

## Outcome of the Change Review Group (CRG) meeting

25 January 2018

### 1. Introductory session

The CRG chairperson welcomed the participants and presented the agenda.

### 2. CRG action points list

The chairperson invited the CRG members to provide written comments, if needed, to the ECB team regarding the CRG action point list.

**Follow-up action:**

- The CRG members to provide comments to the ECB team by 7 February 2018.

### 3. CRG in the new Operational Governance Framework

**Outcome**

The ECB team presented a note regarding the description of the CRG role within the new T2S Operational Governance Framework. The objective is to foster common understanding within the CRG members but also with other relevant T2S governance bodies, regarding the exact processes and tasks within the new T2S Operational Governance Framework (including Change and Release Management).

The CRG members were broadly in agreement with the description of the tasks as presented in the note. However, further clarifications are required in particular regarding the initiation as well as the frequency of the CR ranking exercise, e.g. some CRG members were of the view that one full ranking per year combined with a periodic update, when necessary, may be sufficient. The ECB team will provide a revised version of the note taking into account the comments provided during the meeting. This will be followed by a written procedure prior to the distribution of the note to OMG and RMSG for information.

The chairperson clarified that this note will be a living document which may require periodical updates by the CRG.

**Follow-up action:**

- The ECB team will provide the CRG members with a revised note by 30 January 2018.
- The CRG members to provide comments to the ECB team by 6 February 2018.

## 4. Ranking exercise March 2018

### Outcome

The CRG was of the view that there is no need of updating the CRG ranking of CRs in the first quarter of 2018 and that the ranking prepared by the CRG in August 2017 is still valid for T2S Release 3.0.

However, the CRG agreed that, in the coming weeks, the ECB team should initiate a house-keeping exercise with an objective of completing and stabilising the CRs which remain on hold and have outstanding questions. A discussion regarding any particular re-ranking for R3.0, will be assessed by the CRG as a follow up step to the house keeping exercise.

The CRG members took note of the withdrawal of the following CRs by their CR initiators:

- T2S-0359-URD (Change of hold/release should be notified to counterparty before the Intended Settlement Date) from VP Securities.
- T2S-0644-SYS (Automatic set-up of the payment due date in invoices) from the ECB.
- T2S-0647-SYS (T2S Actors should be allowed to extract bulk of outbound messages in XML format) from Euroclear.

### Follow-up action:

- The ECB team to launch the CR house-keeping exercise by 2 February 2018.

## 5. Analysis of change requests

### 5.1 Change requests approved for implementation

#### Change Request T2S-0515-SYS (Allow instructions from CSD participants for n days after maturity date of security)

### Outcome

The CRG agreed to recommend to the T2S Steering Level the update of the CR.

### Follow-up action:

- The ECB team will seek the T2S Steering Level decision on the approval of the updated CR during the CSG meeting on 8-9 February 2018 and the MIB meeting on 20-21 February 2018.

### 5.2 Detailed assessed change requests

#### Change Requests T2S-0600-SYS<sup>1</sup> and T2S-0607-SYS<sup>2</sup>

### Outcome

The CRG agreed to recommend to the T2S Steering Level the approval of the CRs 600 and 607 and their inclusion in the R3.0 baseline scope. The CRG took note that the RMSG and OMG feedbacks will be sought during their meeting on 30 and 31 January 2018 respectively.

### Follow-up action:

- The ECB team will seek the T2S Steering Level decision on the approval of the CRs and their inclusion in the R3.0 baseline scope during the CSG meeting on 8-9 February 2018 and the MIB meeting on 20-21 February 2018.

<sup>1</sup> CR 600: T2S reporting functionality must be enhanced to allow the retrieval of the settlement instructions and their related SF1 (accepted) /SF2 (matched) timestamps via A2A in an efficient and standard way

<sup>2</sup> CR 607: T2S must be able to identify, store, and report settlement information related to buy-in transactions consistently across T2S messages

### 5.3 Other change requests

#### Change Request T2S-0653-SYS (Partial release functionality)

##### Outcome

The ECB team presented the revised CR 653 which incorporates the comments received by the CRG members since the last CRG discussion in December 2017.

