

<b>General Information (Origin of Request)</b>		
<input checked="" type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> 4CB	<b>Institute:</b> 4CB	<b>Date raised:</b> 03/05/2013
<b>Request title:</b> Definition of parameters for duplicate checks and past-dated and future-dated instructions		<b>Request ref. no:</b> T2S 0407 URD
<b>Request type:</b> Common		<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> Medium	<b>2. Market implementation efforts parameter:</b> Low	
<b>3. Operational/Technical risk parameter:</b> Low	<b>4. Financial impact parameter:</b> No cost impact	
<b>Requestor Category:</b> 4CB	<b>Status:</b> Authorised at Steering Level	

#### Reason for change / expected benefits / business case:

This change is to address the need to properly document the configuration of System Parameters in T2S. It is in the interest of all actors in T2S to have the harmonised system parameters defined as early as possible.

#### Description of Request:

This Change Request updates the relevant UDFS sections (and the user requirements if the parameter was already defined there) to include detailed configuration information regarding System Parameters.

A System Parameter is an attribute whose value impacts the T2S behaviour and is "business related" (e.g. allegation delay period). The values to be defined for these parameters are independent of the T2S Application implementation.

The definition of values impacts the following parameters:

- System Parameters:**

Number of business days in the past for duplicate check on settlement instructions/restrictions	Specifies the predefined number of days that T2S uses within the duplicate check process related to settlement instructions and settlement restrictions. More precisely, in order to check for possible duplicates between incoming instructions and instructions already settled or cancelled, T2S performs the duplicate check by comparing T2S Actor reference of an incoming instruction with the T2S Actor reference of all pending instructions and of all the instructions already settled or cancelled in a number of days in the past specified by this parameter.
Number of business days in the past for duplicate check on liquidity transfers	Specifies the predefined number of days that T2S uses within the duplicate check process related to immediate liquidity transfers.
Number of business days in the past for files and individual messages	Specifies the predefined number of days that T2S uses within the duplicate check process related files and individual messages.
Number of business days in the past for duplicate check on pools	Specifies the predefined number of days that T2S uses within the duplicate check for pools. More precisely, T2S performs the duplicate check by comparing the new Pool Reference with existing Pool References of pools already settled or cancelled in a number of days in the past specified by this parameter.
Time frame for past-dated instructions	Defined as the maximum number of settlement days between the reception date of a settlement instruction and its intended settlement date (in the past or in the future) that T2S can accept. The current value for the acceptable deviation period is unlimited.
Time frame for future-dated instructions	Defined as the maximum number of settlement days between the reception date of a settlement instruction and its intended settlement date (in the past or in the future) that T2S can accept. The current value for the acceptable

deviation period is unlimited.

There are other two system parameters (i.e. Allegement for first unsuccessful matching attempt and Allegement before Intended Settlement Date) that have already been defined by Change Request T2S-0340-URD.

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**Proposed wording for the URD Change request:**

**1. The requirement T2S.05.030 (Duplicate check) should be modified as follows:**

Duplicate check

<b>Reference ID</b>	T2S.05.030
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T2S shall check for and reject duplicate/multiple submission of new instructions on the basis of a combination of the T2S actor identifier and the instruction reference assigned by the instructing party. In doing so, the duplicate check will compare each incoming instruction with the instructions that are not settled or not cancelled yet and those instructions settled or cancelled in the past predetermined period of 3 calendar months.

T2S shall also check and reject duplicate/multiple submission of instruction pool references on the basis of a combination of the Pool owner identifier and the pool reference assigned by the instructing party. In doing so, the duplicate check will compare each new pool with the pools that are settled or cancelled in the past predetermined period of 3 calendar months.

**2. The requirement T2S.06.570 (Duplicate check) should be modified as follows:**

Duplicate check

<b>Reference ID</b>	T2S.06.570
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T2S shall check for and reject a duplicate submission of an incoming order (i.e. immediate liquidity transfers, which are received from a settlement or payment bank or an RTGS system) on the basis of a combination of the T2S actor identifier and the order reference assigned by the instructing party. The duplicate check shall compare the reference of each incoming order with the reference of liquidity transfer orders that are not settled yet and those orders settled in the past predetermined period of 3 business days.

**3. The requirement T2S.12.090 (File validation 2) should be modified as follows:**

File validation 2

<b>Reference ID</b>	T2S.12.090
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T2S shall ensure that inbound files are not lost, that outbound files are neither lost nor duplicated in the past for a predetermined period of 3 business days and that the recommendations of the Giovannini file transfer rulebook are applied (generic rules for file construction and best practices for file transfer operations for any and all file transfers, on any network).

**Proposed wording for the SYS Change request:**

The relevant section of the UDFS will be updated (underlined or strike-through below) along with the table providing their values as follows:

**UDFS Section <1.3.2.1.8 Business sending party>, page 120**

The business sending party is the party which the business sending user belongs to. The T2S application identifies the business sending party once it has identified the business sending user, as each business sending user belongs to one party. The business sending party owns the message identifier specified in the Business Application Header. Consequently, the business sending party defines the scope for the duplicate check performed at message level<sup>69</sup>. The system parameter regarding duplicate checks for inbound files and messages is defined in the table below. No specific configuration by the T2S Actor is required.

