

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Migration Sub-group	Institute: ECB	Date raised: 18/02/2015
Request title: Extend the coverage of messages subject to copies		Request ref. no: T2S 0505 SYS
Request type: Common		Urgency: Fast-track
1. Legal/business importance parameter: High	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: High	4. Financial impact parameter: Low	
Requestor Category: T2S Sub-group	Status: Authorised at Steering Level	

Reason for change and expected benefits/business motivation:

If a CSD wants to receive messages from T2S which are not subject to copy, addressed to its indirectly connected parties (ICPs), a routing configuration has to be set-up for these ICPs.

The CSD needs to set-up a routing configuration (via U2A) and a message subscription rule set (via U2A or DMT) for each of its ICPs separately. This routing configuration must be done addressing the technical address of the CSD wishing to receive the messages.

T2S checks the routing configuration when it identifies the "interested party" and "message subscription" for the interested party. Without the routing configuration T2S will not be able to identify to which technical address and via which network service the message has to be sent and hence no messages will be sent at all.

There is no alternative way for the set-up, than to configure the above mentioned static data for each of the ICPs separately by the CSD. Both routing configuration and message subscription rule set are mandatory for each ICP for which the CSD wants to receive messages that are not subject to copy.

Routing configuration is covered by U2A only while Message Subscription Rule Set can be created via U2A and DMT.

Maintaining these configurations (e.g. a new ICP joining) means relying on U2A only functionalities as DMT does not cover updates for existing entities.

As with all manual activities, this creates the risk that such a configuration is not properly done for a participant, which could have a negative impact on the CSD's business processes, as then the related messages do not reach the CSD.

With this change, being a CSD an interested party for the business cases requiring the list of messages, there will be a single messages subscription rule set at CSD level and routing configuration for ICPs will become optional.

As new parties join, no change would be any longer required to the existing configuration.

Nevertheless, if a CSD already configured an individual message subscription for each ICP and wants to make use of this CR to configure a different message subscription based on the definition of the CSD as interested party, then the message subscription for ICP should be removed to avoid receiving the same allegation message for ICPs twice.

Description of requested change:

The UDFS section 1.3.4 («Message subscription») has to be amended to extend the message subscription in order to include the below list of messages among the messages subject to copy and to include the CSD as interested parties for these messages.

Messages to be added to messages subject to copies:

- Sese.028 - SecuritiesSettlementTransactionAllegationNotification
- Sese.029 - SecuritiesSettlementAllegationRemovalAdvice
- Semt.020 – SecuritiesMessageCancellationAdvice

Submitted annexes / related documents:**Proposed wording for the Change request:**

UDFS - Section 1.3.4 "Message subscription"

Table 75 – "Messages subject to copies" shall be updated by adding the following three records:

MESSAGE DATA					
MESSAGE SET	MESSAGE SUB-SET	ISO MESSAGE NAME	INCOMING / OUTGOING	TECHNICAL MSG. ID.	LIST OF INTERESTED PARTIES
S&R	Settlement Allegement	SecuritiesMessageCancellationAdvice	outgoing	semt.020	- Counterpart ¹ CSD Participant - Counterpart ¹ CSD;
S&R	Settlement Allegement	SecuritiesSettlementTransactionAllegementNotification	outgoing	sese.028	- Counterpart ¹ CSD Participant - Counterpart ¹ CSD;
S&R	Settlement Allegement	SecuritiesSettlementAllegementRemovalAdvice	outgoing	sese.029	- Counterpart ¹ CSD Participant - Counterpart ¹ CSD;

1 The business case in these scenrios is an unmatched settlement instruction originating the related allegement message. Therefore the list of interested parties refers to the Counterpart CSD and Counterpart CSD Participant of the unmatched settlement instruction originating the allegement message. Please note that in case the counterpart CSD is an external-CSD, then the related allegement message will be sent to the parent CSD of that external-CSD and to the external-CSD.

UDFS v2.0 - Section 1.6.1.3.3 "Allegement process"page 293:

This dialogue is reflected in [2.3 "Send Settlement Instruction"](#). Interested parties can also be informed depending on their message subscription preferences (see [Section 1.3.3 "Message subscription"](#)).

page 294:*Cancellation of an Allegement Message*

If an Unmatched Settlement Instruction is cancelled by the T2S Actor, the Counterparty receives a Cancellation of the Allegement message automatically generated by T2S. This dialogue is reflected in section [2.3 "Send Settlement Instruction"](#). Interested parties can also be informed depending on their message subscription preferences (see [Section 1.3.3 "Message subscription"](#)).

Removal of an Allegement Message

In case the Counterparty sends its corresponding Settlement Instruction to T2S, and if both Instructions are matched, the Counterparty receives a Removal of Allegement message, since the previously sent Allegement is no longer valid. This dialogue is reflected in section [2.3 "Send Settlement Instruction"](#). Interested parties can also be informed depending on their message subscription preferences (see [Section 1.3.3 "Message subscription"](#)).

GFS v5.0 - Section 3.4.6 "Status Management", page 289

Data Collection for Messages

Reference Id	LCMM.STM.DCM.1.1
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Each *Instruction Status Information* or *Maintenance Status Information* processed in this function contains some key fields related to the status update, in order to allow its processing.

The *Data Collection for Messages* function is the responsible to enrich this flow with the relevant data in order to be able to fill in all fields of the ISO message or the communication that the *Outbound Processing* module sends to the user regardless if A2A or U2A communication is needed.

