point was closed.

T2SACTION-2432: related to Change Request T2S-0503-SYS (T2S Actor Reference and T2S Reference of counterparty's settlement instruction should be included in T2S messages sese.024, sese.025 and sese.032 after matching) - The CR initiator (SIX SIS) will await information from SWIFT and check internally with regards to the current solution and inform the CRG about the way forward.

Update: The action point remains open.

T2SACTION-2159: related to task of 4CB to compile a list of their questions to the CR initiators for the CRs on hold.

Update: The CRG was informed that additional questions for the consideration for the CRs on hold were incorporated in the presentations on Change Requests in backlog. The action point was closed.

3. Approval of the summary of previous meetings

The ECB informed that the following summaries of the CRG meetings/telcos were updated following the CRG comments.

- Summary of the CRG teleconference of 17 June 2016

- Summary of the CRG meeting of 6-7 July 2016

- Summary of the CRG teleconference of 29 July 2016

The participants did not raise any objections to the final approval of the summaries. These summaries were approved by the CRG.

4. Analysis of Change Requests
A) Change Requests for T2S Release 1.3
Change Request T2S-0549-SYS (Statement of Transactions and Statement of Settled Intra-Position Movements reporting for Partially Settled transactions to be made SMPG compliant) - Planning and approach for dedicated performance testing campaign

The aim of the Change Request is to follow the Securities Market Practice Group (SMPG) standards on reporting of amount/quantity settled during a business day in the statement of transaction (semt.017) and in the statement of settled interposition movements (semt.016).

The CRG took note of the planning and approach for the 4CB dedicated performance testing campaign in the context of this Change Request.

The 4CB explained that they are still checking which migration wave's data would be appropriate for the 4CB dedicated performance testing campaign.

Change Request T2S-0560-SYS (T2S query/reporting functionality must be enhanced to allow the retrieval of the settlement instructions impacted by insolvency and their related SF1 (accepted) /SF2 (matched) timestamps in an efficient and standard way)

The aim of the Change Request is to allow the retrieval of the settlement instructions impacted by insolvency and their related SF1 (accepted) timestamp /SF2 (matched) timestamp in an efficient and standard way.

The CRG took note of the changes made in the second attachment of the Change Request, which includes the draft Insolvency Procedure Settlement Instructions Search/List Screen.

The CRG was informed that as the Change Request was already approved by the Steering level; the updated Change Request will be shared with the OMG and Steering level for information. The CSG will discuss the Change Request for inclusion in T2S Release 1.3 during the CSD Steering Group (CSG) meeting on 21 September 2016.

The CRG agreed to share the Change Request with the DCPG for their feedback.

Action point:

- The ECB will inform the OMG and the Steering level of the changes made in the second attachment of the Change Request, which includes the draft Insolvency procedure Settlement Instructions Search/List Screen.

- The ECB will add the Change Request to the DCPG consultation.

B) **Detailed assessment on Change Requests for future T2S Releases.**

The Chairperson informed that the additional 6 Change Requests on which 4CB has performed detailed assessment are candidates for T2S Release 1.3 and will be processed as scope change of Release 1.3 (the scope of Release 1.3 currently includes 11 Change Requests), if the CRG recommends the approval of the Change Requests and its inclusion in T2S Release 1.3. Based on the CRG decision the CSG would be invited for approval of the Change Request for T2S Release 1.3 during the CSG meeting on 21 September 2016. The Chairperson further added that the RMSG has expressed concerns that the size of Release 1.3 has increased in terms of number of Change Requests

and therefore testing of Change Requests could become difficult. If a Change Request is not urgent then it should not be considered for inclusion in the Release 1.3.

The 4CB confirmed that no negative performance impact was identified for the 6 additional Change Requests.

Change Request T2S-0593-SYS (Prevent acceptance (i.e. reaching SF1) of new settlement instructions at the level of a T2S Party)

The aim of the Change Request is to trigger the rejection of new incoming settlement instructions of an insolvent party via the Data Migration Tool.

The Change Request has a project cost of €112,341.91and an annual maintenance cost of €8,423.48.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

Change Request T2S-0617-SYS (Handling Liquidity Transfers with future value date)

The aim of the Change Request is to allow T2S to accept the future dated liquidity transfers from the Real Time Gross Settlement (RTGS) system e.g. TARGET2 (T2) on future business dates. This shall be possible only on currency specific closing dates (but it is a business day in T2S) and in contingency situations where currency related cut-offs are delayed.

The Change Request has a project cost of €100,409.87 and an annual maintenance cost of €8,498.45.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

Change Request T2S-0624-SYS (Remove possibility to amend CoSD Rule and CoSD Rule Set by setting the closing date to past business date)

The aim of the Change Request is to introduce a check that prevents users to update the "Valid To" date to the past business date in CoSD rule and CoSD rule set.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

Change Request T2S-0625-SYS (CoSD Rule - New/Edit Screen - Discrepancy within UHB and between UHB and GUI)

The aim of the Change Request is to update the name of the check box on the screen 'CoSD Rule – New/Edit Screen' from 'Conditional Settlement' to 'CoSD Processing'.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

Change Request T2S-0626-SYS (Allow NCBs to obtain the complete view of all DCAs in the Cash account balances U2A query)

The aim of the Change Request is to provide National Central Banks (NCB) a complete view of all Dedicated Cash Accounts (DCA) when querying the cash account balances screen.

The Change Request has a project cost of €17,854.54 and an annual maintenance cost of €1,622.22.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

Change Request T2S-0627-SYS (Managing overlapping of Restriction Types for Security Accounts)

The aim of the Change Request is to implement a check that prevents the Restriction Type with object restriction type "Securities Position" to create an overlap with other Restriction Type with the same object restriction type.

The CRG recommended the Change Request for approval and its inclusion in the T2S Release 1.3.

CRG decision: The CRG recommended the approval of the Change Request and its inclusion in the T2S Release 1.3.

C) Preliminary assessment on Change Requests from batch '0'

The CRG was informed that the preliminary assessment of a Change Request will now be included in a dedicated section within the Change Request.

Action point: The ECB will update the Change Requests to include the outcome of the preliminary assessments and republish them on the T2S website.

Change Request T2S-0384-SYS (A2A message to make securities ineligible for auto-collateralisation)

The aim of the Change Request is to remove the eligibility of securities that have lost their eligibility status via A2A messages for both central bank (in the context of central bank auto-collateralisation) and payment banks (in the context of client-collateralisation).

The CRG was informed that the Change Request would have impact on A2A, SDMG modules/functionalities in T2S and the impact of the Change Request was medium.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Change Request T2S-0493-SYS (Default top priority setup)

The aim of the Change Request is to allow the definition of the top priority default for CSD participants at CSD level (i.e. not a T2S level).

The CRG was informed about the withdrawal of Change Request from CR initiator. The CRG took note of the feedback from OMG that that the current manual procedure as defined in the Manual of Operational Procedures (MOP) could be used as a final solution (i.e. The OMG informs CSDs when there is a request from CSD to define top priority for a BIC in T2S giving the chance to other CSDs to object).

CRG decision: The CRG took note that the initiator of the Change Request withdrew the Change Request since the OMG indicated that the current manual procedure as defined in the MOP could be used as a final solution (i.e. the OMG informs CSDs when there is a request from one CSD to define top priority for a BIC in T2S giving the chance to other CSDs to object).

Change Request T2S-0519-SYS (Add Short/Long Indicator for all positions/sub-positions in Statement of Holdings (semt.002) report)

The aim of the Change Request is to add Short/Long Indicator at least for all negative positions in Statement of Holdings (semt.002) report.

The CRG was informed that the Change Request would have impact on A2A, SETT, flat file modules/functionalities in T2S and the impact of the Change Request was medium.

