

**ECB**  
DG-MIP  
T2-T2S Consolidation

# Status update on Change Request on T2S due to T2-T2S Consolidation

TARGET Consolidation Contact Group

10<sup>th</sup> Meeting on 11 April 2019

## Introduction

- CRs related to T2-T2S Consolidation fall into two broad categories
  - Streamlining the underlying software architecture to deliver TARGET Services with the introduction of Common Components
  - Adapting to changes from TARGET2 to T2, to the extent they affect or open new possibilities for T2S users
- These changes are contained into 15 CRs (12 necessary and 3 optional) which have been drafted and started the T2S governance change management.
  - 12 necessary: CR-696 to CR-707
  - 3 optional: CR-708 to CR-710
- They have followed the following path so far
  - Shared with the TSWG (04/03)
  - Shared with the CRG members (06/03)
  - Presented in the CRG meeting (20/03)
  - Presented in the PMG meeting (21/03)
- Status:
  - **The CRG has agreed to launch the preliminary assessment of they all.**
  - The preliminary assessments will be provided in two slots.
  - The tentative release assignment will be checked during the preliminary assessment of the respective CR.

## Overview

- CRs related to T2-T2S Consolidation fall into two broad categories
  - Streamlining the underlying software architecture to deliver TARGET Services with the introduction of Common Components
  - Adapting to changes from TARGET2 to T2, to the extent they affect or open new possibilities for T2S users

### Streamlined architecture: common components for TARGET services

Connectivity (ESMIG)	1 CR
Reference data (CRDM)	3 CRs
Billing (BILL)	2 CRs
Business day management (BDM)	2 CRs
Data warehouse (DWH)	1 CR
Legal archiving (LEA)	1 CR

### TARGET2 becomes T2: aspects relevant for T2S

Communication between T2 and T2S (necessary CRs)	2 CRs
Liquidity management and maintenance window (optional CRs)	3 CRs

## ESMIG (Connectivity to TARGET Services & ECMS)

- Relevant CR: CR-701 (ESMIG impact on T2S)
- ESMIG will be the interface between all TARGET Services and the outside world, replacing some of the features performed currently by T2S INTF.
- Changes:
  - The addressed service or component name will be added as routing criteria for ESMIG to direct messages correctly
  - Common non-repudiation (NRO) functionality across services



- Foreseeable need for user-side adaptations to connect to ESMIG – to be followed-up
- Agreement to launch the preliminary assessment

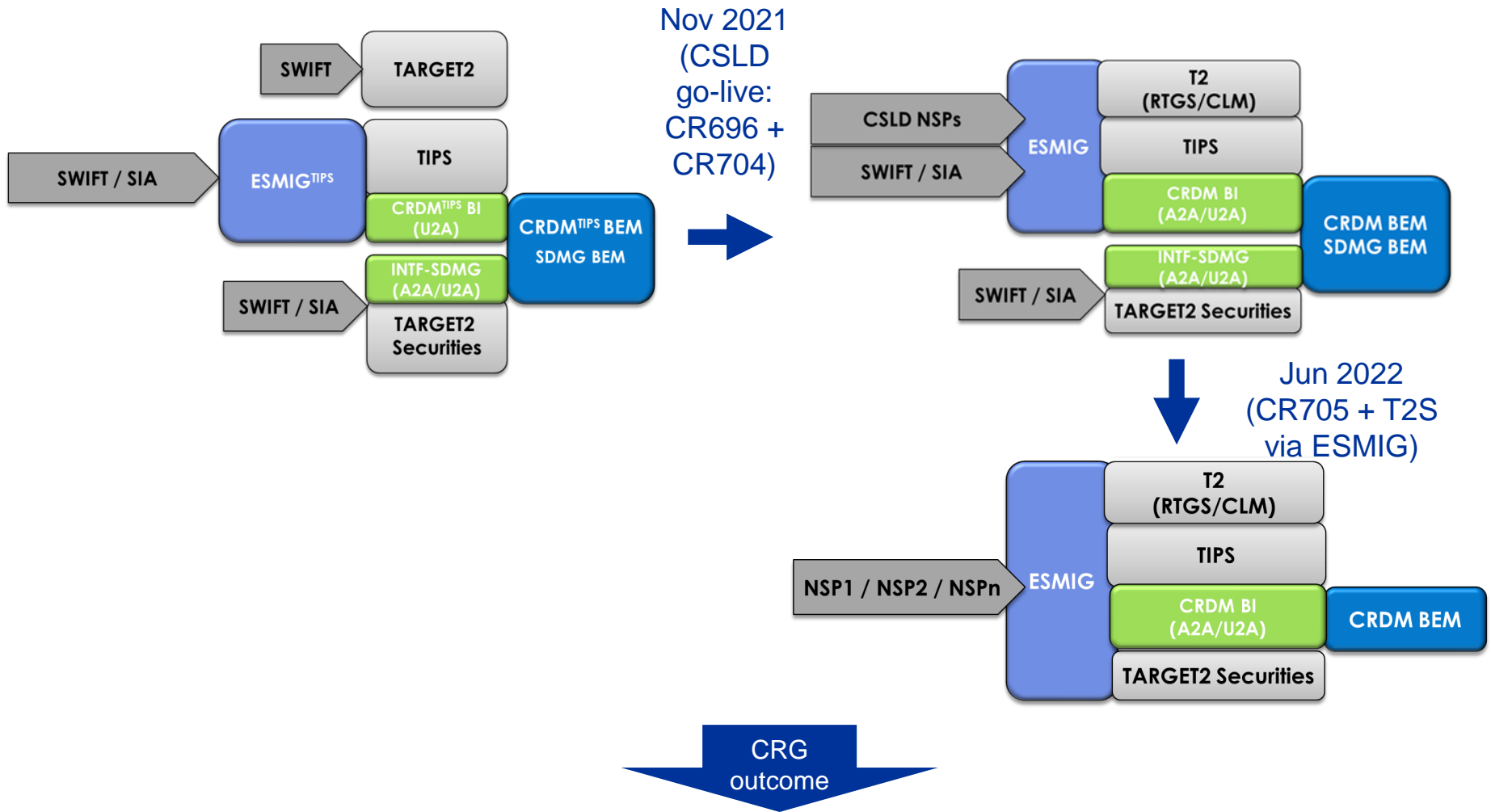
## CRDM (Reference data)

