



Change Review Group activities

*Advisory group on market infrastructures for securities and collateral (AMI-SeCo)
4-5 July 2017*

T2S Programme Office
European Central Bank

- 1 Change Requests for decision
- 2 Status on change management and scoping exercise for future releases
- 3 Change Requests for Release 1.3
- 4 Change Requests potentially for Release 2.0
- 5 Change Requests potentially for Release 3.0
- 6 Topics under CRG discussion

A) Change Request for decision

There is no new Change Requests with the AMI-SeCo for decision

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On continuous basis, the Change Review Group evaluates Change Requests raised by T2S Actors and submits the finalised and complete CRs for preliminary assessment

A) Preliminary assessments

- In the preliminary assessment, the 4CB provide the cost impact indicator, the impacted T2S domains and whether a Change Request has a performance impact
- The following Change Requests are currently under preliminary assessment:
 - [T2S-0638-SYS](#) (T2S should allow and process already matched instructions which include the counterparty's securities sub-position to be used for settlement purposes). It will be available on 21 June 2017
 - [T2S-0658-SYS](#) (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs). It will be available on 8 August 2017
 - [T2S-0659-SYS](#) (T2S should allow settlement of instructions with an 'AFTER' link to a settled instruction that was subject to conditional securities delivery). It will be available on 24 June

B) New breakdown of the financial impact indicator

- During the RMSG workshop on the Operational Governance Framework, the CSDs requested the 4CB to analyse the possibility to have an enhancement of the current financial impact indicator provided with the preliminary assessment:

Category	Definition
High	Changes with an investment cost of more than 500 000 EUR.
Medium	Changes with an investment cost of less than 500 000 EUR, but more than 100 000 EUR.
Low	Changes with an investment cost of less than 100 000 EUR.

- The 4CB indicated that they could categorise the financial impact indicator into 5 categories (non-binding) – [see detailed analysis](#)

Category	Definition
Very High	Changes with an investment cost of more than 700 000 EUR.
High	Changes with an investment cost of less than 700 000 EUR, but more than 400 000 EUR.
Medium	Changes with an investment cost of less than 400 000 EUR, but more than 200 000 EUR.
Medium-Low	Changes with an investment cost of less than 200 000 EUR, but more than 100 000 EUR.
Low	Changes with an investment cost of less than 100 000 EUR.

- The CRG was of the opinion that the 4CB proposal would indeed provide a more granular view to the results of the preliminary assessment

C) Change Request ranking

- The CRG also ranks Change Requests as part of the release management process
- The CRG has started a new prioritisation exercise in June 2017, based on the current CRs on hold. CRG members are invited to provide new business value indicators for the latest raised CRs (also for the old ones on voluntary basis). The aim is to have an updated ranking by the end of August 2017

D) Status of particular Change Requests

- **T2S-0646-SYS** (Pre-formatted operational reports at specific times) was raised by the Data Access Task Force (DATF)
 - The CRG and the DATF indicated that the cost of the Change Request was significant
 - On 12-13 July 2017, the DATF will update the CR with a reduced scope following the CSD's proposal and the 4CB will do a new assessment

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T2S Release 1.3 is planned to be deployed in production on 8 July 2017.

A) Current baseline scope proposal for the Release 1.3 (approved at Steering level)