The 4CB recommended implementation of the Change Request along with the Change Request T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002)).

The CRG members took note that the OMG did not identify any blocking operational impact of the Change Request.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment and that there are synergies with the Change Request T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002)) and a joint implementation was favourable.

Change Request T2S-0528-SYS (T2S should allow the modification of possible values for an Attribute domain linked to a Market-specific attribute)

The aim of the Change Request is to allow modification of possible values for an attribute domain even if the Market Specific Attribute (MSA) is linked to the T2S attribute domain.

The CRG was informed that the Change Request would have impact on U2A, SDMG modules/functionalities in T2S and the impact of the Change Request was medium.

The CRG members took note that the OMG did not identify any blocking operational impact of the Change Request.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Change Request T2S-0532-SYS (Hold/release default at account level should not override the Hold/Release indicator defined at instruction level)

The aim of the Change Request is to modify the T2S behaviour so that the "hold release default" parameter set at account level should not override any hold/release status informed in the settlement instruction.

The CRG was informed that the Change Request would have impact on LCMM module in T2S and the impact of the Change Request was medium.

The CRG acknowledged that 'hold/release default at account level' functionality is not usable currently and that is why this Change Request was submitted. A CRG member indicated that they are not using this functionality because otherwise they would not be compliant with the harmonisation standards on market claims and requested to have the Change Request implemented in Release 1.3. A CRG member further added that without the Change Request they are not able to prevent a client from using cash of another client.

The Chairperson informed the CRG that the feasibility of implementation of the Change Request in Release 1.3 needs to be checked considering the overall implementation timeline and testing of the Change Requests in the Release 1.3. The ECB agreed to analyse if any workaround could be used prior to implementation of the Change Request.

A CRG member suggested that a workaround could be that the CSD or DCP should send all the settlement instructions on 'hold'. It was mentioned that sending the settlement instructions on CSD hold may not be feasible as CSD hold cannot be released by participants.

The CRG agreed to share the Change Request with the DCPG for their feedback.

The CRG members took note that the OMG did not identify any blocking operational impact of the Change Request.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Action points:

- The ECB will investigate potential workarounds prior to the implementation of the Change Request.

- NBB-SSS will indicate why exactly this Change Request is critical for the Belgium market (comments/requirements from oversight and market participants).

- The ECB will share the Change Request with the DCPG for their feedback

Change Request T2S-0542-SYS (Enrich the Bank To Customer Debit/Credit Notification (camt.054) with data elements securities account Owner Parent BIC and securities account Owner Party BIC)

The aim of the Change Request is to add the Securities Account Owner Parent BIC and the Securities Account Owner Party BIC to the Bank To Customer Debit Credit Notification (camt.054).

The CRG was informed that the Change Request would have impact on A2A, LCMM modules/functionalities in T2S and the impact of the Change Request was medium.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Change Request T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002))

The aim of the Change Request is to include Restrictions References for restriction type COSP (COSD blocking) on securities positions in the Statement of Holdings (semt.002).

The CRG was informed that the Change Request would have impact on A2A, SETT, flat file modules/functionalities in T2S and the impact of the Change Request was medium.

The 4CB informed that the Change Request could have negative impact on End of Day (EoD)/Start of Day (SoD) as the volume of reported data during the EoD would increase and therefore there could be

a need to conduct performance testing campaign to identify any potential performance impact. The 4CB recommended implementation of the Change Request along with the Change Request T2S-0519-SYS (Add Short/Long Indicator for all positions/sub-positions in Statement of Holdings (semt.002) report).

The CRG members took note that the OMG did not identify any blocking operational impact of the Change Request.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment and that (i) there is an impact on the flat file functionality as well; (ii) a negative impact on EoD/SoD performance is possible; and (ii) there are synergies with the Change Request T2S-0519-SYS (Add Short/Long Indicator for all positions/sub-positions in Statement of Holdings (semt.002) report) and a joint implementation was recommendable.

Change Request T2S-0557-SYS (Skip validations on minimum settlement unit (MSU) and settlement unit multiple (SUM) for settlement instructions related to Market Claims and Transformations)

The aim of the Change Request is to skip the check related to the minimum settlement unit (MSU) and settlement unit multiple (SUM) in case of claims (CLAI) and transformations (TRAN) related instructions.

The CRG was informed that the Change Request would have impact on LCMM functionality in T2S and the impact of the Change Request was low.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Change Request T2S-0562-URD (Overnight liquidity balance on the T2S Dedicated Cash Account in case of contingency scenario)

The aim of the Change Request is to allow the T2S EoD to start in exceptional circumstances when the DCA balances cannot be swept to the RTGS.

The CRG was informed that the Change Request would have impact on SETT, LTSI modules/functionalities in T2S and the impact of the Change Request was medium.

The CRG was informed about the outcome of the CRG written procedure on the Change Request. Out of the two options specified in the Change Request that can be used in exceptional circumstances, when a DCA balance cannot be swept to the RTGS, the preferences for the two options were divided, i.e. some in favour of option 1 and others preferred option 2. Central Banks and a few of the CRG members responded that both the options should be assessed.

The 4CB indicated that based on the preliminary assessment they are in favour of option 1 i.e. the liquidity remains on the DCAs overnight with appropriate reporting and on the next business day the DCA starts with the balance of the previous day. The 4CB informed that option 1 is easier to implement and has a lower impact and risks on the stability of the platform in comparison with the option 2. The 4CB further added that the option 2 would mean cash sweep to RTGS without rebooking the failed liquidity transfer in T2S. This would contradict with the Change Request T2S-0563-URD (Automatic Internal liquidity transfer between RTGS Transit Account and the T2S Dedicated Cash Account in case of RTGS rejection).

The 4CB informed that a Change Request could contain multiple implementation options initially so that all the options could be discussed with the CRG. But for a preliminary assessment, 4CB can only analyse one option, i.e. the option which is considered less impacting to T2S. Thus, it would be preferable that the CRG decides on one option for assessment or if a preliminary or detailed assessment would also be required for the option(s) which are considered more impacting to T2S by the 4CB, it is advised to raise separate Change Requests for this. Hence, in case detailed assessment on both the options was required for CR-562 then the CR initiator should consider documenting it in two separate Change Requests.

The CRG members from the Central Banks agreed to share their views in a written procedure if they could live with option 1, i.e. keeping the liquidity on the DCAs overnight so that, on the next business day, the DCAs start with the balance of the previous day. Central Bank CRG members will coordinate internally with their WGT2 members when replying to the written procedure. The CR initiator agreed to update the Change Request based on the outcome of the written procedure. Once the Change Request is updated based on the outcome of the written procedure, the ECB will inform WGT2 to check if there are any legal implications of the Change Request or if there is a need to update T2 guidelines.

The CRG members took note that the OMG did not identify any blocking operational impact of the Change Request.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Action point:

- The CRG members from the Central Banks (and banks optionally) will indicate in case of a contingency scenario when liquidity cannot be swept from T2S DCAs to TARGET2 RTGS accounts, whether the T2S Actors can live with the requirement of keeping the liquidity on the DCAs overnight so that, on the next business day, the DCAs start with the balance of the previous day (i.e. option 1 described in the Change Request) in a written procedure by 16 September 2016.

- The initiator of the Change Request will update the Change Request after the finalisation of the CRG written procedure on the Change Request.

- The ECB will share the updated Change Request with the WGT2 to check if there are any legal implications of the Change Request or if there is a need to update T2 guidelines.

Change Request T2S-0577-SYS (T2S should allow a report configuration with validity of one day)

The aim of the Change Request is to allow setup of report configuration for one day by modifying the Business Rule DRCV050 so that Valid To date could be equal to or greater than the Valid From.