- Relevant CRs:
  - CR-696 (Common Reference Data Management for T2-T2S Consolidation)
  - CR-704 (CRDM Business Interface development)
  - CR-705 (CRDM Business Interface Impact on T2S)
- These CRs complete the enhancement of the Static Data Management domain (SDMG) into CRDM
- Respective scope of the CRs
  - CR-696: changes to CRDM to cater for CSLD requirements → June 2021 (R5.0)
  - CR-704: initial scope of the business interface to CRDM, for those actors which would reach it via ESMIG → June 2021 (R5.0).
  - CR-705: completion of CRDM BI with T2S-only features, decommissioning of static data management features from T2S INTF → June 2022 (R6.0).



- Example of the CRDM GUI presented to introduce the changes to be expected for the GUI experience of T2S users in areas handled, in the future, by common components
- CRG agreement to launch the preliminary assessment of the CRs

# Transition to CRDM final state



- CRG members took note of the successive steps to deliver the connectivity ESMIG > (new) Business interfaces > Back-end modules in T2S

## BILL (Billing)

- Relevant CRs:
  - CR-697 (Billing common component development)
  - CR-706 (Billing common component – T2S Migration)
- Respective scope of the CRs
  - CR-697: relevant CRDM objects to be updated → June 2021 (R5.0)
  - CR-706: completion of BILL functions for T2S, connecting to ESMIG and decommissioning of billing modules → June 2022 (R6.0).



- For identified gaps (3-months history not migrated to new BILL; data needed for adjustments to invoices carried out in TARGET2 currently), the proposed approach should be clarified during the preliminary assessment
- CRG agreement to launch the preliminary assessment of the CRs

## BDM (Business Day Management / Scheduling)

- Relevant CRs:
  - CR-698 (T2-T2S Consolidation Business Day Management Development)
  - CR-707 (T2-T2S Consolidation Business Day Management – T2S Migration)
- Similar approach to the development of CRDM
  - CR-698: makes the necessary enhancements to dynamic data used by BDM → June 2021 (R5.0)
  - CR-707: foresees the decommissioning of the T2S interfaces used, before ESMIG, to query BDM → June 2022 (R6.0).



