

T2S CHANGE REVIEW GROUP

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FINAL
07 July 2021

Outcome

Meeting of the T2S Change Review Group (CRG)

25 May 2021, from 10:00 to 16:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures. The CRG approved the agenda of the meeting.

The CRG was informed that the discussion on CR-753 (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem's analytical platform) was postponed to the CRG Meeting in July and that this CR would most likely not be delivered before R7.0.

The CRG also took note of the discussions in the TSWG, whereby CSLD CR-0067 would only be delivered after the go-live of the T2-T2S Consolidation project. Due to the dependency of T2S CR-720 on CSLD CR-0067, the PMG agreed to launch the detailed assessment of CR-720 in view of R7.0 rather than R6.0, as previously envisaged.

2. Outcome of previous meetings and CRG action points

Background documentation

- Outcome of the CRG meeting on 24 March 2021
- List of CRG action points

Outcome

The CRG approved the outcome of the CRG meeting on 24 March 2021. The final version will be published on the ECB website.

The ECB team provided an update on the status of open CRG action points. CRG took note, in particular, of the following:

- **AP-4017** (ECB/4CB to present further updates on 'split books' proposal): *the 4CB will present a proposal under item 5 of the agenda. The CRG agreed to close the AP and include the topic as recurrent agenda item and to keep the CSG informed of significant progress on this topic.*
- **AP-4012** ([ECB] to seek the OMG view on Legal archiving design for the CRDM-triggered liquidity transfer): *the CRG took note that the description of the back-tracing procedure is expected by 31 May 2021 and agreed to keep the AP open until the OMG approved the procedure.*

Follow-up actions

- CRG to confirm the closure of action points proposed for closure (AP-4025, AP-4026, AP-4019, AP-4017 AP-4014) [2 June 2021]

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

- T2S-0436-URD (Client-collateralisation: allow payment banks to set up their own list of close links)
- T2S-0530-URD (One close link database for Eurosystem NCBs and separate database per non-EUR currency)
- T2S-0574-URD (Applying additional haircuts to own-used assets in T2S auto-collateralisation)
- T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)
- T2S-0722-BFD (Upgrade of non-repudiation for U2A)
- T2S-0722-BFD – Updated Q&A document
- T2S-0746-SYS (Mitigation measures for missing partial settlements and new COLGEN tool)
- T2S-0750-SYS (AID tool for the T2S Operator)

Outcome

T2S-0436-URD (Client-collateralisation: allow payment banks to set up their own list of close links)

The CRG agreed to the updates to CR-436 (UHB screenshots).

Follow-up actions:

- ECB to distribute the updated version of CR-436 to other T2S technical groups [26 May 2021]

T2S-0530-URD (One close link database for Eurosystem NCBs and separate database per non-EUR currency)

The CRG agreed to the updates to CR-530 (UHB screenshots).

Follow-up actions:

- ECB to distribute the updated version of CR-530 to other T2S technical groups [26 May 2021]

T2S-0574-URD (Applying additional haircuts to own-used assets in T2S auto-collateralisation)

The CRG agreed to the updates to CR-574 (UHB screenshots).

Follow-up actions:

- ECB to distribute the updated version of CR-574 to other T2S technical groups [26 May 2021]

T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)

The CRG agreed to the updates to CR-709 (UHB screenshots) and took note that the next version of the UHB would be updated accordingly with the Editorial CR for R5.2 (CR-765).

Follow-up actions:

- ECB to distribute the updated version of CR-709 to other T2S technical groups [26 May 2021]

T2S-0722-BFD (Upgrade of non-repudiation for U2A) and Updated Q&A

The CRG took note of the updates to the Q&A related to CR-722 and had no outstanding questions. In particular, the CRG was informed that the provider Ascertia will provide an upgraded version of the Go Sign Desktop (GSD) which is probably compatible with multi-user configurations, such as those typically used with Citrix Terminal Server. The

updated version is expected to be delivered in time for R5.2. In addition, CRG took note that an updated version of the NRO technical document was planned for delivery at the end of May.

Follow-up actions:

- ECB to distribute the updated version of CR-722 Q&A to other T2S technical groups [26 May 2021]
- 4CB to provide an updated version of the NRO technical document

T2S-0746-SYS (Mitigation measures for missing partial settlements and new COLGEN tool)

The CRG agreed to the updates to CR-746, whereby the GFS document must reflect that the settlement timestamp will be included in the “Status history” table of an LCMM instruction.

Follow-up actions:

- ECB to distribute the updated version of CR-746 to other T2S technical groups [26 May 2021]

T2S-0750-SYS (AID tool for the T2S Operator)

The CRG agreed to the updates to CR-750, whereby messages resulting from the use of the AID tool will be identified, in the BizMsgldr field of the head.001, by the prefix “A” instead of “AID”.