The CRG was informed that the Change Request would have impact on U2A, SDMG modules/functionalities in T2S and the impact of the Change Request was low.

The CRG was informed that the CR-577 and Change Request T2S-0578-SYS (Additional configuration options for DCPs) could be linked together from a technical implementation viewpoint as both the Change Requests impacted the same software items. However, linking of these two Change Requests is not relevant anymore as the Change Request T2S-0578-SYS has been withdrawn by the initiator.

CRG decision: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

Change Request T2S-0596-SYS (Enhance Settlement Instruction - Details screen to display T2S matching reference and the counterparty's instruction details)

The aim of the Change Request is to display on the Settlement Instruction- Detail Screen, T2S Matching Reference and details of counterparty's instructions.

The CRG was informed that the Change Request would have impact on U2A, LTSI modules/functionalities in T2S and the impact of the Change Request was medium.

The CRG was informed about the outcome of DCPG written procedure on the Change Request. The majority of DCPG representatives considered that the Change Request was 'nice to have' or had low business value and they neither supported nor opposed the Change Request. Only one DCPG representative supported the Change Request and one representative mentioned that although they have not identified any specific need for the Change Request they would reconsider their position after the preliminary assessment on the Change Request was available.

The CRG was also informed that the CR initiator indicated that adjustment on Long Term Statistical Information (LTSI) was not required as the T2S matching reference and the counterparty's instruction details were required only for production data

<u>CRG decision</u>: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment and that the requestor of the Change Request indicated that a LTSI adjustment was not required as the T2S matching reference and the counterparty's instruction details were required only for production data.

D) Change Requests from the market for future T2S Releases.

Change Request T2S-0543-URD (Minimum amount for auto-collateralisation transactions)

The aim of the Change Request is to allow payment banks to define per primary Credit Memorandum Balance (CMB) its individual minimum amount to be transferred in an auto-collateralisation scenario and to define individual minimum amount per customer, i.e. per secondary CMB for client-collateralisation.

The CRG discussed that there could be a potential contradiction between the new minimum amount for auto-collateralisation transactions and the maximum credit percentage functionality. The aim of maximum credit percentage functionality is to avoid overfunding e.g. if the auto-collateralisation requirement is for 10 Euro and available collateral is of value 1000 Euro, then it would lead to overfunding of Euro 990. However if the maximum credit percentage limit was set to 50%, then the auto-collateralisation would not be triggered unless collateral worth 15 Euro or less was available.

The Central Banks informed that currently the maximum credit percentage functionality is not being used by Central Banks and is not foreseen to be used. The CRG agreed to confirm this point with the T2 colleagues and consider the possibility of decommissioning of the functionality in T2S. The CRG acknowledged that in case of decommissioning of the functionality, an update would be required to the User Detailed Functional Specifications (UDFS) and User Requirements Document (URD).

The 4CB agreed to check if decommissioning of the maximum credit percentage functionality from T2S would result in efficiency or other advantages or if they would prefer to keep the functionality in T2S for the time being.

The CR initiator informed that it is expected that the Change Request would reduce the number of auto-collateralisation transactions generated for small amounts. Some of the CRG representatives of Central Banks who have already migrated to the T2S confirmed that they currently see many low-value auto-collateralisation transactions.

The CR initiator confirmed that each bank could select its preferred minimum amount for auto-collateralisation and auto-collateralisation would not be triggered below the minimum amount; therefore there is a possibility that underlying instructions could remain unsettled in case the available collateral did not meet the minimum amount criteria. Upon a question from a CRG member, the CR initiator also confirmed that substitution of collateral should not be impacted by the Change Request and agreed to update the Change Request to reflect these points.

A CRG member suggested that the criteria of minimum amount for auto-collateralisation transaction should not be applied in cases where the required amount is less than the minimum amount for auto-collateralisation but the available collateral is not sufficient to fulfil the minimum requirements; this would avoid the possibility of settlement instructions failing due to non-availability of collateral worth the minimum amount. However the suggestion did not receive wide support by CRG members because of it adding additional complexity.

It was also mentioned that currently T2S auto-collateralisation functionality gives priority to collateral of smaller values. If this would be changed to selecting the collateral of larger value first then the Change Request may not be required. This point was also not discussed further.

The CRG agreed to share the Change Request with the DCPG for their feedback.

CRG decision: The CRG indicated that after the Change Request is updated, it can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Action points:

1. The CR initiator will update the Change Request to (i) clearly reflect the operational implications of the Change Request (i.e. auto-collateralisation will be triggered in case of lack of cash but only with the minimum amount and therefore, the underlying instruction could remain unsettled even though there is collateral available for the lack of cash but not for the minimum amount); and (ii) clarify that the substitution of collateral is not impacted by the Change Request.

2. The ECB will double-check with the T2 colleagues whether the maximum credit percentage functionality is used by any central bank or is planned to be used.

3. The ECB will add the potential decommission of the maximum credit percentage functionality to the collection of ideas for improvements of T2S in the future.

4. Given that the maximum credit percentage is not used in T2S, the 4CB will check whether the decommissioning of the maximum credit percentage functionality is preferred, e.g. will bring efficiency/other savings or whether they would recommend to leave the functionality in T2S as is.

Change Request T2S-0580-URD (Additional automatic intraday reimbursement of NCB auto collateralisation instructions)

The aim of the Change Request is to introduce additional five "automatic" intraday reimbursement processes for central bank auto-collateralisation during the real-time settlement period (RTS).

The CRG was informed about the updates made to the Change Request

(i)   to include the 5 pre-defined timeslots when intraday reimbursement could take place

(ii)   to specify that pre-defined timeslots can be parameterised i.e. if the timeslots need to be changed in future then it can be done by raising a Change Request rather than changes to the software

(iii)   to remove the reference to the CR-541 and its inclusion in the footnote

The CRG was also informed about the outcome of the written procedure on proposed implementation solution for the Change Request from the static data/setup point of view. Out of the three proposed options i.e.

(i)   Introduction of a new field for the T2S DCA object in the existing Static Data logical and physical data model.

(ii)   Implementation of a new SDMG object

(iii)   Implementation of a White-List approach based on a matrix defined in the Attribute Domain, majority of the members were in favour of option 1c i.e. the option to select the additional reimbursement timeslot should be available via U2A mode only.

Two central bank members of CRG requested to update the Change Request to specify that there should be a possibility to query the timeslots per DCA to check which timeslots the DCA has subscribed to. However the CR initiator did not identify a need for such a query.

The central bank members agreed to discuss the topic bilaterally and inform the CRG if an update to the Change Request was needed.

CRG decision: The CRG indicated that after the Change Request is updated (if the update is finally required), it can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Action points: The CR initiator will bilaterally check with the interested Central Banks whether an explicit amendment of the U2A search for DCAs is required to query DCAs per timeslot. The initiator will inform the ECB/4CB of the outcome by 9 September 2016 if an update of the Change Request is required to reflect the additional requirement related to U2A queries. The Change Request will thereafter be considered mature and ready for preliminary assessment.

Change Request T2S-0610-SYS (Allow NCBs to obtain the complete view of all DCAs in the U2A outstanding collateralisation query.)

The aim of the Change Request is to enable Central Banks to have complete overview of all the DCAs opened in their books in a single screen when querying the Outstanding Auto-collateralisation Credit via U2A.

The CRG was informed about the updated Change Request which now only contains the requirement to get a complete overview of all the DCAs in U2A outstanding collateralisation query as the other requirements i.e. to allow NCBs to obtain complete view of all DCAs when querying the cash account balances, was addressed via a separate Change Request T2S-0626-SYS.

The 4CB indicated that they would object the detailed assessment and implementation of the Change Request as it would have negative performance impact on T2S.

