

1. General Information

CR Raised by: ECB T2S Project Team **Institute:** ECB **Date Raised:** 26/03/2009

Change Request Title: Modification of the attributes of the securities valuation entity **CR Ref.:** T2S URD 180

Change Request Classification: Consistency
(Typo, Consistency, Clarification, Substance)

Status: Approved by the AG

Change Type: Modification

(New Requirement/Modification/Deletion)

Requestor Category: ECB T2S Project Team

(User, 4CB, ECB T2S Project Team)

Chapter Number/Annex Number: Chapter 16

Req No: T2S.16.520

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

Proposed Implementation Date/Release: Version 4.2

Description of Requested Change:

T2S should require collateral management systems to provide a dirty price with the haircut already deducted for security valuation. All other attributes stored for audit trail purposes should be removed to reduce development effort and complexity as well as inconsistency with chapter 8.

Reason for Change / Expected Benefits / Business Case:

The UR is necessary in static data to ensure consistency with Chapter 8, UR T2S.08.680 - Sources of value for eligible collateral for auto-collateralisation purposes. The currency field is necessary as valuations for securities for use as eligible collateral can be accepted at different central banks.

Submitted Annexes / Related Documents:

Proposed wording for the Change Request:

1. Modification of Requirement T2S.16.520

16.7.7 Securities Valuation

Reference ID	T2S.16.520
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T2S shall store the dirty price with the haircut already deducted of a security data for the valuation positions in securities for auto-collateralisation purposes. The working assumption is that CCBM2 or other central securities databases will provide the price-related data, and that the list of securities eligible for auto-collateralisation with NCBs will be harmonised. T2S shall store the price information attributes used for the valuations on a daily basis as part of the audit trail. ~~The number or attributes required will depend on what source system calculates into the price, i.e. delivery of a clean or dirty price.~~

Table 16-9 - List of Attributes for Securities Valuation

Attribute	Description
Security Identifier	This attribute shall specify the unique technical identifier of a security in T2S.
Valuation Date	This attribute shall specify the date for which valuation data applies.
Valuation Currency	This attribute shall define the currency of the price for the valuation.
Exchange Rate	This attribute shall provide the conversion rate between the price currency and the Euro. In most cases, the value of this data item will be 1 for EUR/EUR.
Market Code	This attribute shall specify the market identifier code (MIC) for the price source.
Price	This attribute specifies the price of the security as of the valuation date in the collateral valuation currency.

Attribute	Description
Price Type	This data item specifies the type of price, which was determined based on pricing rules (e.g. closing price, last traded price, calculated price).
Price Date	This attribute specifies the date of the price. The date of the price is not necessarily the same as the valuation date. For example, the valuation of a security may use yesterday's price if it is not available for the current business day.
Price Qualifier	This data item shall define the qualifier of a price, if relevant (e.g. Ex-Dividend)
Pool Factor	This attribute shall specify the pool factor for asset-backed securities.
Pool Factor Valid From	This attribute shall specify the date from which the pool factor is valid.
Index Coefficient	This attribute shall specify the current index coefficient for an indexed-based debt security.
Index Coefficient Valid From	This attribute shall specify the date from which the index coefficient is valid from.
Accrued Interest per Nominal	This attribute shall specify the accrued interest in an amount per nominal.
Interest Calculation Method	This data item shall specify the interest calculation method applied to calculate the accrued interest for the security on the specified valuation date.
Last Interest Payment Date	This data item shall specify the date from which the accrued interest was calculated.
Haircut in %	This data item shall specify the haircut that applies for the valuation.

Outcome of meetings:

* SG Meeting of 28 May 2009:

Recommendation to the AG: Approval

* AG meeting on 15 June 2009

Approval of SG recommendation