Follow-up actions:

- ECB to distribute the updated version of CR-750 to other T2S technical groups [26 May 2021]

3.2 Change requests already authorised at T2S Steering Level (not yet under implementation)

Background documentation

- T2S-0751-SYS and T2S-0752-SYS – Detailed assessment summary
- T2S-0751-SYS and T2S-0752-SYS – Detailed assessment additional information
- T2S-0751-SYS (Logical deletion of Securities Accounts and purge of CMB Securities Account Links)
- T2S-0752-SYS (Intraday delta Flat File reporting and technical optimisations to enhance the flat file generation process)

Outcome

T2S-0751-SYS (Logical deletion of Securities Accounts and purge of CMB Securities Account Links)

The CRG took note of the results of the detailed assessment of CR-751. In particular, they took note that, while a Securities account can be deleted even when some CMB Securities Account Links are still active, these CMB SAC links must be closed before the SAC can be deleted. Subject to the distribution of an updated version clarifying that the change introduced by CR-751 applies only to CMB SAC links, and not to other SAC links, the CRG had no outstanding questions and agreed to recommend to the PMG the inclusion of the CR in the scope of Release 6.2.

Follow-up actions:

- ECB to distribute an updated version of CR-751 to the CRG [26 May 2021]

T2S-0752-SYS (Intraday delta Flat File reporting and technical optimisations to enhance the flat file generation process)

The CRG took note of the results of the detailed assessment of CR-752, in particular that with CR-752 the flat file functionality will be enhanced to allow current end-of-day flat file reports to be generated also intraday, in delta mode. The CRG also agreed to highlight to the T2S Steering Level the high development and running costs of the CR-752 due to the development of new flat file delta reports and the anticipated need for additional processing power (to be

confirmed by non-functional tests). The CRG had no outstanding question and agreed to recommend to the PMG the inclusion of the CR in the scope of Release 6.2.

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0761-URD (RTS Settlement enhancement to cope with massive concurrent settlement attempts)
- T2S-0762-URD (New option for opening T2S during the weekend)
- T2S-0763-SYS (T2S Multi-Criteria Settlement Optimisation)
- T2S-0764-SYS (No intraday update of the Negative Position flag)

Outcome

T2S-0761-URD (RTS Settlement enhancement to cope with massive concurrent settlement attempts)

The CRG were invited to discuss the updated version of CR-761 and to recommend it for authorisation by the T2S Steering Level. Previously, a CRG member objected to such a recommendation, based on their understanding that the CR left open the possibility that existing volumes of instructions would qualify as massive concurrent settlement attempts, and therefore be processed with lower priority than today by T2S. The 4CB clarified that, although the value of the parameters used to identify “massive concurrent settlement attempts” can only be determined with the detailed assessment, the aim of the CR is to protect the existing business activities i.e. to ensure that the Key Performance Indicator on RTS settlement times remains compliant with the T2S SLA even in the scenarios described in the CR. As a way forward, the objecting CSD, the 4CB and the ECB team agreed to discuss possible updates to the CR to reflect the expectation that the CR parameters will be set in a way that does not bring existing business activities within the scope of the CR. An updated version of the CR will be distributed once the outstanding questions are clarified.

Follow-up actions:

- ECB to distribute to the CRG the questions received on CR-761 [26 May 2021]
- CRG to provide any further comments on CR-761 [28 May 2021]
- ECB to distribute the draft volume test report in view of the Euroclear Finland onboarding [26 May 2021]
- 4CB to provide an updated version of CR-761 [2 June 2021]

T2S-0762-URD (New option for opening T2S during the weekend)

The CRG was invited to discuss the updated version of CR-762 on the New option for opening T2S during the weekend and to recommend it for authorisation by the T2S Steering Level. A CRG member raised some questions on the drafting of the CR. An updated version of the CR will be distributed once the outstanding questions are clarified.

Follow-up actions:

- ECB to distribute to the CRG the questions received on CR-762 [26 May 2021]
- 4CB to provide an updated version of CR-762 [2 June 2021]

T2S-0763-SYS (T2S Multi-Criteria Settlement Optimisation)

Following the presentation of CR-763 by the 4CB, a CRG member asked whether transactions that did not settle in the optimisation attempt for transactions with high priority and age would be re-included into the optimisation attempts for transactions with lower priority and age. 4CB confirmed this point and agreed to clarify it in the CR. In addition, the

CRG agreed to increase the Operational/technical risk parameter to Medium as the CR-763 affects a core functionality, although no specific operational risk was identified.

Subject to these modifications, the CRG had no outstanding questions on CR-763 and agreed to launch the preliminary assessment of this CR.

Follow-up actions:

- 4CB to provide an updated version of CR-763 [26 May 2021]

T2S-0764-SYS (No intraday update of the Negative Position flag)

Following the presentation of CR-764 by the 4CB, the CRG agreed to ask the OMG whether the CR, being part of the response to the 26 May 2020 incident, should be fast-tracked. The CRG also agreed to signal to the OMG that an operational procedure may be needed to ensure that in a contingency situation, it remains possible to perform an intraday update of the 'Negative position' flag.

