16 June 2020

<div style="border:1px solid">

PMG Meeting

28 & 29 May 2020 (14:00-17:30 & 09:00 – 11:30)

WebEx conference call

MEETING OUTCOME

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DAY 1 [14:00 – 17:30]

1. APPROVAL OF THE AGENDA AND INTRODUCTORY REMARKS [14:00-14:05]

The participants will be invited to agree on the present agenda.

Outcome

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

The PMG members approved the agenda of the meeting with a slight modification in order to start the meeting with the discussion of agenda item 8 PMG Go/No go decision on R4.0 deployment to production upon request of a PMG member.

2. OUTCOME OF THE PREVIOUS MEETING AND ACTION POINTS [14:05-14:20]

The participants will be invited to approve the outcome of the previous meeting and to go through the list of Action Points.

Background documentation

- Outcome of the PMG meeting on 05 March 2020
- List of Action Points

Outcome

The outcome of the previous PMG meeting that took place on 5 March 2020 was approved.

The PMG members took note of the status updates of the action points and were invited to approve the changes with regards to their status. In particular, the PMG agreed to the following:

T2SACTION-3750 T2S community migration to ESMIG: (as per the outcome of agenda item 6.1) the PMG took note that a new version of the Management of T2-T2S Test Environments will be distributed to the PMG once all comments from other T2S technical groups have been addressed. Following a PMG WP, a final version of the document will be produced. *Subject to the outcome of the PMG WP, the PMG agreed to resolve AP-3750.*

T2SACTION-3845 - Process for T2S Risk reporting: the PMG discussed the review of the timeline of this action point and agreed to hold the workshop with PMG and OMG representatives only when travel and meeting bans are lifted. *The PMG agreed to extend the deadline of the Action Point to October 2020.*

T2SACTION-3900 - T2S Migration window: the PMG accepted the proposal to discuss the most appropriate date for the annual standard migration in T2S when the available slots during the year become clearer. *The PMG agreed to discuss the Action Point in the next PMG meeting on 3 July 2020*

T2SACTION-3915 - Coordinated user testing with T2-T2S Consolidation (CR-708 & CR-709): the PMG was informed about the discussion in the UTSG of the conditions in which the R5.0 will be tested in EAC and UTEST linked to the connection of T2S with T2 CLM/RTGS. Clarifications are expected regarding the activities to be performed on T2S side to allow for the connection to T2: a playbook is expected at UTSG level to plan these activities in EAC (e.g. deletion of mock entities of type Central Bank, change of RTGS external account in the T2S DCAs, technical link T2/T2S). *The Action Point will be closed.*

T2SACTION-3916 - Allocation of 7 CRs in the context of ECMS implementation: (as per the outcome of agenda item 4) the detailed assessments of the 7 CRs raised in the context of ECMS implementation are expected by 29 June 2020 cob allowing for a discussion in the July CRG and PMG meetings. *The PMG agreed to discuss the Action Point in the next PMG meeting on 3 July 2020.*

T2SACTION-3917 - Clarification on the open questions regarding CR-722: the PMG discussed and approved the proposal to allocate CR-722 to R5.0 during an extraordinary call with the T2S technical groups involved on 20 March 2020. *The Action Point will be closed.*

T2SACTION-3929 - CR-691 - Set up of max recycling of matched instructions parameter with R4.2: the PMG approved the UTSG proposal to setup of the max recycling of matched instructions parameter with R4.2 in EAC during the PMG call on 24 April 2020 – *the Action Point will be closed.*

T2SACTION-3930 - Testing of PFOD for settlement of cash penalties: the PMG discussed and approved a proposal on test planning and reporting during the PMG call on 24 April 2020. It was reiterated during the meeting that this action point is only in relation to the planning and reporting framework and thus not dependent on the testing results as such. *The Action Point will be closed.*

T2SACTION-3932 - T2S CRDM data via T2 instance of ESMIG (as per the outcome of agenda item 6.1) 4CB confirmed that they would provide further clarification on AP-3932 and a presentation for discussion in the next PMG meeting. *The PMG agreed to discuss the Action Point in the next PMG meeting on 3 July 2020.*

