

# **T2S PROGRAMME - STATUS AS AT MID-JUNE 2017 -**

## **1. Introduction**

In this note the Directorate General Market Infrastructure and Payments provides the AMI-SeCo with information on the current status of the T2S Programme.

The note starts with the achievements made. The high-level status of deliverables is indicated in a dashboard by programme work stream and deliverable stream. A high-level overview of the identified risks and issues is provided in table format.

Further explanations regarding the reading of this report are provided in the annex.

## **2. Major achievements**

The below major achievements have been made since March 2017 when the last AMI-SeCo Meeting took place:

Since then a number of milestones/Synchronisation Points have been achieved and deliverables have been completed, as foreseen in the T2S Programme Plan. To be highlighted in this context is the Migration Weekend Dress Rehearsal successfully held on 2-4/06/2017:

## Final Wave

- Synchronisation Point [SP10.F - Start Community Testing Final Wave ] was achieved on 13/03/2017
- Synchronisation Point [SP14.F - Ready to connect to Production (Final Wave) ] was achieved on 08/05/2017
- *Synchronisation Point [SP15.F - Ready to upload Static Data (Final Wave) ] is planned for 26/06/2017*

## T2S Releases

- Release 1.2.2: Go-Live on 18/03/2017
- Release 1.2.3 has been deployed to PROD on 10/04/2017
- Release 1.3 has been deployed to UTEST on 28/04/2017
- Release 1.2.4 has been deployed to PROD on 13/05/2017

### Forthcoming:

- Release 1.3: Deployment to PROD is scheduled for 08/07/2017
- The planning for Release 2.0 (to be implemented before the Danish Krona will be joining T2S) is well underway.

### To be noted:

- Planning of Future Releases: The overall release planning proposal foresees one major release (in June) and one minor release (if needed, in November) and in between up to two bug fixes per year.

### 3. T2S Programme Status

#### 3.1 Summary

PROGRAMME STREAM	WORKSTREAM AND SUB-	STATUS	CHANGE	TREND	RISK	CHANGE
CLIENT READINESS	CLIENT READINESS FRAMEWORK	Y	→	→	Y	→
	USER TRAINING	N/A	-	-	X	-
	USER TESTING	G	→	→	G	↗
	CONTRACTUAL FRAMEWORK	N/A	-	-	X	-
PRODUCT READINESS	SPECIFICATION AND DOCUMENTATION	G	→	→	G	→
	SOFTWARE AND 4CB TESTING	G	→	→	X	-
	EUROSYSTEM ACCEPTANCE TEST	G	→	→	X	-
OPERATIONAL READINESS	PRODUCTION INFRASTRUCTURE	N/A	-	-	X	-
	NETWORK	N/A	-	-	X	-
	OPERATIONS	G	→	→	Y	→
	MIGRATION	G	→	→	G	↗
STP OF T2S RELEASES	SERVICE TRANSITION PLAN OF T2S RELEASES	Y	→	→	Y	→

Compared to the previous AMI-SeCo status report the status has been confirmed for all the work streams.

For the work stream ‘User testing’ the high-level dashboard (WBS-view) shows an improvement (from yellow to green) in the risk status, due to the recent change in the risk criticality for the User Testing Risk ID 25 [“Delays in the start and/or completion of testing activities may endanger the scheduled completion of User Testing stages”]. For the work stream ‘Migration’ the Risks ID 29 [“Delay in pre-migration activities” and ID 70 [“Execution of Last Level Intervention (LLI) to perform repair activities during the migration weekend results in inconsistent database”] have also been upgraded from Yellow to Green.

As far as the Service Transition Plans for forthcoming releases are concerned, work in the Release Management Sub-Group is progressing well. Planning for forthcoming Releases (R1.3, R1.3.1, R1.3.2, R2.0, R3.0.) is ongoing. In this context, it should be noted that the high number of (additional) T2S Releases creates challenges for the execution of the release activities already foreseen in the T2S operational plan (see project issues overview below).

### 3.2 Project Issues (Overview)

The following project issues have been identified:

ISSUE ID	ISSUE TITLE and DESCRIPTION	STATUS	OWNER	COMMENTS
T2S-008	<b>GUI Performance:</b> The users raised some complaints as regards the response time considered as unacceptably long in the user test environments.	In progress	4CB	Mitigation ongoing
T2S-020	<b>T2S performance differs from market expectations due to divergence from volumetric assumptions:</b> Significant improvements since the last AG meeting in November 2016. However, the performance is monitored on an ongoing bases and remedial action will be taken by 4CB whenever needed.	Closed	4CB	
T2S-021	<b>Testing and implementation of future Hot fix releases prove difficult due to the overlap with on-going releases:</b> T2S customers need to have the possibility to perform testing towards a copy of the T2S production software in order to be assured that the changes have not impacted the stability/usage of T2S for settlement purpose. However, since we are constantly developing and testing new releases, the hot-fixing of a software defect (Production Problem) cannot be tested in production-like configuration in UTEST, unless it is agreed to stop the testing of the on-going release & roll-back or to test it in the on-going release.	In progress	Eurosystem	Mitigation ongoing
T2S-022	<b>A high number of T2S releases are endangering activities foreseen in the T2S operational plan for developing and testing:</b> The late addition of unplanned releases in between already planned releases endangers the overall T2S release delivery plan and increases the risk of failing to deliver. The T2S operational plan for developing and testing is affected.	In progress	ECB	Mitigation ongoing

Compared to the previous AMI-SeCo status report, the issue T2S-020 [“T2S performance differs from market expectations due to divergence from volumetric assumptions”] has been closed. On the other hand, two Risks (Risk ID 68 - A high number of T2S releases may jeopardise activities foreseen in the T2S operational plan) and (Risk ID 71 - The testing the future Hot fix releases may prove difficult in case of overlap with on-going releases) have been turned into issues (T2S-021 and T2S-022), i.e. the risks have materialised.