The T2S Release 1.3 baseline currently includes 21 Change Requests

CR Number	CR Title
<u>T2S-0496-SYS</u>	Add "Corporate Action Event Identifier" and reason code "Cancellation due to transformation" in sese.024
<u>T2S-0532-SYS</u>	Hold/release default at account level should not override the Hold/Release indicator defined at instruction level
<u>T2S-0534-SYS</u>	CFI code and country of issuance of a security should be modifiable and CFI code should be compliant with the updated ISO Standard 10962
<u>T2S-0548-SYS</u>	Central Bank access to CMB securities account link list query
<u>T2S-0549-SYS</u>	Statement of Transactions and Statement of Settled Intra- Position Movements reporting for Partially Settled transactions to be made SMPG compliant
<u>T2S-0560-SYS</u>	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
<u>T2S-0564-SYS</u>	T2S should also validate the counterparty's securities account in a unmatched settlement instruction
<u>T2S-0565-SYS</u>	T2S should allow CSDs to remove links in instructions under CoSD
<u>T2S-0573-SYS</u>	Reporting of actually impacted securities Sub-Balance Type in settlement confirmation, Intra-position movement confirmation and Intra-balance movement confirmation messages
<u>T2S-0576-SYS*</u>	Handling of leading and trailing "blanks" and "/" in A2A and U2A attributes

* CR stemming from the 4CB testing activities

Change Requests are available on the CRG website (Change Request list): <http://www.ecb.europa.eu/paym/t2s/governance/tg/html/crg.en.html>

A) Current baseline scope proposal for the T2S Release 1.3 (cont.)

CR Number	CR Title
<u>T2S-0593-SYS</u>	Prevent acceptance (i.e. reaching SF1) of new settlement instructions at the level of a T2S Party
<u>T2S-0595-SYS</u>	Allow settlement restrictions and settlement instructions to impact positions other than the earmarked restriction type used at the securities account level
<u>T2S-0597-SYS</u>	T2S should identify static data-related transmissions for Central Bank auto-collateralisation and client-collateralisation separately for billing process
<u>T2S-0617-SYS</u> *	Handling Liquidity Transfers with future value date
<u>T2S-0624-SYS</u> *	Remove possibility to amend CoSD Rule and CoSD Rule Set by setting the closing date to past business date
<u>T2S-0625-SYS</u> *	CoSD Rule - New/Edit Screen - Discrepancy within UHB and between UHB and GUI
<u>T2S-0626-SYS</u>	Allow NCBs to obtain the complete view of all DCAs in the Cash account balances U2A query
<u>T2S-0627-SYS</u> *	Managing overlapping of Restriction Types for Security Accounts
<u>T2S-0635-SYS</u>	Introduction of a new event at the end of cut-off of IDVP
<u>T2S-0637-SYS</u>	T2S enhanced bundling of messages during night-time settlement reporting
<u>T2S-0651-SYS</u>	Apply pagination in the Statement of Transactions (semt.017) at transaction level

* CR stemming from the 4CB testing activities

Change Requests are available on the CRG website (Change Request list): <http://www.ecb.europa.eu/paym/t2s/governance/tg/html/crg.en.html>

B) Fixes for known problems

- The T2S Release 1.3 baseline currently includes the following 86 fixes

PBI-156685; PBI-157068; PBI-157832; PBI-158401; PBI-160020; PBI-160191; PBI-160274; PBI-160318; PBI-160334; PBI-160439; PBI-160627; PBI-160810; PBI-160883; PBI-160938; PBI-160978; PBI-160980; PBI-161001; PBI-161003; PBI-161016; PBI-161018; PBI-161020; PBI-161024; PBI-161029; PBI-161056; PBI-161072; PBI-161075; PBI-161079; PBI-161083; PBI-161134; PBI-161146; PBI-161170; PBI-161187; PBI-161190; PBI-161192; PBI-161226; PBI-161232; PBI-161236; PBI-161249; PBI-161255; PBI-161295; PBI-161308; PBI-161310; PBI-161384; PBI-161406; PBI-161415; PBI-161423; PBI-161447; PBI-161511; PBI-161529; PBI-161541; PBI-200147; PBI-200150; PBI-200161; PBI-200216; PBI-200233; PBI-200335; PBI-200339; PBI-200367; PBI-200382; PBI-200389; PBI-200420; PBI-200485; PBI-200548; PBI-200550; PBI-200590; PBI-200602; PBI-200616; PBI-200651; PBI-200687; PBI-200691; PBI-200730; PBI-200781; PBI-200785; PBI-200923; PBI-200954; PBI-200959; PBI-200987; PBI-200928; PBI-201009; PBI-201011; PBI-201083; PBI-201107; PBI-201119; PBI-201168; PBI-201185; PBI-201282

