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| 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: VP Securities | Institute: CSD | Date raised: 31/07/2012 |
| Request title: Change of hold/release should be notified to counterparty before the Intended Settlement Date | | Request ref. no: T2S 0359 URD |
| Request type: Common | Urgency: Normal | |
| 1. Legal/business importance parameter: High | 2. Market implementation efforts parameter: Low | |
| 3. Operational/Technical risk parameter: Low | 4. Financial impact parameter: Medium | |
| Requestor Category: CSD | Status: Withdrawn | |

Reason for change and expected benefits/business motivation:

Functionality of today informs part when counterpart changes hold/release status on a matched settlement instruction. This information is crucial for the part in order to conduct a proper liquidity management for both cash and securities.

However this information is not offered in T2S and therefore a part don't know if a given settlement instruction released by the part is put on hold by the counterpart. Knowledge about hold/release changes by the counterpart not only allows part to conduct a more precise liquidity management but also allows part to conduct follow-up actions towards counterpart just before intended settlement day.

Description of requested change:

For matched settlement instructions, hold statuses of counterpart should be communicated to part before and on the Intended Settlement Day (and after the intended settlement day in case of late settlement).

Submitted annexes / related documents:

Proposed wording for the Change request:

The requirement T2S.05.385 (Information on execution or cancellation of a hold/ release instruction) should be modified as follows:

Information on execution or cancellation of a hold/ release instruction:

T2S shall inform the instructing party, as well as interested parties authorised to access this information, immediately after the successful execution or cancelled execution of a hold or release instruction on a settlement instruction through a status advice. In case of successful execution of a hold or release related to an instruction which is matched, T2S shall also inform the counterparty. When T2S cancels the execution of the hold or release, it will provide the reason for cancelling the execution in a status advice.

Changes in UDFS 1.2.1 UDFS 1.2.1, p. 597, chapter 1.6.4.1.3. Diagrams in chapter 2 should also be modified.

T2S informs the T2S Actor through the sending of status advice messages if:

There is change in a status value of an instruction in T2S; There is no change in a status value of an instruction in T2S but there is a change in the reason code associated to the status value

[...]

If the instruction is matched, T2S also informs the counterpart of the instruction on the status updates. ~~with the exception of the status changes related to any of the Hold statuses (which are communicated to the counterparty on the Intended Settlement Day).~~

High level description of Impact:

Outcome/Decisions:

* CRG meeting of 1-2 October 2012: The Change Request is discarded for release 1 and will potentially be considered for a future release of T2S.

* CRG meeting of 8-9 February 2016: The CRG decided to put the Change Request on hold for T2S Release 2.0 potentially.

* CRG meeting on 6 September 2016: The CRG recommended to launch the preliminary assessment on the Change Request from 26 September 2016 to 17 October 2016 (batch 1).

* OMG on 05 October 2016: During a written procedure from 14 September 2016 to 06 October 2016, the Operations Managers Group did not identify any blocking operational impact of the Change Request.

* CRG meeting on 26 October 2016: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment. The CRG agreed that the Change Request also impact the User Requirements Document (URD).

* CRG meeting on 25 January 2018: The CRG took note that the CR had been withdrawn by its initiator

Preliminary assessment:

- Impacted functionality/module: LCMM
- **Following issues have to be clarified before the start of detailed assessment:**
 - The wording has to be updated to include all the URD references
- No further functional, technical and risk related issues have been identified beyond the elements already described in the Change Request.