



T2S CHANGE REVIEW GROUP

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Outcome

Meeting of the T2S Change Review Group (CRG)

3 September 2019, from 09:30 to 17:30

1. Introductory session

Outcome

The CRG chairperson, Dimitri Pattyn, welcomed the participants and introduced the meeting.

In particular, CRG participants were informed of the following:

- the T2-T2S Consolidation project is aiming at delivering version 2.1 of its UDFS by end 2019;
- the ECMS project is aiming at delivering a consolidated version of its UDFS (1.0) by end 2019;
- responses to the public consultation on the EDDI initiative are being processed by the ECB team, and the results will be reviewed by the Eurosystem governance bodies in the coming months to determine the way forward.

2. CRG action points list

Outcome

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

- **AP-3755** (4CB to address during the detailed assessment of CR-711 the questions raised by CRG members): during the ongoing detailed assessment of CR-711 (Recovery building processes), 4CB produced a High Level Design note on the recovery tools Repair and Rebuild. The note covers design assumptions for the Diagnostic, Repair and Rebuild tools, as well as the pillars on which they rely - Commonly Agreed Starting Point, T2S safeguarded messages and the EMIP Golden copy. This note is currently under review by the Security Managers Group's dedicated Task Force, and will be discussed in its next meeting on 25-26 September 2019. The main points will be presented during the next CRG meeting in October, so that questions raised by CRG members can be addressed in the detailed assessment until the end of the year.
- **AP-3804** (ECB team to seek the views of relevant TIPS and T2 governance bodies on the proposed approach to manage the diverging BIC patterns across ISO messages): the preference of the CRG to keep the current BIC pattern until the newer BIC pattern is available across the entire T2S message portfolio will be reported in the TSWG meeting of 4-5 September 2019
- **AP-3832** (ECB team to schedule in the relevant T2 governance groups a discussion of the need for T2 to support debit orders relevant to CR-709): a discussion on this topic is scheduled in the TSWG meeting of 4-5 September 2019
- **AP-3833** (ECB team to schedule a longer-term CRG discussion of the need to harmonise the definition of Amount fields across the entire T2S message portfolio (i.e. also for messages not used by common components)): the ECB team informed of the status of internal discussions on this topic, and invited CRG

members to provide any views on a possible path to removing coexistence requirements from the T2S message portfolio, in view of initiating a discussion on this topic in one of the next CRG meetings.

Follow-up action:

- CRG members to provide comments on the proposed closure of action points to the ECB team [1 October 2019]
- ECB to present a summary of the high level design of the solution foreseen for CR-711 (Recovery building processes) [8 October 2019]
- CRG members to provide initial views on a possible path to removing coexistence requirements from the T2S message portfolio [8 October 2019]

3. Analysis of change requests

3.1 Change requests under implementation

- T2S-0658-SYS (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs)

Outcome

The CRG took note of an update to CR-658 (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs), i.e. Business rule numbers are now available in the CR.

In addition, the CRG agreed that additional business rules should be implemented, as part of CR-658, to ensure that 1) a Hold reason code is required in a settlement instruction if the Hold indicator is set to True, and 2) a Hold reason code is not allowed in a settlement instruction if the Hold indicator is set to False.

Follow-up action:

- 4CB to provide an updated version of CR-658 [20 September 2019]
- ECB to inform the relevant groups of the updates to CR-658 [8 October 2019]

- T2S-0671-SYS (Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S)

Outcome

The CRG took note of an update to CR-671 (Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S), and agreed to the proposed changes in two additional U2A screens.

Follow-up action:

- ECB to inform the relevant groups of the updates to CR-671 [10 September 2019]

3.2 Change requests already ranked/authorised/recommended for authorisation

3.2.1 CRs with message impacts

- T2S-0684-SYS (Handling for outbound messages with amounts exceeding 14 digits)

Outcome

CRG members took note of the results of the detailed assessment of CR-684. Considering that a written procedure was ongoing to potentially extend the specification of Amount fields to 18 digits in some

messages, CRG members agreed that the scope of CR-684 might need to be adjusted. Accordingly, CRG members agreed to postpone their recommendation to the PMG until the scope of CR-684 is finalised.