C) Update of specification documents

The following documents were prepared as result of the CRs for the T2S Release 1.3 (the final versions were published on 20 February 2017 following a CRG review):

- T2S User Detailed Functional Specifications (UDFS) v2.3
- T2S User Handbook (UHB) v2.3
- T2S General Functional Specifications (GFS) v5.3

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A) Initial baseline scope for the T2S Release 2.0 (approved at Steering Level)

- The T2S Release 2.0 baseline scope includes the following Change Requests

CR Number	CR Title
T2S-0358-URD	Unblocking of ISINs as part of Corporate Action Handling
T2S-0515-URD	Allow instructions from CSD participants for n days after maturity date of security
T2S-0621-SYS	Multiple pending reason codes (combination of lack of securities and lack of cash)

B) Update of the initial baseline scope for the T2S Release 2.0

- On 7 and 23 June 2017, the CRG recommended the approval of the below CRs and their inclusion in the R2.0. The AMI-SeCo advice will be sought in the course of July

CR Number	CR Title
T2S-0540-SYS	Alignment of U2A and A2A cash forecast information
T2S-0562-URD	Overnight liquidity balance on the T2S Dedicated Cash Account in case of contingency scenario
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-0640-SYS	Bilaterally Agreed Treasury Management (BATM) operations to be applied on bilateral basis only
T2S-0645-SYS	Character Set X: Align discrepancies between UDFS, UHB, DMT and SWIFT handbook
T2S-0648-SYS	Enhancement of operational resilience in multi-currency context
T2S-0649-SYS	Handling of leading and trailing "blanks" and "/" in A2A and U2A names and Identification attributes

B) Update of the initial baseline scope for the T2S Release 2.0 (cont.)

- On 4 July 2017, the CRG will re-discuss the following 3 Change Requests for R2.0 potentially as in previous discussions, the CRG expressed some reservations on the cost drivers and the justification of the high price of the Change Request

CR Number	CR Title	Costs
<u>T2S-0446-SYS</u>	Blocking of U2A interface for submitting new instructions to T2S during reconciliation process post RAD (Recovery After Disaster)	Project phase costs: € 198,028.59 Operational costs: € 15,646.90
<u>T2S-0577-SYS</u>	T2S should allow a report configuration with validity of one day	Project phase costs: € 63,437.23 Operational costs: € 5,253.53
<u>T2S-0632-SYS</u>	To increase the default number of rows to be displayed from 10 to 100 rows per page	Project phase costs: € 88,481.39 Operational costs: € 7,546.38

- The Operation Managers Group (OMG), as initiator of the CR446, indicated that the CR is required from an operational point of view as otherwise, the reconciliation would take longer in case a T2S System user instructs during the reconciliation process after a RAD

C) Additional CR candidates for the T2S Release 2.0

- The CRG also positioned the below additional 4 CRs as part of the T2S Release 2.0 and asked the 4CB to check the feasibility to deliver them as part of the R2.0
- The detailed assessments for the first 3 CRs are planned on 13 July 2017. The delivery date for the detailed assessment for CR663 is planned on 28 August 2017

CR Number	CR Title
T2S-0650-SYS	T2S to prevent duplicate sequence numbers and duplicate T2S References after a RAD
T2S-0655-SYS	T2S should allow updates of maturity date for matured ISINs
T2S-0660-SYS*	Long Term Statistical Information improvements and performance optimisation (Phase 1)
T2S-0663-SYS	Treatment of change of fractional digit for cases of ISIN with settlement type nominal and change of settlement type

D) Fixes for known problems

- The T2S Release 2.0 baseline currently does not include any problem fix for the time being. There are few candidates identified by the OMG though