The PMG agreed to open the following new Action points (also reflected as outcome of the relevant agenda items):

[NEW AP] Pre-migration playbook for the connection of T2S to T2: the PMG discussed and urged the need for a playbook postulating the testing conditions to be met before the connection of T2S to T2 in EAC as of the deployment of T2S R5.0 Package 1 on 5 February 2021 (deletion of mock entities of type Central Bank, change of RTGS external account in the T2S DCAs, technical link T2/T2S…). *The participants agreed to open an action point to track the progress made by the UTSG on defining the pre-migration conditions and finalise the corresponding playbook by September 2020.*

target | T2S

[NEW AP] Clarifications on the decommissioning of the Ascertia applet: the PMG requested 4CB to specify the latest date by which the PMG should decide whether to include the PBI for decommissioning the Ascertia applet in R 5.3 in a later release. The PMG also asked to confirm if it is possible that the applet is still to be in place after the migration of T2S to ESMIG. *Answers to both questions should be sought for the next PMG meeting in July 2020.*

3. UPDATE ON CRG ACTIVITIES [14:20-14:40]

The Eurosystem will provide an update on the CRG activities.

Background documentation

- Briefing of the CRG meeting (table document)

Outcome

The PMG took note of the outcome of the CRG meeting held on 26 May 2020, in particular that 6 CRs under implementation[1] had been updated, without a change to the cost or planning aspects resulting from the detailed assessment.

On CR-710, PMG members asked to confirm that the daily maintenance window would be activated only when necessary already from T2S R5.0, and not from the go-live of the T2-T2S Consolidation project *[note: shortly after the meeting a confirmation from 4CB was received]*

4. RELEASE SCOPING [14:40-15:30]

The PMG will be invited to discuss the scope extension of 6 CRs to R5.0 based on the detailed assessments provided by 4CB. In addition to that, the PMG will be invited to discuss the scoping and testing plan for decommissioning the Ascertia Applet with R5.3.

Background documentation:

- T2S-0692-SYS
- 4CB R4.2 Detailed Assessment of CR-692

Outcome

The PMG took note of the CRG recommendation to implement CR-692 in R4.2 and agreed to the proposed release allocation, subject to the outcome of the OMG operational assessment.

- T2S-0503-SYS, T2S-0615-SYS, T2S-0681-SYS, T2S-0688-SYS, T2S-0690-SYS, T2S-0717-SYS
- 4CB R5.0 Detailed Assessments of CR-503, CR-615, CR-681, CR-688, CR-690 & CR-717

Outcome

The PMG took note of the following views of T2S technical groups:

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1 T2S-0654-URD (T2S Penalty mechanism); T2S-0629-SYS (Cash forecast breakdown per CORP/non-CORP); T2S-0630-SYS (Cash forecast breakdown per hold/not on hold); T2S-0708-URD (Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA (including CB accounts)); T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional); T2S-0710-URD (Daily maintenance window only for urgent changes)

- The CRG recommended to the PMG the inclusion of the CRs in scope of R5.0.

- The OMG conducted an operational assessment and informed their participants about the operational impact identified.

- The PMG did not raise any concern with regards to the proposed release allocation.

- The UTSG confirmed testing coverage for all the CRs.

In addition to that, the CSLD and ECMS confirmed that no impact was identified on the projects.

The PMG agreed to recommend the inclusion of these CRs in the scope of R5.0 to the Steering Level by 29 May 2020.

The PMG agreed also that the OGPF should be updated in its next review to reflect that the CR cross service impact assessment covers besides changes to common components also changes to interfaces between TARGET services and changes to messages used by more than one TARGET service.

- Decommissioning of Ascertia Applet with R5.3

Outcome

The PMG has no objection in principle to the proposal for decommissioning the Ascertia applet with T2S R5.3, and for a PBI to be raised to that effect. However, the PMG requested 4CB to specify the latest date by which the PMG should decide whether to include the PBI in T2S R 5.3 or in a later release. The PMG also asked to confirm if it is possible that the applet is still to be in place after the migration of T2S to ESMIG. Clarifications on both questions will be tracked via a new Action point.