Follow-up action:

- ECB team to seek a recommendation of the CRG to the PMG on CR-684 in writing, on the basis of an updated version of CR-684 taking into account the outcome of the ongoing CRG written procedure on the specification of Amount fields in some T2S messages [10 September 2019]

- T2S-0695-SYS (Trade date to become mandatory within a settlement instruction (sese.023))

Outcome

CRG members took note of the results of the detailed assessment of CR-695 and agreed to recommend to the T2S PMG its inclusion in T2S Release 4.2.

Follow-up action:

- ECB team to inform the ECMS project team of the impact detected on ECMS as a result of the change in the sese.023 specifications [10 September 2019]

- T2S-0713-SYS (Alignment of T2S Messages with ISO Standards Release 2018 – 2019 and migration to ISO registered versions)

Outcome

CRG members took note of the results of the detailed assessment of CR-713. Upon request from CRG members, 4CB agreed that the detailed assessment would be updated to:

- unprune an additional field (the new field “Receiving Subbalance”) and;
- include in CR-713 the minimum set of business rules to handle this new field and the “Delivering Subbalance” field;
- unprune two further fields anticipated to be needed by ECMS.

Accordingly, CRG members agreed to postpone their recommendation to the PMG until the scope of CR-713 is finalised.

Follow-up action:

- 4CB to update CR-713 to mention explicitly the future T2S handling of the new field “Receiving Subbalance” as well as to include the unpruning of two fields planned to be used by ECMS [17 September 2019]

3.2.2 CRs related to T2-T2S Consolidation

- T2S-0702-SYS (T2-T2S Consolidation and ECMS will require an internal communication within the consolidated platform)

Outcome

CRG members took note of the results of the detailed assessment of CR-702 and agreed to recommend to the T2S PMG its inclusion in T2S Release 4.2.

- T2S-0703-SYS (camt.050 exchanged between T2S and CLM)

Outcome

CRG members took note of the results of the detailed assessment of CR-703 and agreed to recommend to the T2S PMG its inclusion in T2S Release 4.2.

- T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)

Outcome

CRG members took note of the proposed solution design for CR-709 and confirmed that from a functional perspective, the CR-709 detailed assessment could be conducted on this basis, including the creation of two new events in T2S to control the generation and sending of the T2S General Ledger file.

Some CRG members pointed out that CR-709 might need to be adjusted if T2 would support camt.051 messages (Liquidity transfer debit orders). Some CRG members also suggested that the announced CR from Banque du Luxembourg about rule-based liquidity transfers could provide a solution to avoid negative overnight balances on NCB DCAs.

Considering that this CR would modify the T2S end-of-day processing, CRG members invited the ECB team to seek the views of the OMG on the proposed solution design.

Follow-up action:

- ECB team to collect the views of the OMG on the solution design presented to the CRG [8 October 2019]

3.2.3 Other CRs (already ranked/authorised/recommended for authorisation)

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

Outcome

The CRG agreed that if CR-692 went into production on the deployment date of a T2S release, the scope of CR-692 could include two additional elements:

1. the removal of the ability to switch on/off the CR-609 reporting upon transition of an instruction to the 'Failing' status;
2. the removal of software items needed to determine whether the reporting is "on" or "off". This is expected to slightly improve performance.

CRG members took note that the 4CB recommendation to activate CR-692 with the deployment of release 4.0 would be discussed in the PMG on 4 September 2019, as well as in the CSDR Task Force.

Follow-up action:

- Subject to the outcome of the PMG discussion on the activation date of CR-692, 4CB to provide an updated version of CR-692 [20 September 2019]

3.3 Preliminary assessed change requests / CRs under preliminary assessment

3.3.1 CRs related to T2-T2S Consolidation

- T2-T2S Consolidation roll-out – Updated T2S perspective
- Updated Q&A on T2-T2S Consolidation CRs

Outcome

CRG members took note that the Q&A document had been updated with additional answers. Pending questions will be answered in the next update of the Q&A document. Going forward, the CRs themselves should be used as reference documents and the Q&A document will not be maintained.

- T2S-0697-SYS (Billing common component for T2S)

Outcome

CRG members took note of the results of the preliminary assessment of CR-697. In particular, CRG members took note of the proposal that Central Bank system entities active in EUR would start using the common component BILL as of the go-live of T2-T2S Consolidation (November 2021), and that the feasibility of this proposal would have to be confirmed by the detailed assessment of CR-697.