The CRG members of the Central Banks agreed to check if there is a real need for the Change Request and if they could use the A2A mode to retrieve the information about outstanding collateralisation.

Action points: The CRG members from the Central Banks will check whether the Change Request should be considered further given the performance impact and the possibility of using A2A to retrieve that information in a written procedure by 14 September 2016.

Change Request T2S-0613-SYS (T2S should give the possibility to receive outbound T2S messages bundled in files)

The aim of the Change Request is to allow T2S actors (CSDs, NCBs, DCPs) to subscribe to the receipt of outbound messages into files based on a number of criteria.

The CRG was informed that the OMG did not consider that the Change Request is required from an operational point of view.

The 4CB explained that currently the bundling of messages during the NTS does not work optimally. They are analysing potential improvements in the night-time settlement reporting that would improve the time taken for delivery of bundled messages during the NTS. They informed CRG members about their current ideas for improvement:

- Disabling the setting of parameters related to file size in outbound file routing rules. This is expected to result in a significant reduction of the NTS reporting phase (outbound files are delivered at a considerably earlier point in time to the network)
- Addition of a final message indicating the end of NTS reporting. This message would be sent to CSDs regarding the end of the transmission of NTS files/messages, in order to inform that all the files generated during the reporting sequences of the NTS have been sent to the NSPs and they have been acknowledged.

These improvement could also be considered for the real-time settlement.

In addition it was mentioned that there is currently no sufficient reporting about the time that T2S has finalised end of day reporting. T2S Actors would need to know the point in time after which no more end of day related reports are expected from T2S, so that they can start their internal processing/reconciliation. 4CB mentioned that they would focus on the optimisation of the NTS reporting first (including potential re-use of some enhancements also for RTS), and that they would investigate end-of-reporting messages separately afterwards.

The 4CB informed that the details of the initial analysis will be presented to the CRG and OMG. If the CRG and OMG consider that the improvements would have positive impact on pricing and processing of messages and hence support the improvements, the 4CB would draft a Change Request. The 4CB added that they are looking for a solution that would be less complex and would result in reduced pricing.

Action point:

- The 4CB will present an initial analysis on potential improvements in the night-time settlement reporting for the CRG teleconference on 13 September 2016.
- The 4CB will analyse the possibility of how the T2S Actors could be informed about the end of the T2S reporting at the end of the day and after the night-time settlement.

- NBB-SSS will clarify the issue of missing end-of-event information and indicate what would be NBB-SSS requirement for improvement

Change Request T2S-0621-SYS (Multiple pending reason codes (combination of lack of securities and lack of cash))

The aim of the Change Request is to reduce the number of sese.024 messages in case of lack of money and lack of securities occurring at the same time.

The CRG was informed that in case a transaction fails to settle due to the lack of cash and lack of securities, currently T2S reports lack of cash as well as lack of securities to both the counterparties. In case of lack of securities T2S checks for available cash balance and if sufficient cash is not available, T2S reports lack of cash without considering available auto-collateralisation. This could lead to a scenario of overfunding, since treasures would be informed about insufficient cash even when the auto-collateralisation was in place.

This current reporting logic could also be seen as problem from CSDR perspective as the cash side would be penalised even when sufficient collateralisation was available.

One of the CRG member informed that they have changed their internal GUI to show a lack of securities only, when there is lack of cash and lack of securities for a transaction.

3 possible solutions were presented to the CRG:

1. T2S should not report lack of cash when there is lack of securities and lack of cash for a transaction (this was the solution proposed by the CR initiator)
2. T2S should constantly check for availability of auto-collateralisation before lack of cash is reported
3. T2S should check for availability of auto-collateralisation only at the DVP cut off before lack of cash is reported, in order to provide a more meaningful reporting in regards to the calculation of penalties.

The CRG as well as the 4CB indicated their preference for option 1 as proposed in the Change Request, i.e. no reporting of cash in case there is a lack of securities and the reporting logic should be applicable for Delivery versus Payment (DVP)/Receive versus Payment (RVP) as well as Delivery with Payment (DWP)/Receipt with Payment (RWP) instructions.

The ECB will inform the CSDR TF about the proposed options and reasons for favouring the option 1.

CRG decision: The CRG indicated that the Change Request can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Action points:

- The ECB will inform the CSDR Task Force about the status of the Change Request T2S-0621-SYS.

Change Request T2S-0622-SYS (Include information from the underlying settlement instruction in the T2S 'Bank to customer debit credit notification (camt.054)' message for optimising reconciliation)

The aim of the Change Request is to include details of ISIN, Corporate Action Event Identification and T2S Securities Account in the 'Bank to customer debit credit notification (camt.054)' message.

The CRG was informed that that the Change Request T2S-0590-SYS proposed similar changes in the 'Bank to customer statement (camt.053)' message and it would be good if both the Change Requests are merged.

The initiator of the Change Request pointed that the CR-622 did not specify that the settlement quantity of the underlying instruction to be included in the camt.054, however CR-590 requested this information to be included in camt.053. The CR initiator did not object inclusion of settlement quantity in camt.053 and agreed to withdraw the Change Request once all the requirements in CR-622 are included in the CR-590.

The CRG acknowledged that liquidity transfer instructions were not in scope of the Change Request.

CRG decision: The CRG took note that the CR initiator will withdraw the Change Request as the content of the Change Request will be incorporated in the Change Request T2S-0590-URD (Include information from the underlying settlement instruction in the T2S 'Bank to customer statement (camt.053)' message for optimising reconciliation).

Change Request T2S-0628-SYS (Add Event Type Code "IDVP" to list of eligible "event trigger" for standing and predefined liquidity transfer orders)

The aim of the Change Request is to allow addition of event type code "IDVP" to the list of eligible events for Standing/Pre-defined Liquidity Transfer Orders to transfer liquidity from T2S DCA to RTGS.

The CR initiator explained that currently after the DVP cut-off in T2S at 16:00 CET, the available cash in DCAs cannot be used by payment banks, until the earliest 'event triggered' liquidity transfer from DCA to RTGS takes place at 16:35 CET. Therefore an option to transfer liquidity from DCA to RTGS at 'IDVP' would enable banks to utilise the money for their EOD activities which would otherwise have remained in DCAs.

The CRG discussed that if the liquidity was transferred at the start of the IDVP event then there was a possibility that the settlement instructions which were not yet settled at IDVP (but were eligible for settlement) would remain unsettled due to lack of cash. On the other hand, if the liquidity transfers were triggered only at the end of the IDVP event, this would mean that the outflow of liquidity would not be included in cash related reports potentially configured to be generated at the end of the IDVP event. Therefore the Change Request should clarify whether the new end-of-IDVP event which would be introduced in the context of the UTSG topic UT-PBR-075 (Settlement Instruction settling at DVP cut-off absent from statement of transactions - INC 179344) should be used to trigger standing and

predefined liquidity transfer orders or end-of-IDVP and start-of-IDVP both should be added to the Event Type Code.

The CRG agreed to share the Change Request with the WGT2 and DCPG to gather their views if they prefer to use end-of-IDVP event to trigger standing and predefined liquidity transfer orders or end-of-IDVP and start-of-IDVP should be added to the Event Type Code. Additionally DCPG will be asked about the relevance/expected usage of the functionality.

CRG decision: The CRG indicated that the Change Request cannot yet be considered mature from a content point of view and therefore, it is not yet ready for its preliminary assessment.

Action points:

- The Central Banks (i.e. WGT2) will discuss and agree whether the new end-of-IDVP event expected to be raised in the context of the UTSG topic UT-PBR-075 (Settlement Instruction settling at DVP cut-off absent from statement of transactions - INC 179344) should be used instead or in addition of the Event Type Code "IDVP" to trigger standing and predefined liquidity transfer orders.