<u>CONCERNED PROCESS</u>	<u>PARAMETER</u>	<u>CREATED BY</u>	<u>UPDATED BY</u>	<u>MANDATORY/OPTIONAL</u>	<u>STANDARD OR DEFAULT VALUE</u>
<u>Message/File Duplicate Check</u>	<u>Number of business days in the past for duplicate check on files and individual messages</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>3 days</u>

#### UDFS Section <1.5.1 Business application configuration>, page 242

General attribute domains: attribute domains provide a list of valid values for an attribute. The T2S Operator may define a set of general attribute domains that are applicable to all participants. This includes the following general configuration parameters: ~~allegement period for first unsuccessful matching attempt~~, allegement periods (standard and before cut-off), ~~before intended settlement date~~, recycling period for unmatched pending settlement instructions, acceptable time deviation period, settlement priority defaults, sequencing rules, duplicate check period (settlement instructions/restrictions, liquidity transfers, inbound files and messages, pools), billing information, retention period.

#### UDFS Section <1.6.1.1.6 Parameters Synthesis >, page 285

CSDs need to configure restriction types case one (with the aim of applying their CSD specific validations) as described in section 1.2 "Configuration of Parties, Securities and Accounts".

Additional system parameters also exist relating to duplicate check and time frames for past and future dated instructions as defined in the table below.

- Duplicate check for Settlement Instructions and Settlement Restrictions: Specifies the number of days that T2S uses to ensure that there are no duplicates between new incoming instructions and settled or cancelled ones.
- Duplicate check for Pools: Specifies the number of days that T2S uses to ensure that there are no duplicates between new pools and existing ones in status settled or cancelled.
- Time frame for past/future dated instructions: Specifies the maximum number of settlement days between the reception date of a Settlement Instruction and its intended settlement date (in the past or in the future).

No specific configuration by the T2S Actor is required.

<u>CONCERNED PROCESS</u>	<u>PARAMETER</u>	<u>CREATED BY</u>	<u>UPDATED BY</u>	<u>MANDATORY / OPTIONAL</u>	<u>STANDARD OR DEFAULT VALUE</u>
<u>Business Validation / Duplicate Check</u>	<u>Number of business days in the past for duplicate check on settlement instructions/restrictions</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>3 calendar months</u>
<u>Business Validation / Duplicate Check</u>	<u>Number of business days in the past for duplicate check on pools</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>3 calendar months</u>
<u>Business Validation</u>	<u>Time frame for past-dated instructions</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>unlimited</u>
<u>Business Validation</u>	<u>Time frame for future-dated instructions</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>unlimited</u>

**UDFS Section <1.6.2.1.4 Parameters Synthesis >, page 499**

Additional system parameters also exist relating to duplicate check. No specific configuration by the T2S Actor is required.

<u>CONCERNED PROCESS</u>	<u>PARAMETER</u>	<u>CREATED BY</u>	<u>UPDATED BY</u>	<u>MANDATORY / OPTIONAL</u>	<u>STANDARD OR DEFAULT VALUE</u>
<u>Immediate Liquidity Transfer Process / Duplicate Check</u>	<u>Number of business days in the past for duplicate check on liquidity transfers</u>	<u>T2S Operator</u>	<u>T2S Operator</u>	<u>M</u>	<u>3 days</u>

**Submitted annexes / related documents:****High level description of Impact:**

The System Parameters and Technical Parameters are included, as described above, in the following UDFS sections:

- UDFS 1.3.2.1 Authentication and authorisation concepts : update of section <1.3.2.1.8> "Business sending party", page 120
- UDFS 1.5 Possible actions of T2S Operator <1.5.1> "Business application configuration", page 242
- UDFS 1.6.1.1 Business Validation: update of section <1.6.1.1.6> "Parameters Synthesis", page 285
- UDFS 1.6.2.1 Liquidity Transfer: update of section <1.6.2.1.4> "Parameters Synthesis", page 499

**Outcome/Decisions:**

\* CRG meeting of 15 May 2013: The CRG decided to split the original Change request T2S-0407-URD (Definition of System parameters and technical parameters) into three and the CRG took the following decisions on them:

- Recommend the approval of Change Request T2S-0407-URD (Definition of parameters for duplicate checks and past-dated and future-dated instructions) for approval.
- Recommend that the Change Request T2S-0340-URD (Definition of allegation delay periods) should be sent to the T2S National User Groups for consultation.
- Postpone a decision on Change Request T2S-0408-SYS (Definition of technical parameters) until its next meeting.

\* CRG Telco of 29 May 2013: The CRG agreed to make some changes to the CR text for clarification purposes and recommended the approval of the Change Request.

\* Advisory Group's advice on 10 June 2013: Following a written procedure, the AG was in favour of the Change Request.

\* CSG resolution on 10 June 2013: Following a written procedure, the CSG adopted the resolution to approve the Change Request.