The 4CB informed CRG members that for the month of November 2021, the likely scenario would be that Central Banks would receive two invoices – one for the period before the migration to BILL, the other for the period after the migration to BILL.

The CRG agreed to recommend CR-697 for authorisation by the T2S Steering Level.

- T2S-0698-SYS (T2-T2S Consolidation Business Day Management)

Outcome

CRG members took note of the results of the preliminary assessment of CR-698, including the fact that the targeted release for CR-698 had been revised to T2S R4.2 (November 2020) as discussed by the PMG on 18 July 2019.

The CRG agreed to recommend CR-698 for authorisation by the T2S Steering Level.

- T2S-0701-SYS (ESMIG Impact on T2S)

Outcome

CRG members took note of the results of the preliminary assessment of CR-701, and agreed to recommend it for authorisation by the T2S Steering Level.

- T2S-0704-SYS (CRDM Business Interface Development)

Outcome

CRG members took note of the results of the preliminary assessment of CR-704, in particular that with the detailed assessment of CR-704/CR-0705, it should be expected that some additional changes to messages will be introduced in the CRDM scope, for instance on the Party object.

The CRG agreed to recommend CR-704 for authorisation by the T2S Steering Level.

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

Outcome

CRG members took note of the results of the preliminary assessment of CR-705, including the confirmation that the messages sent by CRDM and BILL business interfaces would not be eligible to the “user re-send” functionality. CRG members further took note that the OMG operational assessment on the latter would be available in the course of September.

The CRG agreed to recommend CR-705 for authorisation by the T2S Steering Level in principle, subject to the confirmation by the OMG that the user re-send functionality for reference data and billing messages was not critical from an operational perspective.

- T2S-0706-SYS (BILL Business Interface Impact on T2S)

Outcome

CRG members took note of the results of the preliminary assessment of CR-706, and agreed to recommend it for authorisation by the T2S Steering Level.

The 4CB informed CRG members that for the month of June 2022, the likely scenario would be that CSDs would receive two invoices – one for the period before the migration to BILL, the other for the period after the migration to BILL.

- T2S-0707-SYS (BDM Business Interface Impact on T2S)

Outcome

CRG members took note of the results of the preliminary assessment of CR-707, and agreed to recommend it for authorisation by the T2S Steering Level.

- Evolution of screens and messages within CSLD

Outcome

CRG members took note of the updates to the table summarising the evolution of screens and messages (messages acmt.025 – AccountQueryList, acmt.026 – AccountListReport will no longer be supported by T2S Interfaces after the deployment of CR-705).

3.3.2 Other CRs

- T2S-0690-SYS (Unprune fields in settlement allegements)

Outcome

CRG members took note of the amended scope of CR-690 proposed by the CR initiator following its preliminary assessment, including the fact that the unpruned fields would be filled in allegement messages only if the original instruction was received in A2A mode.

The CRG agreed to recommend CR-690 for authorisation by the T2S Steering Level, subject to the inclusion in CR-690 of the “Declaration details” field to be reported in settlement allegements (sese.028 and semt.019) at least for Party level 1, on both Delivering and Receiving party side.

Follow-up action:

- Euroclear to update CR-690 to include the relevant “Declaration details” fields in the scope of the CR [8 October 2019]

3.4 Newly raised CRs / Candidates for preliminary assessment

The CRG members will be invited to discuss the following CRs and consider the launch of their preliminary assessment or other adequate next steps.

- T2S-0717-URD (T2S penalty mechanism: exemption from LMFP on settlement instructions created as a result of partially successful buy-ins)
- T2S-0717-URD – Partial buy-in – 4CB/SWIFT analysis

Outcome

CRG members took note of the 4CB/SWIFT experts analysis of the design originally envisaged for CR-717, and agreed that the alternative design proposed by the 4CB would be preferable, i.e. that the information that a settlement instruction was created as a result of a partially successful buy-in should be provided as a Settlement Transaction Condition Indicator (STCO). In the short-term, it is proposed to specify this information as a proprietary STCO code ‘BSSP’; in the long term, 4CB will raise an ISO Change request to include ‘BSSP’ as a standard STCO code.