- The DCPG will be consulted whether they would prefer that the new end-of-IDVP event expected to be raised in the context of the UTSG topic UT-PBR-075 (Settlement Instruction settling at DVP cut-off absent from statement of transactions - INC 179344) should be used instead or in addition of the Event Type Code "IDVP" to trigger standing and predefined liquidity transfer orders. Also they shall be asked about relevance/expected usage of such functionality.

- The CRG initiator will update the Change Request according to the WGT2 and DCPG feedback afterwards, if needed.

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

The aim of the Change Request is to differentiate the cash movements related to corporate action activities and other settlement activities in the cash forecast query and report.

A CRG member mentioned that corporate action instructions are sent to T2S only after 6:00 pm and are processed during NTS, hence the cash forecast report will have very limited use. It was also mentioned that during the cash forecast workshop some of the participants had raised doubts about the usefulness of the proposed change. One member replied that the Change Request would still be useful for the current day cash forecast report in case of corporate actions instructed during real-time settlement or corporate actions which did not settle during NTS and are therefore pending.

The 4CB asked whether the Change Request might require an update to the URD. The ECB agreed to confirm if an update to URD was required or not. The 4CB further proposed that CR-629 and CR-630 required changes to the cash forecast query and would require high implementation efforts. The 4CB

also asked if the two Change Requests could be combined and agreed to share list of clarifications with the CR initiator so that the Change Request could be updated to include the clarifications.

The CRG agreed to share the Change Request with the DCPG for their feedback.

CRG decision: The CRG indicated that the Change Request cannot yet be considered mature from a content point of view and therefore, it is not yet ready for its preliminary assessment.
Action points:
- The ECB will check whether the Change Request requires an update on the URD.
- The 4CB will provide a list of questions to the Change Request so the CR initiator can clarify these points in the Change Requests.

Change Request T2S-0630-SYS (Enhance Cash Forecast Query and Report to display expected aggregated cash movements, with separate status Hold or Released)

The aim of the Change Request is to differentiate the aggregated cash movements for settlement instructions with status 'Hold' and 'Released' in the cash forecast query and report.

The 4CB informed that CR-629 and CR-630 required changes to the cash forecast query and would require high implementation efforts. The 4CB also asked if the two Change Requests could be combined and agreed to share list of clarifications with the CR initiator so that the Change Request could be updated to include the clarifications.

It was mentioned that provision of liquidity based on hold/release information of instructions would be risky, mainly because instructions on hold could be released, especially by the counterparty, at any point in time. Therefore some participants raised doubts about the usefulness of the Change Request, which was in line with previous concerns raised during the cash forecast workshop.

The CRG agreed to share the Change Request with the DCPG for their feedback.

CRG decision: The CRG indicated that the Change Request cannot yet be considered mature from a content point of view and therefore, it is not yet ready for its preliminary assessment.
Action points:
- The ECB will check whether the Change Request requires an update on the URD.
- The 4CB will provide a list of clarifications on the Change Request so the CR initiator can clarify these points in the Change Requests.
- The initiator of the Change Request will check whether the Change Request T2S-0629-SYS (Enhance Cash Forecast Query and Report to display CORP related cash movements separately) and T2S-0630-SYS should be merged.

Change Request T2S-0631-SYS (The field "value date" should be defaulted to the current business date in the Immediate Liquidity Transfers Screen)

The aim of the Change Request is to fill in the field "Value date" as current business date by default on Immediate Liquidity Transfer Screen.

The Change Request initiator informed that the Change Request was raised following the GUI usability workshop and indicated that the Change Request is not urgent.

CRG decision: The CRG indicated that the Change Request can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Change Request T2S-0632-SYS (To increase the default number of rows to be displayed from 10 to 100 rows per page in the Daily Schedules - Search/List Screen)

The aim of the Change Request is to increase the number of rows displayed on the screen "Daily Schedules – Search/List Screen" from 10 rows per page to 100 rows per page by default.

The CRG agreed that the increase in the number of rows displayed on the screen from 10 rows per page to 100 rows per page should be extended to all the GUI screens rather than only for the Daily Schedules - Search/List Screen. The CR initiator agreed to liaise with CBF as second CR initiator and update the Change Request to include all the GUI screens.

A CRG member asked if there would be any financial impact if the number of rows displayed on screen is increased from 10 to 100 rows per page when the query results consumed less than 100 rows. The ECB agreed to check this point with the T2S financial team.

For the requirement in the Change Request that on refreshing the page the number of rows per page is reset to default number even if client had selected a different number, the 4CB explained that 'refresh' button on the GUI screen should be used (not the 'refresh' button in the browser) to ensure that the number of rows as selected by the user are displayed. The CR initiator agreed to confirm this point and remove the requirement from the Change Request if the 'refresh' button on the GUI screen provided the expected outcome. The CR initiator also agreed to remove the long-term options from the Change Request.

CRG decision: The CRG indicated that the Change Request cannot yet be considered mature from a content point of view and therefore, it is not yet ready for its preliminary assessment.

Action points:
- The initiator of the Change Request will update the Change Request to increase the default number of rows to be displayed from 10 to 100 rows per page for all GUI Search/List screens. The Change Request will also include Clearstream as initiator.
- The ECB/4CB will check whether the increase of the default number of rows for the GUI Search/List screen would have any financial impact on the T2S Actors.
- The 4CB will check whether a change in the number of rows is retained after a page refresh or not. Potentially an update of the Change Request required if the current functionality is not according to the expectations/needs of the users.

- The initiator of the Change Request will remove the long-term options from the Change Request.

Change Request T2S-0633-SYS (Multiplex Editorial Change Request on UDFS and UHB)

The CRG was informed that the Change Request would result in updates to the Scope Defining Documents (SDD) that is planned for October 2016.

The CRG agreed to provide their feedback on the Change Request via a written procedure.

CRG decision: The CRG put the Change Request on hold.

Action point: The CRG will provide comments on the Change Request via a written procedure until 13 September 2016.

5. SGMS feedback on Change Requests for future T2S releases

Change Request T2S-0590-URD (Include information from the underlying settlement instruction in the T2S 'Bank to customer statement (camt.053)' message for optimising reconciliation)

The aim of the Change Request is to include ISIN, corporate action event type and identification, Securities account and settled quantity in the Bank to Customer Statement (camt.053) message.

The CRG was informed that the SGMS proposed to populate the field Corporate Action Event Type in camt.053 with CORP/TRAN/CLAI or OTHR, depending on the ISO Transaction Code provided in the underlying instruction, whenever the information in the field Corporate Action Event ID is provided in a settlement instruction. Alternatively the field could be defaulted with value OTHR whenever required.

The 4CB informed that the mapping of the ISO Transaction Code into the camt.053 as recommended by the SGMS would be very complex and that defaulting to 'OTHR' was therefore their preferred option. One CRG member mentioned that from a business perspective, the Corporate Action Event Type is specified on a more detailed level than just CORP/TRAN/CLAI. It rather differentiates types like Bonus Rights, Merger, Stock Split etc., which are not provided in the underlying settlement instruction and can therefore not be derived.

The CRG agreed that the value 'OTHR' (being easier solution) of the Corporate Action Event Type field could be defaulted in the Bank to Customer Statement (camt.053) in case the Corporate Action Event ID is provided in a settlement instruction.

The CR initiator agreed to incorporate the requirements of the Change Request T2S-0622-SYS (Include information from the underlying settlement instruction in the T2S 'Bank to customer debit credit notification (camt.054)' message for optimising reconciliation)' into the Change Request T2S-0590-URD.

CRG decision: The CRG indicated that the Change Request cannot yet be considered mature from a content point of view and therefore, it is not yet ready for its preliminary assessment.