The CRG members agreed to include in the scope of the CR the following requirements:

- The execution of a partial release and its cancellation should be reflected in the audit trail of the underlying Settlement Instruction.
- Specific error codes should be provided in the sese.024 messages when the partial release process is cancelled in T2S.

The CRG agreed that subject to the above clarifications, the CR is considered complete and stable. Pending the 4CB capacity analysis, including a check for potential resource conflicts with CR-0613, as well as the RMSG discussion (30.01.2018) the CR could be subject to further detailed assessment.

One CRG member was of the view that the proposed functionality could be considered as going against international best market practices regarding partial settlement. The ECB team clarified that i) there is no T2S harmonisation standard as such on partial settlement and ii) it is up to the T2S Advisory Group on Market Infrastructures for Securities and Collateral (AMI SeCo) to assess, during the relevant CR consultation, whether the proposed functionality goes against any defined and endorsed harmonisation standards (in or outside T2S).

##### **Follow-up action:**

- Euroclear will update the CR as per the CRG agreement by 31 January 2018.

#### Change Request T2S-0674-SYS (Common Reference Data Management for TIPS)

##### Outcome

The ECB team presented the TARGET2-T2S consolidation project including i) further clarifications on the shared services within the TARGET2-T2S consolidation project, such as ESMIG, which have to be understood as common technical modules which provide functionalities to the TARGET services (T2S, RTGS, TIPS)<sup>3</sup> and ii) the potential need for mandatory and optional T2S CRs.

In addition to the comments provided during a written procedure, the CRG members provided questions regarding the functional impact on T2S, e.g. whether any data propagation failure from the Common Reference Data Management (CRDM) to the TARGET Instant Payment Settlement (TIPS) service could affect T2S functionalities, in particular during the T2S end-of-day (EOD) processes. The Eurosystem clarified that the TIPS daily data propagation process will take place before the T2S EOD process. In addition, this TIPS process will be decoupled from any T2S processes, so in case there could be any technical issue in the former, it will not affect the smooth functioning of the latter.

Regarding the access rights management, the 4CB confirmed that in case of centralised functionalities the same privileges will be used for the corresponding functions in CRDM-TIPS and T2S. To ensure the data confidentiality and the segregation of data between the two services (T2S and CRDM-TIPS) additional attributes will be used for the single objects.

Regarding the issue of how the TIPS statement of accounts could be available in delta mode, given that this is apparently not possible for T2S reports with the existing message, the 4CB clarified that for the

<sup>3</sup> This explanation was also provided by the Eurosystem to the RMSG (30.1.2018), OMG (31.1.2018) and CSG (9.1.2018)

delta mode in TIPS, the message fields “valid from” and “valid to” are used (already available in the camt.053 message).

The CRG members concluded that they do not have any objection on the functional description of the CR674 as it is clear and complete.

The CRG took note that the RMSG will discuss the release planning and risk elements during its meeting on 30 January 2018 and the OMG will discuss the operational risks on 31 January 2018.

**Follow-up action:**

- The 4CB team will update the CR as per the CRG agreement by 30 January 2018.
- On 8-9 February 2018, the ECB team will inform the CSG about the CRG view on the CR674, taking also into account the OMG and RMSG discussions.

**Change Request T2S-0668-SYS (Provide the T2S reference of the linked instructions preventing settlement)**

**Outcome**

The CRG agreed to keep the CR on hold. The ECB team will launch a questionnaire with CRG members in order to clarify some remaining aspects of the CR, e.g. confidentiality issues with T2S providing information, impact on T2S reporting and messaging volumes, potential need for ISO CR, etc.

**Follow-up action:**

- The ECB team will launch the questionnaire with the CRG members by 6 February 2018.

**Change Request T2S-0669-SYS (Alignment of Flat files, DMT files and Securities Valuation flat files with ISO Maintenance Releases 2013 – 2017)**

**Outcome**

The CRG agreed to keep the CR on hold until the next ISO upgrade CR in T2S (SR2018 & SR2019) is raised. When the new ISO upgrade CR is issued (including the current scope of CR 669) and validated by the CRG, the 4CB will withdraw the CR669.