- **CRG members agreed to launch the preliminary assessments of the CRs**



## DWH (Data warehouse / Long-term statistical information, reports and queries)

- Relevant CR: CR-699 (Decommissioning LTSI, scope and definition of queries and reports and access specifications to DWH functionalities)
- To be confirmed
  - Availability of T2S data in DWH only after 3 months (current timing), or on the next business day. To be verified during PA. Either way, STSI is not to be affected.
- Planning:
  - R5.0 (June 2021) for the delivery of DWH
  - Decommissioning of LTSI only once the consolidated data warehouse is able to provide all historical data from the T2 Services and T2S



- **CRG members agreed to launch the preliminary assessment of the CR**

## LEA (Legal archiving)

- Relevant CR: CR-700 (Legal Archiving common component for T2S)
- New common component with the same functionality as current legal archiving:
  - Legally archived messages will be retained for a predefined period of 10 years, including the data generated before the CSLD go-live
  - Only the Service Desk of the Operator will have read access to data in the legal archive
- Planning
  - R6.0 (June 2022)



- **CRG members agreed to launch the preliminary assessment of the CR**

## Communication between T2 and T2S

- Relevant CRs:
  - CR-702 (T2-T2S Consolidation will require an internal communication layer within the consolidated platform)
  - CR-703 (camt.050 exchanged between T2S and CLM)
- Respective scope of the CRs
  - CR-702: Since ESMIG caters only for external communication, the internal communication layer handles communication between TARGET Services (T2S--CLM, later also T2S--ECMS) using ISO20022 messages → November 2020 (R4.2)
  - CR-703: camt.050 requires adjustments to ensure it can be processed consistently when exchanged between T2S and CLM: compared to the T2S versions, some mandatory fields become optional, while some fields are unpruned → November 2020 (R4.2).



- **CRG members agreed to launch the preliminary assessment of the CRs**

## Outbound liquidity transfers besides CLM

- CR-708 (Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA)
- Features
  - Liquidity transfer orders in T2S could be enhanced to permit specifying a DCA opened in RTGS or TIPS as a credited account, in addition to an MCA one
  - Technically, such transfers would be implemented via CLM (but not booked on an MCA)
- Planning
  - R5.0 (June 2021), at the latest R5.2 (November 2021) to avoid costs related to an interim period after CSLD go-live



- **CRG members considered the functionality to be strongly needed, and requested to review the current classification of the CR as optional**
- **CRG members agreed to launch the preliminary assessment of the CR**

# Mandatory automated cash sweep at 17:45 to be made optional

- CR-709 (Make the mandatory automated cash sweep at 17:45 optional)
- Features and benefits
  - The currently mandatory T2S cash sweep at 17:45, once becoming optional, would consist in configuring a relevant standing order, triggered by a dedicated event (similar to the existing optional cash sweep at 16:30)
  - As cash balances could remain in T2S, T2S shall generate a General Ledger file sent to CLM
  - Non-CLM currencies such as DKK may keep the existing (mandatory) cash sweep
- Planning
  - R5.0 (June 2021), at the latest R5.2 (November 2021) to avoid costs related to an interim period after CSLD go-live



- No current interest of the DKK community to make the mandatory cash sweep optional
- CRG members agreed to launch the preliminary assessment of the CR

## Daily maintenance window only for urgent changes & aligned across services

- CR-710 (Daily maintenance window only for urgent changes and shift of the schedule time from 03:00-05:00 to 00:30-02:30)
- Features and benefits
  - To simplify the operational day in T2S, the daily maintenance window will be technically enforced (i.e. there is a concrete suspension of the RTS) only in case the operator needs to apply an urgent change to one of the TARGET Services
  - On a day where the MW is needed, it would take place from 00:30 to 02:30
  - The maintenance window scheduled across week-ends will normally be from 00:30 am on Saturday until 02:30 am on Monday (no *ad hoc* decision)

- Planning

- R5.0 (June 2021)



- Request to investigate the possibility of a joint TCCG-CRG-OMG meeting to find consensus on changes to the maintenance window (ECB team to follow up)
- Pending a consensus between interested parties, the 4CB were requested to confirm whether the two possible timings of the maintenance window would result in two different assessments (cost, impact) of the change.