Action point: The CR initiator will update the Change Request to incorporate the requirements of the Change Request T2S-0622-SYS (Include information from the underlying settlement instruction in the T2S 'Bank to customer debit credit notification (camt.054)' message for optimising reconciliation) into the Change Request T2S-0590-URD so the Change Request T2S-0622-SYS can be withdrawn.

Change Request T2S-0611-SYS (Cash Account Postings GUI Screen to include the T2S Actor References)

The aim of the Change Request is to include the T2S actor references on the Cash Account Postings screen, which would provide reconciliation references to the users. Currently the Cash Account Postings screen provides a T2S Internal Reference, however this reference cannot be reconciled with any previously known information.

The CRG took note of the SGMS feedback about mapping of references to the existing fields in camt.006 i.e.

- Account Owner Tx Id mapped to filed PmtId/TxId,
- T2S Settlement Inx Ref mapped to field Tx/Tx/Pmt/MsgId,
- Third Party Reference mapped to Tx/Tx/Pmt/EndToEndId.

For Account Servicer Tx Id SGMS did not suggest any field in camt.006 that is suitable to transport the related information. Initially SGMS recommended filed 'Ntry/AcctSvcrRef', but this field cannot be used because it is in a numeric format only and therefore not suitable for T2S references.

As no suitable mapping of all 4 required references into existing camt.006 fields is possible, SGMS as well as SWIFT recommended a clean solution, which is to raise an ISO CR for all the required references. These fields shall be added to the message in a separate block dedicated to references of the underlying securities settlement instruction.

The CRG agreed that an ISO CR should be raised for addition of securities transaction related references in camt.006. The CRG acknowledged that such ISO CR, if accepted by the ISO body, will not be available for T2S Release 2.0 but earliest end 2018.

The CRG agreed to inform SGMS and WGT2 about the CRG recommendation for raising an ISO CR.

Action point: The ECB will inform the SGMS and the CR initiator (WGT2) about the CRG discussions on the Change Request T2S-0611-SYS.

6. Input requested by the User Testing Sub-group

UT-PBR-073 (T2S returns no settlement related data during SOD - INC182133)

During user testing activities, a Securities Account Position Query (semt.025) was submitted during SOD phase to query the current positions in a given account. T2S responded by sending a Securities Status or Statement Query Status Advice (sese.022) stating 'X000-No data found or no data found within the user's allowed data scope', even if the account did hold positions.

The user expected T2S to respond with Securities Account Position Response (semt.040) containing information about the holdings in the account.

The 4CB acknowledged that a new reason code needs to be displayed to inform the T2S user when the settlement and position data is not available in T2S. The 4CB informed that they will propose a draft Change Request and share it with the CRG. There would be a need for a change in the Scope Defining Documents. This Change Request could be candidate for T2S Release 1.3.

The CRG agreed to update the CRG recommendation on the UTSG topic UT-PBR-73 to incorporate the latest discussions in the CRG and to report the status of the topic to the PMG/UTSG, OMG and CSG.

Action points:

- The ECB will update the CRG recommendation on the UTSG topic UT-PBR-73 to reflect the latest discussions in the CRG.
- The 4CB will raise a new Change Request to have a new code to clearly report when the settlement and position data is not available in T2S.
- The ECB will inform the PMG/UTSG, OMG and CSG about the status of the UTSG topic UT-PBR-73.

UT-PBR-75 (Settlement Instruction settling at DVP cut-off absent from statement of transactions - INC 179344)

During user testing activities, a statement of transactions report (semt.017) which was configured for the DVP cut-off event (IDVP) did not contain all DVP instructions which were settled by T2S during the business day.

The user expected to receive in the statement of transactions report, configured for the IDVP event, all DVP transactions which have settled during that business day.

The 4CB presented a high level feasibility assessment for the two proposed solutions for the handling of the issue.

1. Introduction of new functional events at the end of cut-off event which will enable users to choose if the report should be generated at the start or at the end of the event.

2. Introduce technical events at end of cut-off events which will enable customers to configure reports at the end of cut-off events only.

The Eurosystem expressed a preference for option 1 i.e. introduction of new end-of-cut-off events (including end of IDVP event) as separate events in the T2S daily schedule rather than having technical/hidden events for reporting purposes only. Moreover option 1 could provide flexibility to T2S actors to configure reports at the start or at the end of the event.

The CRG agreed to share their views in a written procedure if they agree with 4CB proposal to introduce new end-of-cut-off events as separate events in the T2S. The 4CB informed that in case

CRG agrees for implementation of option 1, the 4CB would draft a Change Request. The Change Request could be candidate for Release 1.3.

The 4CB agreed to confirm the possibility of generating camt.019 at the end of IDVP. The 4CB also agreed to provide details about how T2S actors could migrate from configuration of reports on IDVP to configuration of reports on the end of IDVP event to ensure that the report is not generated twice on the day when the changeover takes place.

Action points:

- The CRG members will indicate whether they agree with the introduction of a new end-of-IDVP event as a separate event in the T2S daily schedule in a written procedure by 14 September 2016.
- The 4CB will inform if it would be possible to receive a camt.019 on the new end-of-IDVP event. The 4CB will raise a new Change Request to have a new end-of-IDVP event as a separate event in the T2S daily schedule by the end of September or beginning of October 2016. The 4CB will reflect in the Change Request detailed assessment how the T2S Actors can migrate from the old to the new configuration (this is under the condition of a positive outcome of the CRG written procedure).
- The ECB will inform the PMG/UTSG, OMG and CSG about the status of the UTSG topic UT-PBR-075.

7. Resolution of the backlog of Change Requests

Presentation on CRs to be assessed as part of 4CB proposal for 'Batch 1'

The CRG was informed about the values assigned to each of the High, Medium, Low, Not Required and Negative indicators and the description of the indicators to ensure that CRG members have the same understudying of the parameters when they assign a business value to the Change Requests on hold. A Change Request would be rated High (value 100) when the Change Request is expected to bring benefits to the whole market, when it is expected to benefit only some of the market participants it would be rated Medium (value 50). A Change Request would be rated Low (value 10) if the CRG members consider that it has limited value for their market. The CRG took note that the business value indicator 'Not Required' is expected to be mostly used when a CRG member has the opinion that the functionality generally suits a common platform, even if their institution may not use it or may not need it for the time being, e.g. CSD could assign neutral to a cash related Change Requests or vice versa, however it does not mean that the Change Request is specific or it should be withdrawn. The ECB agreed to change the description of indicator 'Not Required' to have a more neutral wording.

The CRG agreed that the value -25 should be assigned to the business indicator 'Negative'. A Change Request should be rated Negative when the Change Request is not likely to benefit the common platform or if the workaround for the Change Request could be used as acceptable solution.

The CRG was informed about the withdrawal of the Change Requests T2S-0397-SYS (Addition of the Category attribute to the static data entities Securities, Party and Securities Account), T2S-0493-SYS (Default top priority setup) and T2S-0578-SYS (Additional configuration options for DCPs)

Action points: The ECB will update the description of the business value indicator 'Not Required' (NR) to have a more neutral wording as 'Not Required' (NR) does not necessarily mean that the CR is specific or it should be withdrawn.

Change Request T2S-0530-URD (One close link database for Eurosystem NCBs and separate database per non-EUR currency)

The aim of the Change Request is to implement one common close link database for all Eurosystem NCBs and a separate close link database for each non-Eurosystem NCB in T2S.

The 4CB informed that the need for the Change Request from the perspective of the Danish Central Bank needs to be discussed during the meeting with Danish Central bank, however this is independent of the functionality described in the Change Request.

The CRG recommended to launch the preliminary assessment on the Change Request.