For this purpose the function determines which kind of message should be sent and collects all the data from the data stores of T2S, for composing a specific flow called *Message Data* considering all the potential interested parties identified **{T2S.13.060} {T2S.05.445} {T2S.05.630}**. The list of interested parties varies depending on the instruction type. E.g. possible interested parties are the following:

- Sender of the instruction;
- Originator of the instruction;
- Account owner of the Securities Account affected by the Settlement Instruction;
- CSD operating the Securities Account;
- CB operating the Dedicated Cash Account;
- Account Owner of the Dedicated Cash Account affected by the Settlement Instruction.
- Counterpart CSD Participant
- Counterpart CSD

High level description of Impact:

Outcome/Decisions:

- * MSG on 13 February 2015: The Migration Sub-group agreed to submit the Change Request to the Change Review Group via a written procedure until 13 February 2015.
- * CRG Telco of 26 February 2015: The CRG put the Change Request on hold.
- * CRG meeting of 12 March 2015: The CRG recommended to launch the detailed assessment of the Change Request and indicated that the Change Request is required for the Community Testing for Wave 2. The 4CB will analyse when the Change Request and its detailed assessment can be available.
- * Advisory Group's meeting on 23 March 2015: The AG was in favour of launching the detailed assessment on the Change Request.
- * CSG resolution on 27 March 2015: Following a written procedure, the CSG was in favour of launching the detailed assessment on the Change Request.
- * OMG on 27 March 2015: During a written procedure from 16 March 2015 to 27 March 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
- * CRG Telco of 18 August 2015: The CRG recommended the approval of the Change Request and its addition to Release 1.1.
- * PMG on 26 August 2015: During a written procedure from 19 to 26 August 2015, the Project Managers Group was in favour of adding the Change Request to Release 1.1.
- * OMG on 27 August 2015: During a written procedure from 19 to 27 August 2015, the Operations Managers Group reviewed the detailed assessment on the Change Requests and did not identify any operational impact. The OMG also was in favour of adding the Change Request to Release 1.1.
- * Advisory Group's advice on 7 September 2015: The AG was in favour of approving the Change Request and including it in Release 1.1.
- * CSD Steering Group's resolution on 8 September 2015: The CSG took the resolution to approve the Change Request and to include it in Release 1.1.

EUROSYTEM ANALYSIS – GENERAL INFORMATION

Impact On T2S	Static data management		Interface	
		Party data management		Communication
		Securities data management	x	Outbound processing
		T2S Dedicated Cash account data management		Inbound processing
		Securities account data management		
		Rules and parameters data management		
	Settlement		Liquidity management	
		Standardisation and preparation to settlement		Outbound Information Management
		Night-time Settlement		NCB Business Procedures
		Daytime Recycling and optimisation		Liquidity Operations
		Daytime Validation, provisioning & booking	LCMM	
		Auto-collateralisation		Instructions validation
			x	Status management
	Operational services			Instruction matching
		Data Migration		Instructions maintenance
		Scheduling	Statistics, queries reports and archive	
		Billing		Report management
		Operational monitoring		Query management
				Statistical information
				Legal archiving
		All modules (Infrastructure request)		
		No modules (infrastructure request)		
		Business operational activities		
	Technical operational activities			

Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter	§.3.4.6 – Status Management	Proposed wording included above.
Impacted UDFS chapter	§.1.3.4 – Message subscription §.1.6.1.3 – Allegement	Update of table 75 as described above. Proposed wording included above.
Additional deliveries for Message Specification	No impact on message specifications.	
UHB	No impact on UHB.	
External training materials	No impact on external training materials.	
Other documentations	No impact on other documentations.	
Links with other requests		
Links	Reference	Title

OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT

Functional Impact:

The impacts of this change request on the T2S domains/modules are the following:

LCMM:

Update of the LCMM function in charge of the allegements generation to allow the Counterpart CSD to receive copy of the message. This is achieved by declaring the Counterpart CSD as interested party for the three relevant

outbound information flows:

- Settlement Allegement (sese.028)
- Settlement Allegement Removal (sese.029)
- Settlement Allegement Cancellation (semt.020)

The following scenarios must be taken into account:

- If the Counterpart CSD is a CSD in T2S, the CSD will receive the message copy of the allegement message sent to its Participant
- In case the Counterpart CSD is external to T2S, T2S currently sends the allegement to the external CSD as interested Party. With CR505, the list of interested parties for this business case will be enlarged with the CSD in T2S (where the external CSD is declared as participant for the business case).
- Finally, in case the Counterpart CSD is a CSD in T2S and at the same time the owner of the securities account (as CSD), no additional copies are foreseen as current implementation already sends the allegement to the CSD. In case the owner of the account is the CSD as CSD Participant, the list of interested parties will be both the CSD acting as CSD Participant and as CSD.

Interface:

From Interface perspective the function "Define Possible Recipient List A2A" has to be updated in order to consider the 3 additional messages.

Summary of project risk

Security analysis

No potentially adverse effect was identified during the security assessment.

DG - MARKET INFRASTRUCTURE & PAYMENTS
MARKET INFRASTRUCTURE MANAGEMENT

ECB-PUBLIC

11 August 2015

COST ASSESSMENT ON CHANGE REQUESTS

T2S-505-SYS – Extend the coverage of messages subject to copies		
Project phase costs (total)	45,345.14	Euro
Running costs (annual average over cost recovery period)	4,632.17	Euro