The CRG had no outstanding questions on CR-764 and, subject to the confirmation by the OMG that no fast-tracking of the CR was needed, agreed to launch the preliminary assessment of this CR.

3.3.2 Editorial CRs

Background documentation

- T2S-0765-SYS Multiplex Editorial Change Request (for R5.2)

Outcome

T2S-0765-SYS Multiplex Editorial Change Request (for R5.2)

The CRG requested additional time to review CR-765 before providing a recommendation to the T2S Steering Level. The 4CB also informed that they will provide an updated version of CR-765 specifying which version of ISO standard T2S is following, when referenced in the UDFS [AP-4019].

Follow-up actions:

- CRG to provide its recommendation on CR-765 [8 June 2021]

4. Clarification notes

Background documentation

- T2S-ICN-0007 on CSLD CR-0074
- CSLD-0074-UDFS (Data propagation and data loading adaptations)
- CRG-PBR-0026 on BSSP/BPSS settlement transaction condition codes

Outcome

T2S-ICN-0007 on CSLD CR-0074

The CRG took note of the impacts for T2S users resulting from the Consolidation CR-74 from T2S R6.2 onwards and agreed to report back via written procedure whether they deem the impacts on T2S to be acceptable from a functional perspective.

Follow-up actions:

- ECB to clarify if discrepancies between the SWIFT BIC directory and the CRDM BIC directory do occur in practice.

CRG-PBR-0026 on BSSP/BPSS settlement transaction condition codes

The CRG took note of the background information provided on the different codes BSSP and BPSS used in T2S messages and ISO standard messages respectively. The CRG also took note that T2S would foreseeably replace the proprietary code BSSP by the standard code BPSS at the end of the ISO freeze, i.e. June 2024 at the earliest. 4CB highlighted that, if needed, CRG members could raise a CR to make BPSS available, as proprietary code, before that.

Follow-up actions:

- CRG members to check for internal impacts of the different codes (BSSP or BPSS) available in T2S messages vs. ISO standard messages [7 July 2021]

5. SDDs for common components

Background documentation

- Common components in T2S documentation –Planning aspects
- Proposal for T2S UHB Updates for CSLD-related CRs

Outcome

Common components in T2S documentation – Planning aspects

The CRG took note of the proposed planning to document T2S-relevant functionalities in the UDFS and UHB of common components, where applicable. Under this proposal, CRDM functionalities used by T2S would be described in the CRDM UDFS/UHB from R7.0 onwards (June 2023), ESMIG from R7.2, BILL/BDM from R8.0, and DWH from R8.2. The CRG also took note that the timeline for the market review of the documentation of common components should also be agreed with the technical groups in charge of the change of release management in other TARGET-Services than T2S.

Follow-up actions:

- ECB team to prepare a presentation to show the CRG how the ECB website will look like once the Common Components SDDs will be added [7 July 2021]

Proposal for T2S UHB Updates for CSLD-related CRs

The CRG took note of the proposal that, for the review of the UHB document for R6.0, the 4CB should provide information about the new CRDM screens as a complete replacement of existing equivalent sections, and not as “tracked changes” from the current wording.

Follow-up actions:

- CRG members to provide feedback on the 4CB proposal for UHB updates in R6.0 [2 June 2021]

6. Harmonised Release Numbering

Background documentation

- Proposal on the alignment of Release Numbering and SDD version numbers (+complement)

Outcome

Proposal on the alignment of Release Numbering and SDD version numbers

The CRG took note of the proposals of the 4CB and ECB teams to align SDD version numbers to T2S release numbers. The CRG concluded that its preferred approach would be to align all document numbers to the release number from R6.0 onwards. As a result, the document numbers for release 6.0 would be: UDFS R6.0, UHB R6.0,

URD R6.0, GFS R6.0 etc. (instead of UDFS v7.0, UHB v7.0, URD v10.0 and GFS v10.0 according to current numbering).

In addition, the information on the change of numbering of the SDDs must be provided in the documents themselves, and the numbering for the documentation of Common Components must be clarified.

Follow-up actions:

- ECB team to seek the views of the PMG on the steps preferred by the CRG to align SDD version numbers to T2S release numbers [4 June 2021]
- 4CB/ECB to present a proposal on the numbering of the Common Components' SDDs [7 July 2021]

7. Any other business

Background documentation

- Delivery plan of change requests
- Updated Capacity Consumption

Outcome

Update on CR implementation capacity

The CRG took note of the update that will be provided by the 4CB to the PMG and the CSG on the consumption of implementation capacity.

- The following CRG meetings are planned in 2021 (to be confirmed at least 4 weeks in advance)

7 July 2021	10:00-16:00	Webex
10 September 2021	10:00-16:00	Webex
9 November 2021	09:30-17:30	ECB Main building