

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD) <input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: ECB	Institute: ECB	Date raised: 24/10/2011
Request title: After/Before links to be used for Repos		Request ref. no: T2S 0303 URD
Request type: Common	Requestor Category: T2S Project team	
Status: Approved by the AG	Request Classification: Modification	
Criticality (S,H,M,L): M	Cost/Resource impact Indicator (+/-H, +/-M, +/-L) TBD	
Business risk indicator (H, M, L): TBD	Technical risk indicator (H, M, L): TBD	

Reason for change / expected benefits / business case:

In accordance to the T2S Programme Plan, the publication of URD v 5.01 is targeted for November 2011. During the finalisation of UDFS v 1.2, the need for a minor editorial change to the URD has been identified, which should be implemented to ensure the correct understanding between the UDFS v 1.2 and URD v 5.01 as basis.

Description of Request:

In URD v 5.0 it could be misunderstood that the common repo reference is a special link type, whereas the correct implementation for linking repo settlement instructions in T2S is with the standard link types 'After/Before'. The background is that change request T2S URD 164 (Deletion of two legged instructions) has not been fully implemented in the URD previously, which will thus be corrected and consistent with the UDFS v 1.2.

Proposed wording for the URD Change request:

Proposed Implementation Release: URD version 5.01

1. The following requirement has to be updated as follows:

Validation of connected settlement instructions

Reference ID	T2S.05.148
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If an instruction is linked to one or more linking instructions with After ("AFTE"), Before ("BEFO"), or all-or-none ("WITH"), ~~or a common repo reference~~, T2S shall check that the information contained in the new instruction is consistent with the present linked instructions (i.e. intended settlement date and securities account holder).

If an instruction is linked to a settlement restriction previously sent, T2S shall check that initial restriction is still active (i.e. the restriction is still in place). Section 10.1.3 provides further information on settlement restrictions.

2. The following requirement has to be updated as follows:

Two DVP instructions linked for settlement eligibility purposes

Reference ID	T2S.05.186
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T2S actors may link two DVP instructions that include specific ISO transaction codes (such as a repurchase agreement or other defined types) by any of the links specified in requirement T2S.05.148. ~~a common repo reference in order to ensure that the second leg does not become eligible for settlement until the first leg has been settled.~~

If those two DVP instructions have the same intended settlement date, T2S actors may make use of the hold and release mechanism in order to space out the eligibility of both instructions.

3. The Transaction type Repo has to be modified as follows

5.7.2 Table: Examples of transaction types (i.e. examples of possible business cases)

Transaction type	Originator	ISO transaction code	Life cycle type	Link indicator	Notes
Repo	CSD participant	REPU RVPO	DVP	<u>AFTER</u> , <u>BEFORE</u> , None	

Submitted annexes / related documents:

High level description of Impact:

Outcome/Decisions:

Written consultation with URM SG between 24-28 October 2011: Recommendation to approve

Written consultation with URM SG between 26-31 October 2011: Approved