CRG decision: The CRG recommended to launch the preliminary assessment on the Change Request.

Action point: The ECB will check with the Danish Central Bank whether they plan to offer auto-collateralisation in euros as well and whether they will want to have a separate database of close links.

Change Request T2S-0563-URD (Automatic Internal liquidity transfer between RTGS Transit Account and the T2S Dedicated Cash Account in case of RTGS rejection)

The aim of the Change Request is to automatically generate internal liquidity transfers debiting the RTGS Dedicated Transit account and crediting the payment bank DCA in case of RTGS rejection for an outbound liquidity transfer order.

The CRG noted that the Change Request should clarify if information about posting done in DCA due to RTGS rejection for an outbound liquidity transfer order needs to be included in the Cash Posting Notification (camt.054) message. Potentially, the filed 'Reversal Indicator' in camt.054 could be used to provide this information.

The CRG agreed to share the Change Request with the WGT2 for clarification of the open points and update the Change Request, if required.

CRG decision: The CRG indicated that the Change Request can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment

Action point: The ECB will share the Change Request with the WGT2 to clarify if information about posting done in DCA due to RTGS rejection for an outbound liquidity transfer order needs to be included in the Cash Posting Notification (camt.054) message. The WGT2 will update the Change Request if required.

Change Request T2S-0574-URD (Applying additional haircuts to own-used assets in T2S Central Bank auto-collateralisation)

The aim of the Change Request is to apply additional haircuts to own-used assets in T2S Central Bank auto-collateralisation.

The Change Request currently contains two options

(i) T2S should be able to accept two valuations per security and central bank

(ii) T2S should be able to accept one valuation per security and central bank and one extra haircut for some assets.

The 4CB informed that it would be possible to keep the two options when sending the Change Request to the preliminary assessment, but that they would only conduct the assessment for the option that is favoured by them. However the Change Request should include only one option before it is recommended for detailed assessment.

The CRG agreed to share the Change Request with the WGT2 and T2 for updating the it with on preferred solution.

Action point: The ECB will share the Change Request with the WGT2, T2 and inform them to update the Change Request with one preferred solution.

Change Request T2S-0586-SYS (PRCY for leg CB in sese.032 for reimbursement auto-collateralisation)

The aim of the Change Request is to include the pending reason code PRCY (CounterpartyInstructionOnHold) in the auto-collateralisation reimbursement instruction (sese.032 Messages) sent to the credit provider.

The CRG agreed to update the Change Request to include the pending reason code PRCY in client-collateralisation reimbursement instructions.

CRG decision: The CRG indicated that after the Change Request is updated, it can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Action point: The ECB will update the Change Request to include the pending reason code PRCY in client-collateralisation reimbursement instructions and share the updated Change Request with the CR initiator for approval.

Change Request T2S-0503-SYS (T2S Actor Reference and T2S Reference of counterparty's settlement instruction should be included in T2S messages sese.024, sese.025 and sese.032 after matching)

The aim of the Change Request is to provide counterparty's T2S Actor reference and counterparty's T2S reference (i.e. counterparty's Market Infrastructure Transaction Identification - MITI) in the receiving/delivering parties block or the message's supplementary data in the post-match status advice (sese.024), settlement confirmation (sese.025) and T2S generated realignment instruction (sese.032).

The CRG discussed if the CR-503 needs to be aligned with the Change Request T2S-0596-SYS with regards to the references of counterparty instruction to be included in A2A.

CRG decision: The CRG indicated that the Change Request can be considered mature from a content point of view and therefore, it is ready for its preliminary assessment.

Action point: The ECB will check with the initiator of the Change Request whether there is a need of aligning the Change Request with the Change Request T2S-0596-SYS (Enhance Settlement Instruction - Details screen to display T2S matching reference and the counterparty's instruction details) with regards to the references to be included in A2A.

Change Request T2S 0444 BFD (User authentication without USB-token/SmartCard for GUI-access)

The Change Request aims to remove the USB-token/smart card as the only means of authentication to connect to T2S via the Graphical User Interface.

Some of the CRG members mentioned that they are required by their security officers to use a physical device, which is contrary to this Change Request. Some other CRG members informed that their contracts with the NSP are for 7 years and that hardware and security requirements may evolve by the end of this period.

The 4CB mentioned that it is not worth doing the preliminary assessment now because there would be a need to re-assess the type of hardware and security requirements closer to the time when the contracts with the NSP are coming to end. Also the relevance of the Change Request needs to be checked closer to the time when the contract period expires. It is also possible that the Change Request may have to be updated due to technical and security evolutions. The relevance of the Change Request should be checked at the time. The 4CB mentioned that the preliminary assessment can be conducted at the time the contracts are renewed.

The CRG agreed not to launch the preliminary assessment on the Change Request and inform CSG about the CRG decision.

CRG decision: The CRG agreed to keep the Change Request on hold and do not submit it for preliminary assessment for the time being.

Action point: The ECB will inform the CSG about the CRG decision of not conducting the preliminary assessment on the Change Request T2S-0444-BFD.

Change Request T2S-0531-SYS (Digital signature at application level for flat file reports)

The aim of the Change Request is to add a business signature (signature at BAH/BFH level) in the flat file reports developed by the Change Request T2S-0494-SYS.

The 4CB asked if that the preliminary assessment on the Change Request could be postponed to next year as currently flat files are not used in production. The 4CB agreed to check if flat files for reports could be used without the Change Request.

The CRG agreed to check with the Baltic CSDs the urgency of the Change Request and if they plan to use the flat files for EoD reports. The CRG also agreed to check with the CR initiator and Clearstream if the preliminary assessment on the Change Request could be postponed.

Action points:

- The ECB will check with the Baltic CSDs whether they require the implementation of this Change Request in an upcoming release (i.e. if the preliminary assessment shall be conducted or not).

- The initiator of the Change Request and Clearstream will check whether the preliminary assessment of this Change Request could be postponed until next year.

- The ECB will inform the CSG about the CRG discussions on the Change Request T2S-0531-SYS.

Way forward on CRs for preliminary assessment on CRs on hold

Outcome of CRG written procedure on maturity of Change Requests

The CRG agreed to launch the preliminary assessment between 26 September and 17 October 2016 on the 18 Change Requests proposed by the 4CB.
The CRG was informed that there were 13 Change Requests which were not matured and hence could not be considered for the next batch of Change Requests for preliminary assessment. The CRG was requested to provide answers to the open questions on the non-mature Change Request or make necessary updates to the Change Requests so that they could be ready for preliminary assessment.

CRG decision:

The CRG agreed to launch the preliminary assessments of the below 18 Change Requests.