**Change Request T2S-0671-SYS (Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S)**

**Outcome**

The CRG members agreed to update the CR by including that the Beneficial Ownership indicator should also be reported in the A2A settlement instruction query response (semt.027).

The CRG members agreed to launch the preliminary assessment of the updated CR.

**Follow-up action:**

- Clearstream will update the CR as per the CRG agreement by 2 February 2018.

**Change Request T2S-0675-SYS (Add ISIN as Search Criteria in Eligible counterpart screen)**

**Outcome**

The CRG agreed to launch the preliminary assessment of the CR.

**Follow-up action:**

- The 4CB team will indicate when they plan to deliver the preliminary assessment of the CRs 671, 675 and 544 by 2 February 2018.

## 6. Analysis of operational topics referred to the CRG

### Clarification note SDD-PBR-0028 (Massive Queries - Limitations of the T2S GUI – PBI-154066/154897)

#### Outcome

Some CRG members invited the Eurosystem to revise the wording regarding the capacity limitations of the T2S GUI. Although it is generally recognised that no concrete and exact minimum or maximum thresholds can be provided by the Eurosystem, in particular in the absence of tailored testing, the CRG members would appreciate to receive an alternative wording proposal which could give an indication of such capacity.

On the basis of this discussion, the CRG did not take a final decision and agreed to revisit the issue on the basis of a 4CB drafting proposal.

The ECB team informed the CRG members that the OMG confirmed that it is not necessary to explicitly mention the limitations of the T2S GUI in the Manual of Operational Procedures (MOP) notably in the part concerning the recovery after disaster (RAD) activities. The OMG, if needed, could evaluate the possibility to review the timing needed for CSDs/NCBs to perform in U2A mode the tasks envisaged during the RAD activities.

#### **Follow-up action:**

- The 4CB team will provide a drafting proposal by 9 February 2018.
- The ECB team will initiate a written procedure to seek the approval of the CRG on the updated note.

### Clarification note SDD-PBR-0033 (Privilege SDQ\_ Queued Data Changes Query not reported – INC-219921)

#### Outcome

The CRG members agreed to the documentation updates proposed in the SDD clarification note and took note that the 4CB will include the updates in a future editorial CR.

#### **Follow-up action:**

- The 4CB will include the related documentation updates in the next editorial CR planned by the end of the first quarter of 2018.

### Clarification note SDD-PBR-0034 (Data scope reduction by denying access at party level cannot be used to deny a participant access to its own Party and all of its Accounts, nor to the participant's own System Entity)

#### Outcome

The CRG in principle agreed to the implementation proposed in the SDD note as well as the related documentation updates. However, the CRG noted that further clarification should be provided in the note regarding whether or not the OMG has defined a procedure in the Manual of Operational Procedures (or another agreed mean, e.g. a T2S Service Request) in order to make the data scope reduction for users effective immediately after a data scope reduction at party level.

#### **Follow-up action:**

- The ECB team will inform the OMG on the CRG agreement, including the need for further clarification on the operational process by 2 February 2018.

**Clarification note SDD-PBR-0035 (T2S should prevent the creation or update of a T2S Dedicated Cash Account whose opening date is before the opening date of its account holder)**

**Outcome**

The CRG agreed to the implementation proposed in the SDD note as well as the related documentation updates and agreed to inform the OMG accordingly.

**Follow-up action:**

- The ECB team will inform the OMG about the outcome of the CRG discussions by 2 February 2018.
- The 4CB will include the related documentation updates in the next editorial CR planned by the end of the first quarter of 2018.

## **7. Any other business**

**Potential future update of Change Request T2S-0612-SYS (Alignment of T2S Messages with ISO Releases 2013-2017)**

**Outcome**

Further to the 4CB analysis provided, the CRG agreed not to raise any complementary CR to CR612 for the unpruning of message fields considering that the related CRs with ISO changes will likely be implemented in R3.0.

As a principle for next ISO Maintenance Release upgrades, some CRG members expressed a preference to unprune message fields that are likely to be implemented in an upcoming release as part of the T2S upgrade to the latest ISO Maintenance Release. The 4CB will consider such elements in the related detailed assessment, if present in the CR. From 4CB point of view, such requests will likely increase the time needed for detailed assessments and costs/risks of CR implementation.