- Updated Capacity Consumption

Outcome

The PMG was presented with the updated 4CB CR implementation capacity consumption as of 22 May 2020.

In comparison with the previous update in January 2020, the PMG noted that:

- 7 CRs (CR-383, CR-503, CR-615, CR-681, CR-688, CR-690, CR-717) were added after the delivery of their detailed assessments in April;

- 7 CRs related to ECMS (CR-384, CR-436, CR-530, CR-572, CR-574, CR-680, CR-714) were removed (so far R5.2, i.e. main implementation efforts in 2021) since their detailed (re)assessments for R5.0 are ongoing until July, when they should be reintegrated in the consumption capacity updates;

The participants further took note that 4CB will provide a new CR implementation capacity update, including figures for 2023, updated figures for 2021 and 2022, in Autumn 2020, as stipulated in the Financial Framework. Also in this context, 4CB is reassessing the capacity for SETT and considering the sub-consumption.

- Three year demand exercise – oral report

Outcome

Following the discussion on the T2S capacity consumptions, the PMG was reminded about the three year demand exercise to take place on a yearly basis. For 2020, it is planned to run this exercise in September 2020.

- Ranked List of Change Requests (ECB website)

Outcome

The PMG took note of the ranked list of Change Requests as of 26 April 2020.

BREAK [15:30 – 16:00]

5. CRS IMPACTING COMMON COMPONENTS AND RAISED BY THE T2S COMMUNITY [16:00-16:05]

The PMG will be invited to discuss the timing and implementation steps (testing, monitoring of readiness, etc.) in view of the changes related to the Eurosystem Market Infrastructure projects.

- **CRs -503, -615, -688 and -690** impacting the Data Warehouse for T2S in the CSLD project
- **CRs -503, -615 and -688** messages impacting the ECMS software

Outcome
The PMG took note of the Change Requests related to the Eurosystem Market Infrastructure projects.

6. CRS IMPACTING COMMON COMPONENTS AND <u>NOT</u> RAISED BY THE T2S COMMUNITY [16:05-16:15]

The PMG will be invited to discuss about the CRs and PBIs that are not raised by the T2S community but and still require its involvement or should be informed about.

Background documentation:

- CSLD-0038
- New T2S Clarification Note on CSLD-0038

Outcome
The PMG took note of CSLD CR-0038 and was invited to review the impact assessments performed by other T2S technical groups. Based on the information provided:
- the CRG assessed the new business rule at Cash Account level preventing the creation of new Cash Accounts in different Currencies when the Currency is defined at System Entity level to be acceptable.
- the UTSG and OMG agreed that the impacts of CSLD CR-0038 on T2S in R4.2 would be acceptable from a testing and operational perspectives, respectively.
Following the OGPF, the PMG will now communicate the T2S impact assessment preformed to the originating service and register the changes brought about by CSLD CR-0038 to CRDM in the STP for T2S R4.2.

- CSLD CR-006, CR-020, CR-022 & CR-023
- Clarification Note on T2-T2S Consolidation change requests coinciding with R4.2

Outcome
The PMG took note of CSLD CR-006, CR-020, CR-022 and CR-023 and was invited to review the impact assessments that will be performed by other T2S technical groups by 5 June 2020.
The PMG further took note that following the CRG discussion, 4CB was checking whether updates to the T2S documentation for R4.2 were needed to reflect the impacts described.

Following the OGPF, the PMG will communicate the outcome of the T2S impact assessment preformed to the originating service and register the changes brought about by CSLD CR-0038 to CRDM in the STP for T2S R4.2.

6.1 R4.2T2S and the T2-T2S Consolidation [16:15-16:20]

The PMG will be invited to discuss the outcome of the PMG drafting group on the management of the EAC and UTEST test environments which will be common to T2 and T2S (and the Common Components) during the period commencing with the T2S release testing of Release 4.0 and concluding with the deployment of T2S release 6.2 to production (**AP-3750 & AP-3932**).

Background documentation:

- Management of T2-T2S Test Environments

Outcome

The PMG took note that a new version of the *Management of T2-T2S Test Environments* will be distributed to the PMG once all comments from other T2S technical groups have been addressed. Following a PMG WP, a final version of the document will be produced. Subject to the outcome of the PMG WP, the PMG agreed to resolve AP-3750.

