

1. General Information

CR Raised by: T2S Project Team

Institute: ECB

Date Raised: 15/09/08

Change Request Title: No reasons for unmatched instructions

CR Ref.: T2S URD 0007

Change Request Classification: Substance

Status: Approved by the AG

Change Type: Modification

(New Requirement/Modification/Deletion)

Requestor Category: T2S project team

(User, 4CB, ECB T2S Project Team)

Chapter Number/Annex Number: Chapter 13

Req No: T2S.13.100

Priority (S,H,M,L): L

Proposed Implementation Date/Release: Version 4.2

Description of Requested Change:

The reference to matching in requirement T2S.13.100, table 13-3, and the related flow diagrams should be removed.

Reason for Change / Expected Benefits / Business Case:

In a lean T2S context, T2S should not provide functionality to determine a reason for not matching an instruction. Identifying a reason for not matching an instruction requires the development of additional, possibly complex algorithms. When an instruction does not match, it is not possible to determine to which instruction the unmatched instruction should have matched. For example, an unmatched instruction may not match to one instruction as a result of a difference in the quantity and to another instruction as a result of a mismatched settlement amount. Therefore, it is not possible to determine a specific reason for not matching.

T2S indeed provides a settlement allegation functionality that advises a T2S party that a counterparty has alleged an instruction against T2S party's account and T2S could not find the corresponding instruction of the T2S party. This functionality in combination with the allegation cancellation and allegation removal would serve the T2S party to identify possible discrepancies between instructions.

Submitted Annexes / Related Documents:

Proposed wording for the Change Request:

T2S.13.100 - Confirmation of validation ~~and matching~~ through status messages

In addition to sending a "negative" validation status message when an instruction fails validation, T2S shall send a "positive" validation status message for those that pass validation. When "negative", validation status messages shall report on more than one error, in the limit of validations performed by T2S for a single instruction. ~~The same rules shall apply to matching status messages.~~ Each negative message, ~~whether "positive" or "negative"~~, returns the status and the reason code as assigned by life cycle management (chapter 5) to inform the instructing party why validation ~~or matching~~ failed. ~~Both types of message~~ This will be included in the subscription service; thus, CSDs and directly connected T2S parties can elect not to receive them.

Outcome of meetings:

* SG Meeting on 03 Nov 2008

Outcome: Agreed

Recommendation to the AG: Approval

* AG Meeting on 25 Nov 2008

Approval of SG recommendation. However, this CR has to be further analysed because it is linked to the CR T2S URD 0018 that the AG sent back to the SG

* SG meeting on 12 Jan 2009

Outcome: Rejected

Recommendation to the AG: Rejection

* AG Meeting on 20 Jan 2009

AG sent the CR back to the SG for further analysis because it is linked to the CR T2S URD 0018

* SG Meeting of 5/6 March 2009:

Recommendation to AG for detailed assessment by 4CB, together with CR T2S URD 0018

* AG Meeting on 25 March 2009

AG sent the CR back to the SG for further analysis

* SG Meeting of 28 May 2009:

Recommendation to the AG: Approval

* AG meeting on 15 June 2009

Approval of SG recommendation