The CRG agreed to re-discuss the principles of which fields to prune/unprune in the future in the context of the next CR related to an ISO-upgrade of T2S messages. For these discussions the CRG will seek the view of the T2S Message Standardisation Subgroup (SGMS).

The 4CB noted that further clarification and coordination is required regarding the ISO updates after June 2019, in the relevant TARGET services (both in T2S and in the future RTGS) also in the context of the T2-T2S consolidation. This will require further interaction with both T2S and T2 governance arrangements.

**Follow-up action:**

- The ECB team to investigate further how to raise the issue of ISO updates coordination in the relevant T2 and T2S governance arrangements.

**Restriction rules defined for receive and delivery instructions should not apply to instructions with zero quantity**

**Outcome**

Due to different views regarding the real business needs behind the relevant UDFS wording, the CRG did not reach any final conclusion and the topic will be re-discussed in the next CRG meeting.

The ECB team will prepare a deliverable to better clarify the different approaches expressed by the CRG members. The ECB team deliverable will include any new material to be provided by the CRG members, e.g. 4CB and CBF.

**Follow-up action:**

- CRG members to provide their additional input on the issue by 9 February 2018.

- The ECB team will prepare a clarification note for the next CRG meeting.

#### **Status of the detailed assessment on Change Request T2S-0670-SYS (Logical deletion and purge of matured ISINs together with their related links)**

##### **Outcome**

The 4CB informed the CRG members that the detailed assessment is taking longer than expected and as a consequence, the CR is not feasible anymore for R2.0.

#### **INC-222203 (T2S should not allow the deletion of a party technical address if there is an active “Technical Address Network Service Links”)**

##### **Outcome**

Clearstream explained that currently it is possible to delete a party technical address even if it is still used in existing configurations for “Technical Address Network Service Links” (TANSL) or for routings.

The 4CB clarified that the UDFS table 154 includes the existing dependencies between static data objects.

##### **Follow-up action:**

- The 4CB team will prepare for the next CRG meeting, a clarification note explaining those static data objects that do have relationships to other objects but can be deleted without any dependency check.

#### **Market review and publication of URD v6.0, UDFS v3.0, UHB v3.0 and GFS v6.0**

##### **Outcome**

The ECB team informed the CRG that the publication of the Scope Defining Documents for the T2S Release 2.0 will take place on 25 January 2018 and the CRG review was foreseen from 26 January 2018 to 16 February 2018.

#### **Interim solution to avoid issues stemming from current limits in the message subscription configuration**

##### **Outcome**

This item was postponed for discussion in the CRG meeting on 26 March 2018.

##### **Follow-up action:**

- Euroclear and the 4CB/ECB teams will discuss the issue bilaterally and provide further input to the CRG about the topic in the next meeting.

#### **Update of CRG meeting calendar in 2018**

##### **Outcome**

The CRG agreed that there is a need to revise the currently planned meeting dates for 2018. This is needed in order to take place the delivery of the CR detailed assessments as well as different peaks and troughs in the CRG agenda.

The ECB team will prepare a detailed proposal to be agreed via a written procedure.

## List of participants

### Participant's organisation

### Name of participant

European Central Bank	Mr George Kalogeropoulos	Chairperson
European Central Bank	Mr Alejandro del Campo Roiz de la Parra	Secretary

### **Members**

4CB	Mr Arno Friederich
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Danmarks Nationalbank	Mr Frederik Jorst
Deutsche Bundesbank	Ms Melanie Gulden-Jesse
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Bank of Greece	Mr Yorgos Korfiatis
Banca d'Italia	Mr Michele Zaccagnino
Banque centrale du Luxembourg	Mr Michael Schoenmakers
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### **Observers**

ABN AMRO Clearing	Mr Ton van Andel
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Deutsche Bank AG	Mr Marko Niederheide
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## **Other participants**

VP Securities	Ms Susanne Hass
VP Securities	Mr Thomas Bo Christensen
Euroclear	Mr Sergio Cunha
4CB	Mr Dirk Beiermann
4CB	Mr Victorien Goldscheider
4CB	Ms Wilma Jagomast
4CB	Mr Michael Jennings
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