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## Outcome

### Meeting of the T2S Change Review Group (CRG)

12 December 2022, from 09:30 to 13:00 CET (held remotely)

#### 1. Introductory remarks and approval of the agenda

##### Background documentation

- Recent resolutions on CRs since last meeting.

##### **Outcome**

*The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely.*

*The CRG members approved the agenda of the meeting on 12 December 2022 and no additional items were proposed.*

*The CRG members took note that as a follow-up of the last CRG meeting on 26 October 2022.*

- *Following CRs were approved by the T2S Steering level:*
  - *T2S-0734-SYS – “Allow 18 digits (of which max 2 decimals) in Amount fields of messages camt.004, camt.052, camt.053 and alignment of error texts” was de-scoped from R6.2 and will be deployed outside the scope of a release, with a HF release for the T2-T2S Consolidation go-live on 18 March 2023.*
  - *T2S-0762-URD – “New option for opening T2S during the week-end” was approved and allocated to R2023.JUN.*
  - *T2S-0769-SYS – “Add MS Edge to the list of supported browsers for U2A interaction”, editorial updates were approved by the CRG.*
  - *T2S-0786-SYS – “Counterparty leg of a failing instruction due to reason code “LINK” should not be penalised” was approved and allocated to R2023.NOV.*
  - *T2S-0787-URD – “Instructions released during cut-off with failing reason ‘CYCL’ must be imposed with a SEFP penalty” was approved and allocated to R2023.JUN.*
- *Following SDD Clarification Notes were approved:*
  - *T2S SDD-PBR-0088 - PBI-223418 - Outbound and Inbound message for BDM and BILL was approved on 9 November 2022. As agreed in the CRG meeting on 26 October 2022, this final version had a reduced scope compared to the version approved on 13 September 2022*
  - *SDD-PBR-0090 - PBI-224780 - OBC and CLTS stuck after successful rebooking LTs, introduction of new RTGS status RBOK for the original LTs was approved on 18 November 2022.*
  - *SDD-PBR-0091- PBI-224231 - Refining BILL A2A query process in CUMU and ITEM scenarios was approved on 25 November 2022.*

- *SDD-PBR-0092 - PBI-224402 - Changes in flat file frequency field was approved on 25 November 2022.*
- *SDD-PBR-0093 - PBI-220731 - Update of CFI code and recalculation of penalties was not approved, and a new proposal will have to be discussed.*

## **2. Outcome of previous meetings**

### Background documentation

- Outcome of the CRG meeting on 26 October 2022
- Outcome of the CRG meeting on 26 October 2022 to publish in ECB website

### **Outcome**

*The CRG members took note that during the written procedure to review the outcome of the meeting on 26 October 2022, some editorial updates were proposed and included for the version shared for this meeting.*

*The CRG members approved the updated outcome of the CRG meeting on 26 October 2022.*

### **Follow-up actions**

- *ECB team to publish in the ECB website the outcome of the CRG meeting on 26 October 2022. [19 December 2022]*

## **3. Analysis of change requests**

### **3.1 Change requests under implementation**

#### Background documentation

- Summary of DA of CR-786, CR-761 and CR-787
- T2S-0786-SYS Counterparty leg of a failing instruction due to reason code "LINK" should not be penalized.
- T2S-0761-SYS Enhance optimisation during RTS to maximise transaction throughput on the same resource
- CR 761 - RTS Useless - 4CB presentation CRG 12 December 2022.pptx
- T2S-0787-URD Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty.

### **Outcome**

***T2S-0786-SYS Counterparty leg of a failing instruction due to reason code "LINK" should not be penalized.***

*The CRG took note of the updates to the detailed assessment for CR-0786 related to the outcome of the risk assessment performed by 4CB, which shows that no risk was identified during the detailed assessment. The CRG agreed to inform the PMG about the related updates.*

*The CRG took note that one CRG member had provided feedback in the written procedure that was launched in November 2022 to agree to recommend to the PMG the inclusion of CR-0786 within R2023.NOV. In particular, the Clearsteam representative explained that the feasibility to implement this change only within R2023.NOV was disappointing since the PMG had requested it for the R2023.JUN and the CRG agreed on 7 July 2022 to go for a less impacting solution to ease an early allocation.*

*4CB explained that, although it was not in the outcome of the July meeting, when the options were discussed, the T2S Settlement module was already fully utilised from a capacity point in view of R2023.JUN. While the option selected was less impacting the Settlement module than the others, it was not feasible to implement it within R2023.JUN.*