### 3.3 Project Risks (Overview)

The following project risks are currently logged in the T2S Risk and Issue Register:

RISK ID	RISK TITLE	STATUS	CRITICALITY	OWNER	COMMENTS
30	Execution of the migration activities exceed the weekend time	Closed	X	MSG	-
44	Users of a CSD may not be ready for T2S when the CSD wants to migrate to T2S	In progress	Y	ECB	-
64	The provision of final requirements/clarifications by the Regulator (following the CSDR) may impact T2S Planning (Releases, DKK migration)	In progress	Y	T2S Board	-
68	A high number of T2S releases may jeopardise activities foreseen in the T2S operational plan	Closed	X	ECB	Now issue T2S-021-
71	Testing the future Hot fix releases may prove difficult in case of overlap with on-going releases	Closed	X	Eurosystem	Now issue T2S-022-

Compared to the previous AMI-SeCo status report, Risk ID 30 Execution of the migration activities exceed the weekend time has been closed.

### 3.4 Operational Risks (Overview)

The following operational risks are currently logged in the T2S Risk and Issue Register:

RISK ID	RISK TITLE	STATUS	CRITICALITY	OWNER	COMMENTS
52	Fraudulent asset transfer in T2S	Accepted	R	4CB	mitigation underway
56	Inability to meet T2S Service Level Agreement	In progress	Y	4CB	-
59	Delay of the T2S Operational Day may lead to knock-on effects on T2/ financial markets in general	In progress	Y	ECB	-
66	Lack of an operational solution to handle the residual cases for the changes in Fractional Digit of Settlement Unit Multiple (SUM) not addressed in CR 538 could lead to a delay of the T2S Operational Day.	In progress	Y	ECB	-
73	Cyber-Attack compromises T2S data	In progress	R	MIB	-
74	Cyber-Attack compromises T2S Ecosystem	In progress	R	MIB	-
75	T2S disruption due to non-cyber causes (e.g. physical terrorist attack)	In progress	R	MIB	-
77	The migration of the Baltic CSD may create performance problems for other CSDs in T2S	In progress	Y	Eurosystem	-

Compared to the previous AMI-SeCo report, the criticality of the 4CB Risk ID 56 [Inability to meet T2S Service Level Agreement] has decreased from Red to Yellow, because cyber-related root causes have now been addressed in the newly raised cyber risks (see below).

In total, five new Risks were opened:

- Risk ID 66 [Lack of an operational solution to handle the residual cases for the changes in Fractional Digit of Settlement Unit Multiple (SUM) not addressed in CR 538 could lead to a delay of the T2S Operational Day],
- Risk ID 73 [Cyber-Attack compromises T2S data],
- Risk ID 74 [Cyber-Attack compromises T2S Ecosystem],
- Risk ID 75 [T2S disruption due to non-cyber causes (e.g. physical terrorist attack)], and
- Risk ID 77 [The migration of the Baltic CSD may create performance problems for other CSDs in T2S].

## **4. Conclusion**

The focus of the Eurosystem's activities is currently on the preparations for a successful migration of the final wave, which is scheduled for the weekend 16/17 September 2017. The successful Migration Weekend Dress Rehearsal, held on 2-4/06/2017, supports the expectation that also the final wave will migrate according to plan.

Planning activities are now concentrating on the forthcoming releases (R1.3, R1.3.1, R1.3.2, R2.0, R3.0.) and on the time after the end of the migration period, in particular on the Danish Krona joining TARGET2 Securities, scheduled for end October 2018.

The Market Infrastructure Board continues to closely monitor TARGET2 Securities' live operations. In case of problems, 4CB will immediately take the necessary measures to ensure smooth operations.

It should be noted that for the next reporting cycle the format of the reporting will be amended to reflect that the T2S Programme will have been closed by then.

# Annex

## Reporting Structure

The structure of the T2S Programme is based on work streams. Within each work stream, a work breakdown structure groups the activities and deliverables. A deliverable stream within a programme work stream is a grouping of deliverables, i.e. it aggregates a set of related deliverables for reporting purposes.

## Status and Risk

The T2S Programme status provides traffic light reporting for both status and risk. The status evaluates a deliverable based on time, quality and scope.

Colour	Description
Green	Deliverable is within the required scope and quality and is on time
Yellow	Deliverable will not have the required scope, will be delayed and/or not of the required quality if no corrective measures are taken
Red	Corrective measures have not delivered the expected effect or no corrective measures are possible. Deliverable will be delayed to achieve the required quality or scope if no extraordinary action taken. Potential impact on T2S go-live date.

The risk documents whether critical threats exist to a programme deliverable based on the criteria time, quality and scope. The existence of a risk does not affect the status of a deliverable unless it materialises.

Colour	Description
Green	Risks effectively managed.
Yellow	Threats, endangering activity or deliverable or risks are not managed effectively.
Red	Significant threats, endangering activity or deliverable, or risks are not managed. Potential delay on the T2S go-live date.