4CB informed that the preliminary assessment of CR-717 would be delivered on 15 November 2019.

Follow-up action:

- CSDR-TF members to confirm their agreement with the alternative design proposed by 4CB for the requirements described in CR-717 [6 September 2019]
- ECB team/4CB to support CSDR-TF in updating CR-717 to reflect the short term solution design [27 November 2019]

4. Clarification notes

Information to be provided / Background documents

- SDD-PBR-0047 (UHB calculation of “Projected Balance” should not contain the amount of outstanding intraday credit from auto-collateralisation)

Outcome

CRG members agreed to recommend to the OMG the rejection of the clarification note SDD-PBR-0047, considering that the software behaviour should be aligned with the current UHB wording and that this would be achieved by the fix of PBI-204856, scheduled for T2S R3.3 (February 2020).

Follow-up action:

- ECB team to inform the OMG of the CRG recommendation on SDD-PBR-0047.
- ECB team/4CB to prepare a CRG clarification note summarising proposed changes to the T2S documentation to ensure a consistent description of the T2S cash forecast functionality [8 October 2019]

- CRG-PBR-0016 (Reason codes informing about the unsettled part of a partially settled instruction)

Outcome

CRG members reviewed the clarification note CRG-PBR-0016. CRG members agreed that the current behaviour of the T2S software was in line with the T2S documentation (UDFS). Given the confirmation by 4CB that the instructions subject to CSDR penalties could be identified based on the current T2S behaviour, CRG members considered that there was no need to implement the change described in the note CRG-PBR-0016.

5. Updated Operational Governance Process Framework

- OGPf update - Management of Common Components

Outcome

CRG members took note of the high-level introduction of the changes proposed by the dedicated PMG drafting group to the T2S Operational Governance Process Framework. CRG members stressed the importance of having similar processes and consultation mechanisms in the change and release management frameworks of the different Target services.

Follow-up action:

- CRG members to provide comments on the proposed changes to the T2S OGPf [9 September 2019]

6. Any other business

- Presentation on the 4CB schedule for detailed assessments of CRs for R5.0

Outcome

CRG members took note of the 4CB detailed assessment schedule for CRs to be included in T2S R5.0 (June 2021).

- Status update on the registration of Pillar III messages

Outcome

CRG members took note that the two Collateral Management messages colr.001 and colr.002 have been successfully registered. The nine Securities Account reda messages¹ are currently under final review at the ISO Registration Authority.

The next message set that will be registered are the Intra-Balance Movement semt messages. This task will start after the final registration of the nine abovementioned reda messages.

¹ reda.018, reda.019, reda.020, reda.021, reda.023, reda.032, reda.035, reda.036, reda.037

6.1 CRG meetings and other relevant dates

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

- 19 September 2019 Workshop on Legal archiving requirements
- 7 October 2019 07/10 19:00 CRG dinner
Restaurant Goldmund, im Literaturhaus Frankfurt (Schöne Aussicht 2)
- 8 October 2019 08/10 09:30-17:30 ECB Main building
- 27 November 2019 27/11 09:30-17:30 ECB Main building
- 22 January 2020 22/01 09:30-17:30 ECB Main building
- 13 February 2020 Consultative workshop on BILL and BDM GUI
- 4 March 2020 04/03 09:30-17:30 ECB Main building
- 13 May 2020 Consultative workshop on CRDM GUI (T2S CSDs)
- 26 May 2020 26/05 09:30-17:30 ECB Main building
- 10 June 2020 Consultative workshop on CRDM GUI (T2S CBs)
- 2 July 2020 02/07 09:30-17:30 ECB Main building
- 25 August 2020 25/08 09:30-17:30 ECB Main building
- 18 November 2020 18/11 09:30-17:30 ECB Main building

Outcome

CRG members took note of the provisional dates for the consultative workshops on the user interfaces for common components (BILL and BDM: 13 February 2020, CRDM: 13 May 2020 (CSDs) and 10 June 2020 (Central Banks)).

Follow-up action:

- CRG members to provide business values for all outstanding CRs not yet proposed for a release (list to be established and circulated by the ECB team) [13 September 2019]