E) Update of T2S documents

The following documents will be updated as result of the Change Requests for the T2S Release 2.0:

- T2S User Requirements Document (URD) v6.0
- T2S User Detailed Functional Specifications (UDFS) v3.0
- T2S User Handbook (UHB) v3.0
- T2S General Functional Specifications (GFS) v6.0

Process	Start	End
Documentation update (GFS, UDFS, UHB, URD)	20 February 2017	02 March 2018
Delivery of draft documents	25 January 2018	
Market review of draft documents	26 January 2018	16 February 2018
Handling market comments and creation of final documents	19 February 2018	28 February 2018
Delivery of final documents	02 March 2018	

Please refer to the annex 1 to see other Change Requests that will also be part of the T2S Release 2.0-related documentation update as they were approved after the previous publication of specification documents

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A) Proposal for mandatory CR candidates for the T2S Release 3.0

- The CRG recommended the below Change Requests for detailed assessment and asked the 4CB to check the feasibility to deliver them as part of the R3.0

A.1) CRs required for being compliant with CSDR

- The 4CB plan to perform the detailed assessment from 26 June to 2 October 2017

CR Number	CR Title
<u>T2S-0600-SYS</u>	T2S reporting functionality must be enhanced to allow the retrieval of the settlement instructions and their related SF1 (accepted) /SF2 (matched) timestamps via A2A in an efficient and standard way
<u>T2S-0606-SYS</u>	T2S should maintain and report information related to 'Place of Trade' and 'Place of Clearing' of a settlement instruction consistently across T2S messages
<u>T2S-0607-SYS</u>	T2S must be able to identify, store, and report settlement information related to buy-in transactions consistently across T2S messages
<u>T2S-0609-SYS</u>	T2S must be able to report 'PENF' settlement status for settlement instructions for which settlement at the Intended Settlement Date (ISD) is no longer possible

A.2) T2S upgrade to a newer version of ISO20022 Standards

- The 4CB plan to perform the detailed assessment from 26 June to 23 October 2017

CR Number	CR Title
<u>T2S-0612-SYS</u>	Alignment of T2S Messages with ISO Maintenance Releases 2013-2017

Change Requests for Release 3.0

Proposal for potential scope

B) Proposal for potential mandatory CRs for the T2S Release 3.0

- **T2S-0654-URD** (T2S Penalty Mechanism)
 - The CRG recommended the Change Request for detailed assessment and asked the 4CB to check the feasibility to deliver it in the T2S Release 3.0 with the caveat that the CR might need to be revisited following the ESMA feedback and European Commission approval
 - The 4CB plan to provide the detailed assessment on 23 October 2017. Further CR updates will be considered by the 4CB as soon as they are available (or by a new CR, if required)

C) Other potential CR candidates for the T2S Release 3.0

- Additional Change Requests could also be part of the Release 3.0 following the CRG prioritisation exercise initiated by the CRG in June 2017 and expected to be completed during the CRG meeting on 28 August 2017
- The CRG will also consider the DCPG feedback on some CRs when assigning their business value indicators as well as in the general prioritisation activity (together with a number of other factors like implementation effort/cost of the Change Request, etc.)
- The 4CB plan to perform the detailed assessment of additional Change Requests for R3.0 potentially from 2 October to 8 December 2017

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Change Requests for future T2S releases