7. T2S Status update on plan and Risks [16:20-16:50]

The PMG will be informed about the regular risk and issue's review in view of 2020 Q1, which has been approved by the T2S Steering Level. Additionally, the participants will be invited to discuss a plan for the potential impact of COVID-19 in R4.2. Finally, the usual update on the planned T2S activities will be presented.

Background documentation:

- T2S Risks and Issues register in view of Q1 2020 report
- T2S R4.2 – potential impact of COVID-19

Outcome

The PMG took note of the T2S Risk and Issues report in view of Q1 2020, which was subject to a CSG WP by 21 May 2020 where no comments were received.

In the absence of any known material indications on any potential impact of COVID-19 on the successful go-live of T2S R4.2 on 21 November 2020, the PMG agreed that there are no risk-mitigating actions to be taken.

In addition, some PMG members indicated that there are some critical CSD in-house deployments around the launch of T2S R 4.2 on 21 November 2020. In addition there are also some other external dependencies/deployments also planned around those dates (e.g. SWIFT standard release). These dependencies would not make possible a postponement if not agreed at an early stage in R4.2. The PMG will continue closely monitoring the progress of the activities (e.g. user testing) for the launch of T2S R 4.2.

- T2S Summary Plan, T2S Release & Migration Calendar

Outcome

The PMG took note of the T2S Release and Migration Calendar.

8. PMG GO/NO GO DECISION ON R4.0 DEPLOYMENT TO PRODUCTION [16:50-17:30]

The PMG will be invited to discuss the deployment of R4.0 to Production on 13 June 2020 based on the testing report and recommendation letter delivered the day before, as envisaged by the Service Transition Plan for R4.0.

Background documentation:

- Service Transition Plan for R4.0
- Service Transition Status Report - R4.0 - Entry to Production (table document)
- PMG recommendation to T2S Steering Level on deploying R4.0 to PROD (table document)

Outcome

The PMG was invited to review the PMG recommendation to T2S Steering Level on deploying R4.0 to PROD, supported by the Service Transition Plan for R4.0 and the STSR – Entry to PROD. Based on this review, the PMG decided to recommend to the CSG, NECSG and MIB the approval of the T2S Release 4.0 deployment to the Production Environment on 13 June 2020 as planned.

DAY 2 [09:00 – 11:30]

9. UPDATE ON USER TESTING & MIGRATION ACTIVITIES [09:00-09:30]

In addition to the usual update on the User Testing and Migration activities, the Eurosystem will propose for discussion the testing calendar for R5.1 and R5.2 in EAC and the test conditions for R5.0 (including **AP-3915**).

Background documentation

- Update on the User Testing and Migration activities

Outcome

The PMG took note of the ongoing user testing and migration activities including update on AP-3915.

The 4CB presented an issue identified by a CSD when trying to test the PFOD procedure in connection with the cross-border payments of the Cash Penalties mechanism.

The CSD identified some legal and operational limitations on their end to the implementation of the suggested scenario for cash penalties that relies on the use of a single "dummy" ISIN for cross-border payments of cash penalties (the so-called "multi-issuer scenario"). The PMG agreed to further assess two alternative scenarios:

i) the "hybrid-scenario" which requires the use of a Multi-issuer setup and an Issuer-Investor CSD setup as well as at least two distinct "dummy" ISINs without the need of a T2S CR and

ii) a scenario requiring only a single "dummy" ISIN but a T2S CR that would need to be implemented before T2S R 4.2 and T2S R 4.3 as a fast track release.

The PMG agreed on the time criticality of this issue and accordingly to further discuss the new identified scenarios in the PMG call on 5 June 2020.

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- User testing of T2S Release 5.0

Outcome

The PMG took note of the testing conditions for the connection of T2S to T2 in EAC and reviewed the details on the coordinated testing with CSLD in T2S R5.0. The PMG discussed and urged the need for a pre-migration playbook postulating the testing conditions to be met before the connection of T2S to T2 in EAC as of the deployment of T2S R5.0 Package 1 on 5 February 2021 (deletion of mock entities of type Central Bank, change of RTGS external account in the T2S DCAs, technical link T2/T2S…). This will be tracked via a new Action point.