- T2S-0346-URD (In the settlement process of an instruction without a link, T2S should consider any other unmatched instructions having a link with it)
- T2S-0355-URD (New account flag "negative position only")
- T2S-0359-SYS (Changes of hold/release to counterparty before the Intended Settlement Date)
- T2S-0436-URD (Client-collateralisation: allow payment banks to set up their own list of close links)

- T2S-0503-SYS (T2S Actor Reference and T2S Reference of counterparty's settlement instruction should be included in T2S messages sese.024, sese.025 and sese.032 after matching)

- T2S-0515-SYS (Allow instructions from CSD participants for n days after maturity date of security)

- T2S-0520-SYS (Add new fields to T2S messages sese.020, sese.024 and sese.025 needed for CA processing)

- T2S-0525-SYS (Provide Restriction Type name in reason code due to MSRT)

- T2S-0530-URD (One close link database for Eurosystem NCBs and separate database per non-EUR currency)

- T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions)

- T2S-0546-SYS (Indication for time-critical settlements ("settlement till" time-stamp))

- T2S-0563-URD (Automatic Internal liquidity transfer between RTGS Transit Account and the T2S Dedicated Cash Account in case of RTGS rejection)

- T2S-0568-SYS (T2S should allow system-wide SME and Security CSD link search via T2S GUI)

- T2S-0572-SYS (A2A message to remove close links)

- T2S-0574-URD (Applying additional haircuts to own-used assets in T2S Central Bank auto-collateralisation)

- T2S-0586-SYS (PRCY for leg CB in sese.032 for reimbursement auto-collateralisation)

- T2S-0588-SYS (Inclusion of the DCA in the auto-collateralisation messages i.e. T2S generated instructions (sese.032) and/or the corresponding settlement confirmations (sese.025))

- T2S-0604-SYS (T2S generated instructions should inherit priority from the underlying settlement instructions)

Change Requests potentially to be sent to DCPG for consultation

The CRG agreed that the Change Requests on hold which are relevant for DCPs should be shared with the DCPG to seek the DCPG feedback. In case of Change Requests which were already shared with the DCPG, the DCPG will also be asked if the earlier feedback is still valid. The CRG agreed that if the Change Request is relevant for DCP as well as ICP then it should be shared with the DCPG.

The CRG agreed that Change Request T2S-0577-SYS (T2S should allow a report configuration with validity of one day).

The CRG took note that the Change Requests T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions), T2S-0515-SYS (Allow instructions from CSD

participants for n days after maturity date of security), T2S-0572-SYS (A2A message to remove close links), T2S-0628-SYS (Add Event Type Code "IDVP" to list of eligible "event trigger" for standing and predefined liquidity transfer orders), T2S-0629-SYS (Enhance Cash Forecast Query and Report to display CORP related cash movements separately) and T2S-0630-SYS (Enhance Cash Forecast Query and Report to display expected aggregated cash movements, with separate status Hold or Released) will be added to the list of Change Requests to be sent to the DCPG.

The ECB agreed to share the updated list of CRs for DCPG consultation and share it with the CRG.

CRG decision:

- The CRG agreed to share the relevant Change Requests on hold for future T2S Releases with the DCPG.
- The CRG agreed to seek the DCPG feedback on the following Change Requests on hold for future T2S Releases.
  - o T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions)
  - o T2S-0515-SYS (Allow instructions from CSD participants for n days after maturity date of security)
  - o T2S-0572-SYS (A2A message to remove close links)
  - o T2S-0628-SYS (Add Event Type Code "IDVP" to list of eligible "event trigger" for standing and predefined liquidity transfer orders)
  - o T2S-0629-SYS (Enhance Cash Forecast Query and Report to display CORP related cash movements separately)
  - o T2S-0630-SYS (Enhance Cash Forecast Query and Report to display expected aggregated cash movements, with separate status Hold or Released)
- The CRG agreed to not seek the DCPG feedback on the following Change Request on hold for future T2S Releases:
  - o T2S-0577-SYS (T2S should allow a report configuration with validity of one day)

Action points:

- The ECB will update the list of Change Requests to be shared with the DCPG and send it to the CRG for a quick round for last check of correct understanding.
- The ECB will seek the DCPG feedback on the relevant Change Requests on hold for future T2S Releases and will include the feedback already provided by them if any.
- The ECB will add that the Change Request T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions) will entail a significant design change for the DCPG consultation.
- The ECB will update the Change Request initiator of the Change Request T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions) as it currently reads 4CB.

8. Any other business

Outcome of CRG and CSDR TF joint written procedure on CRs related to CSDR

The CRG acknowledged that the CSDR Task Force will discuss the outcome of the joint CSDR TF-CRG written procedure during its meeting on 14 September 2016. The CRG will be informed about the discussions and the potential updates in the Change Request afterwards.

Collection of ideas for improvements of T2S in the future

The CRG was informed that the presentation on the ideas for improvement of T2S has been updated to include the new topics and remove the topics for which the Change Request was already raised or the topics which were no longer relevant/important. The presentation will be further updated to include the topic of decommissioning of Maximum Credit Percentage functionality.

The CRG agreed to provide their feedback on the presentation via a written procedure.

Action point:

- The ECB will add the topic of decommissioning of Maximum Credit Percentage functionality in the presentation.
- The CRG members will provide comments on the updated list of ideas for future improvements of T2S in a written procedure until 23 September 2016.

Clarification note on response time for A2A queries due to lag between operational and informational database

The CRG was informed about the issue faced by one of the CSDs during the migration testing for the 3rd wave. When multiple queries were submitted, the query results did not fetch accurate results. The 4CB explained that the issue was result of latency between operational and information database, at the time of testing there was a time lag of 40 seconds between actual booking in the operational database and update of balances and positions in informational database. The 4CB further added that the latency was reduced to 15 seconds by changing technical configuration parameters in T2S.

The 4CB informed that currently the concept of latency between operational and informational database is not documented in any of the scope defining document and they will raise a Change Request to document it.

A CRG member asked if there are any SLAs related to latency that should be met. The 4CB confirmed that currently no such SLAs exist.

The CRG agreed to share their views on the clarification note on data accuracy for queries and reports due to latency between operational and informational database and provide comments on the proposed wordings of scope defining documents. The CRG also agreed to share the clarification note to the OMG and ask if there is a need for monitoring to ensure that the target latency values are met.

Action points:

- The CRG members are invited to provide their comments on the GFS and UDFS update proposed by the 4CB in the clarification note on data accuracy for queries and reports due to

latency between operational and informational database in a written procedure until 16 September 2016.

- The ECB will share the clarification note with the OMG and ask them to analyse whether there is a need for a periodic monitoring to ensure that the target latency values are met.

Proposed Meeting Calendar for 2017

The CRG members were informed about the revised Meeting calendar for 2017, which incorporated the changes suggested by the CRG during the meeting on 6/7 July 2016.

OMG Incident

The CRG was informed that the topic of OMG incident will be discussed in detail during the next CRG Telco on 13 September 2016.

Participant's organisation	Name of participant	
European Central Bank	Ms Karen Birkel	Chairperson
European Central Bank	Ms Madhura Satardekar	
European Central Bank	Mr David Weidner	
European Central Bank	Ms. Carolin Hohmann	
European Central Bank	Mr. Matej Mesar	
4CB	Mr Arno Friederich	
4CB	Ms Mariana Shkurtova	
4CB	Mr Dirk Beiermann	
4CB	Mr Andrea Dimartina	
4CB	Mr Massimiliano Renzetti	
4CB	Ms Maria Vila Pazos	
4CB	Ms Natalia Canalejo	
4CB	Mr Miguel Martinez	
4CB	Ms Wilma Jagomast	
4CB	Mr Didier Faur	
Deutsche Bundesbank	Ms Melanie Gulden	
Bank of Greece	Mr Yorgos Korfiatis	
Banco de España	Ms Anca Parau	
Banque de France	Mr Hervé Angebaud	
Banca d'Italia	Mr Luca Rissolo	
Banque centrale du Luxembourg	Mr Alexandre Briand	
De Nederlandsche Bank	Mr Erik Beunen	
Banque Nationale de Belgique	Mr Marc Lejoly	
Clearstream	Mr Markus Glück	
Iberclear	Ms Pilar Sanchez	
Monte Titoli	Mr Umberto Granata	

Société Générale	Mr Olivier Pierre Laurent Leveque
LCH Clearnet	Mr Pierre Peczi
Deutsche Bank	Mr Marko Niederheide
Euroclear	Mr Dan Toledano
ABN AMRO	Mr Ton Van Andel
OeKB	Mr Walter Sattmann
BBVA	Mr Daniel Saeta Martinez
BNP Paribas Securities Services	Mr Giorgio Ferraro
BOGS	Mr Petropoulos Panagiotis