CRs for future T2S releases or other topics raised recently

A) Newly-raised Change Requests for future T2S Releases

The following Change Requests have been raised since the last reporting

- [T2S-0653-URD](#) (Partial release functionality)
- [T2S-0654-URD](#) (T2S Penalty Mechanism)
- [T2S-0655-SYS](#) (T2S should allow updates of maturity date for matured ISINs)
- [T2S-0656-SYS](#) (T2S should allow a temporary limit for the secondary Credit Memorandum Balance)
- [T2S-0657-SYS](#) (Multiplex Editorial Change Request on GFS, UDFS and UHB)
- [T2S-0658-SYS](#) (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs)
- [T2S-0659-SYS](#) (T2S should submit for settlement instructions with an 'after' link to a settled conditional securities delivery instruction)
- [T2S-0660-SYS](#) (Long Term Statistical Information improvements and performance optimisation (Phase 1))
- [T2S-0661-SYS](#) (Long Term Statistical Information improvements and performance optimisation (Phase 2))
- [T2S-0662-SYS](#) (Possibility to extract bulk of settlement instruction details in csv format in case T2S reporting has not been produced)
- [T2S-0663-SYS](#) (Treatment of change of fractional digit for cases of ISIN with settlement type nominal and change of settlement type)

Change Requests for future T2S releases

CRs for future T2S releases or other topics raised recently

B) Topics stemming from the OMG under CRG discussion, or closed since the last reporting

The following SDD* clarification notes and production incidents have been submitted for the CRG feedback (or are still open with the CRG) since the last reporting

Problem ticket-related

- [SDD-PBR-0018](#) (Settlement, matching and cancellation statuses should be shown in the Insolvency procedure Settlement Instruction list screen) – *Closed*
- [SDD-PBR-0019](#) (Free of Payment (FOP) instruction with transaction condition code ADEA (Accept After Regular Settlement Deadline) should be submitted for settlement to FOP cut-off) – *Closed*
- [SDD-PBR-0020](#) (T2S should allow to set the Valid to date to the current business day in the Standing and Predefined Liquidity Transfer Order screen – PBI-200616) – *Closed*
- [SDD-PBR-0021](#) (T2S should allow the update of a Party whose opening date is greater than the current business date) – *Closed*
- [SDD-PBR-0022](#) (Long term solution for the priority and partial settlement indicator Matching Attributes in the SI Details screen) – *Closed*

B) Topics stemming from the OMG under CRG discussion, or closed since the last reporting (continued)

Production incident-related

- [INC204308](#) (Back-to-back transactions in partial settlement) – *Open*
- [INC204677](#) (Sett. Instructions settle despite Case 2 blocking restriction on ISIN) – *Open*
- [INC204713](#) (Unexpected partial settlement for pooled instructions) – *Closed*

C) Topics stemming from the UTSG under CRG discussion, or closed since the last OMG meeting

The following UTSG topic has been submitted for the CRG feedback since the last reporting

- [UT-PBR-079](#) (Multilateral: settlement problems for linked instructions in the context of CoSD – INC 185482)) – *Closed*

Thank you for your attention

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Update of specification documents

In addition, the following CRs will also be part of the T2S Release 2.0-related documentation update as they were approved after the previous publication of specification documents:

- **T2S-0532-SYS** (Hold/release default at account level should not override the Hold/Release indicator defined at instruction level)
→ *Pending from R1.3*
- **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)

A CR560 update on the UHB was postponed until the next version of the Scope Defining Document update due to the late correction in a CRG written procedure from 15 to 17 February 2017. This correction refers to the inclusion of the settlement, matching and cancellation statuses in the Insolvency procedure Settlement Instruction list screen

Annex 1 - T2S Release 2.0

Update of specification documents (I)

Continued - In addition, the following CRs were also part of the T2S Release 2.0-related documentation:

- **T2S-0635-SYS** (Introduction of a new event at the end of cut-off of IDVP)
→ *Pending from R1.3*
- **T2S-0637-SYS** (T2S enhanced bundling of messages during night-time settlement reporting)
→ *Pending from R1.3*
- **T2S-0641-URD** (Introduction of a new partial settlement window during the Real Time Settlement period at 8 am)
→ *This is a configuration update and does not involve any software change*
- **T2S-0657-SYS** (Multiplex Editorial Change Request on GFS, UDFS and UHB)
→ *This is an editorial Change Request*