## Planned timeline for the implementation in T2S of CRs related to T2-T2S Consolidation (as of 20/3/19)

R4.2  
Nov 2020

R5.0  
Jun 2021

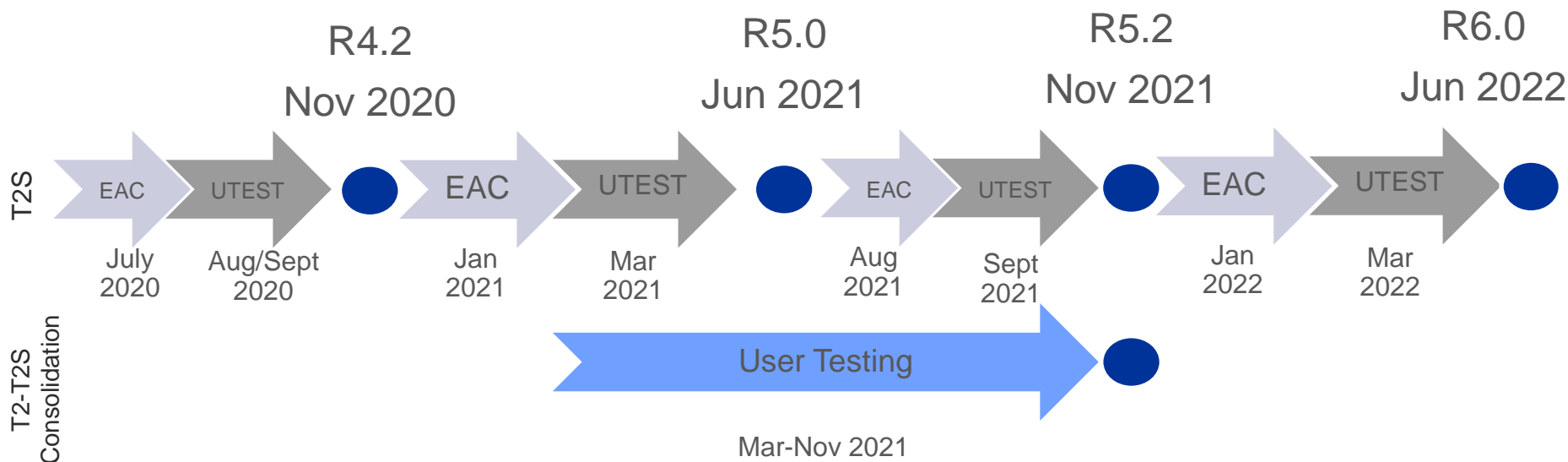
R5.2  
Nov 2021

R6.0  
Jun 2022



			CSLD go-live	T2S>ESMIG
ESMIG				CR701
CRDM			CR696,704	CR705
BILL			CR697	CR706
BDM			CR698	CR707
DWH			CR699	
LEA				CR700
T2-T2S communication	CR702 (ICL) CR703 (camt.050)			
Optional CRs			CR708 (Outbound LT) CR709 (Cash sweep) CR710 (Maintenance)	

# Planned testing periods of CRs related to T2-T2S Consolidation



R 4.2	R 5.0	R 5.2 (CSLD go-live)	T2S>ESMIG
CR702 (ICL) CR703 (camt.050)	CR696, CR704, CR697, CR698, CR699		CR700, CR701, CR-705, CR706, CR707
	Optional CRs: CR708 (Outbound LT) CR709 (Cash sweep) CR710 (Maintenance)		

- T2S PMG requested further clarity about the testing and migration plan for Consolidation to ensure consistency/compatibility with existing T2S release plans



## List of requested changes

#	Title*	necess./optional	PA Batch
T2S-0696-SYS	Common Reference Data Management for T2-T2S Consolidation	necessary	#1
T2S-0697-SYS	Billing common component for T2S	necessary	#2
T2S-0698-SYS	T2-T2S Consolidation Business Day Management	necessary	#2
T2S-0699-SYS	Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities	necessary	#1
T2S-0700-SYS	Legal Archiving common component for T2S	necessary	#1
T2S-0701-SYS	ESMIG impact on T2S	necessary	#2
T2S-0702-SYS	T2-T2S Consolidation will require an internal communication within the consolidated platform	necessary	#1
T2S-0703-SYS	Camt.050 exchanged by TARGET services and common components	necessary	#1
T2S-0704-SYS	CRDM Business Interface development	necessary	#2
T2S-0705-SYS	CRDM Business Interface Impact on T2S	necessary	#2
T2S-0706-SYS	BILL Business Interface Impact on T2S	necessary	#2
T2S-0707-SYS	BDM Business Interface Impact on T2S	necessary	#2
T2S-708-URD	Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA	optional	#1
T2S-709-URD	Make the mandatory automated cash sweep at 17:45 optional	optional	#1
T2S-710-SYS	Maintenance Window	optional	#1
	* might be subject to changes		

Batch #1: 25.03.2019 until 17.05.2019

Batch #2: 27.05.2019 until 18.07.2019

# Thank you for your attention!

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