Further details on the user testing and migration activities with connection to T2S R5.0 may be found in the final *Management of T2-T2S Test Environments* and *STP for R5.0*.

- T2S deployment dates for R5.1 & R5.2

Outcome

The PMG was invited to discuss the proposals put forward by 4CB on the EAC deployment dates for R5.2 packages 1 and 2 as they collided with R5.1 packages 3 and 4, respectively. Building on the discussion in the PMG meeting, 4CB will further assess if T2S R5.2 EAC package 1 deployment and T2 MWDR could be rescheduled to take place in parallel on 12 and 13 August 2021 in order to solve the conflict between T2S R5.1/ R5.2 deployments and the planned T2 MWDR. The proposal will be followed up on the next PMG call on 5 June 2020.

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10. PLANNING AND MONITORING OF T2S RELEASES [09:30-09:45]

The PMG will be invited to discuss the status on the various releases and the Service Transition Plans of the respective releases.

Background documentation:
- PMG information on release status as of 22 May 2020

10.1 Release 4.2 [09:45-09:50]

The PMG will be invited to discuss the updates to the documentation supporting this release.

Background documentation:
- Service Transition Plan for R4.2

10.2 Release 4.3 [09:50-09:55]

The PMG will be invited to discuss the updates to the documentation supporting this release.

Background documentation:
- Service Transition Plan for R4.3

10.3 Release 5.0 [09:55-10:00]

The PMG will be invited to discuss the updates to the documentation supporting this release.

Background documentation:
- Service Transition Plan for R5.0

Outcome

The PMG took note of the ongoing scoping, testing and risk mitigation activities as of 22 May 2020.

The PMG agreed to change the status of T2S R4.0 from "yellow" to "green". The PMG took note that the Eurosystem will propose the closure of the related risk after the deployment of T2S R4.0.

The PMG will be invited to address comments to the Service Transition Plan for T2S R4.2, R4.3 and R5.0 via written consultation until 10 June 2020. The outcome will thereafter be shared for approval with the T2S Steering Level.

Regarding the open risk on the impact of COVID-19 on R 4.2, in line with the previous dedicated discussion on the potential impact of COVID-19 on T2S R4.2 (agenda item 7), the PMG agreed that at the moment there are no known issues that could endanger the successful deployment of T2S R4.2 and will continue closely monitoring the progress of the activities (e.g. user testing).

BREAK [10:00 – 10:30]

11. UPDATE ON OTHER GROUPS ACTIVITIES

11.1 Operational Management Group – OMG [10:30-11:00]
The Eurosystem will provide an update on the OMG activities.

Background documentation:

- Update on the OMG activities

Outcome

The participants were informed about the OMG ongoing activities. Regarding the Penalty mechanism test environments configuration (no dry run), the OMG was of the view that the corresponding set-up for EAC and UTEST is under the responsibility of the PMG/UTSG as part of the regular release testing.

11.2 Security Management Group – SMG [11:00-11:15]
The Eurosystem will provide an update on the SMG activities.

Background documentation:

- Update on the SMG activities – oral debrief

Outcome

In the absence of any SMG meeting since the last update to the PMG no update was provided.

12. ANY OTHER BUSINESS

12.1 External Examiner Recommendations [11:15-11:25]
The ECB will report orally on the status of the actions taken towards the recommendations made by the external examiner in 2019.

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Outcome

The PMG took note of the progress made towards the actions recommended by the external examiner in 2019. As part of the external examiner recommendations, the ECB will make a proposal for an update to the PMG mandate over the summer period of 2020. The next update to the PMG is expected towards the end of Q3 – Q4 2020.

12.2 Timing of PMG meeting and calls [11:25-11:30]

The PMG will discuss the upcoming planned activities.

Background documentation:

- T2S Meeting Calendar 2020

Outcome

The PMG took note of the T2S calendar. The next PMG meeting will take place on 3 July 2020 via WebEx due to the COVID-19 restrictions.