### **Follow-up actions:**

- ECB team to publish the new version of CR-0786 in the ECB Website [1 January 2023]
- ECB team to inform the PMG about the outcome of the risk assessment now included in CR-0786 detailed assessment. [1 January 2023]

#### **Outcome**

##### **T2S-0761-SYS Enhance optimisation during RTS to maximise transaction throughput on the same resource CR 761 - RTS Useless - 4CB presentation CRG 12 December 2022.pptx**

The CRG took note of the explanations provided by 4CB to address the functional questions raised in the written procedure to agree to update the CR-0761 to include the value for the new parameter foreseen by this new enhancement (the frequency to assess whether a transaction is deemed as useless or useful for optimisation purposes). It was agreed to update the detailed assessment including these explanations and the value of ten minutes for the parameter. It was agreed to launch a written procedure so that the CRG could review and approve the changes. The CRG agreed to not include the parameter within the T2S SDD acknowledging that the OMG would have a new procedure to assess and approve the change of this value, when needed.

The CRG acknowledged that this parameter was of a technical nature and would not be possible to be queried or consulted through the T2S GUI/CRDM.

#### **Follow-up actions:**

- 4CB to provide an updated version of the detailed assessment of CR-0761 including additional explanations on the functioning of the new enhancement. [18 January 2023]
- ECB team to launch a written procedure with the updated version of CR-0761 detailed assessment for the CRG to review and approve it. [18 January 2023]

#### **Outcome**

##### **T2S-0787-URD Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty**

The CRG took note of the updates to the detailed assessment for CR-0787 related to the outcome of the risk assessment performed by 4CB, which showed that no risk was identified during the detailed assessment. The CRG agreed to inform the PMG about the related updates.

#### **Follow-up actions:**

- ECB team to publish the new version of CR-0787 in the ECB Website [10 January 2023]
- ECB team to inform the PMG about the outcome of the risk assessment now included in CR-0787 detailed assessment. [10 January 2023]

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

### Background documentation

None

## **3.3 Change requests not yet authorised at T2S Steering Level**

### **3.3.1 Change requests under preliminary assessment**

#### Background documentation

- Summary of PA CR-789, CR-791 and CR-792
- 4CB presentation on CR-0789, CR-0791 and CR-0792 preliminary assessments.

- T2S-0789-SYS Handling automatic cancellation for T2S External Transactions.
- T2S-0791-SYS T2S alignment to ISO 10962:2021 CFI code – addition of new codes.
- T2S-0792-SYS T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes.
- T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account – oral update

## **Outcome**

### **4CB presentation on CR-0789, CR-0791 and CR-0792 preliminary assessments.**

#### **T2S-0789-SYS Handling automatic cancellation for T2S External Transactions.**

The CRG members took note of the preliminary assessment of CR-0789 presented by 4CB, with the main outcome being that the impact of this change would be 'Medium' and that a risk was identified in the risk assessment. The risk could be a potential issue on performance due to the new necessary data accesses during the End of Day period. It was agreed that 4CB would provide an updated presentation stating this risk outcome.

The preliminary assessment also showed that some functional questions had to be clarified and the CRG agreed on the following statements:

- *If the relevant external CSD of the transaction is defined as Investor of the security, the transaction cannot be considered for the exemption since the external CSD cannot be identified as the "Leading system".*
- *If both CSDs of the transaction are external CSDs, at least one of them has to be configured as the issuer of the security in order to fulfil the condition of the security CSD link configuration, regardless of whether the other external CSD is configured as investor with technical issuer the counterparty CSD since it might access the issuer via a relayed link.*
- *If both CSDs of the transaction are external CSDs and the condition of the security CSD link configuration is fulfilled, the transaction will not be cancelled after the recycling period is reached only if the "Leading System" is configured in CRDM to not comply with the automatic cancellation rule, regardless of whether the counterparty complies with the rule or not.*

The CRG agreed to enrich the wording of the CR including a table with all the potential cases to make sure that the requirement is clear enough before the detailed assessment is requested.

The CRG agreed that option 1 "New attribute domain 'automatic cancellation exempt list' configured by T2S Operator" was the preferred one to record the list of external CSDs that did not comply with the automatic cancellation rule.

The CRG agreed to inform the OMG that the CRG preferred option to maintain the list of external CSDs that did not comply with the automatic cancellation rule was the option one, due to the potential operational impact for the T2S Operator that this might imply.

The CRG agreed to launch a written procedure to agree on the steering level authorisation of CR-0789 after the CR is updated with the clarifications needed.

#### **Follow-up actions:**

- *4CB to provide an updated preliminary assessment stating that a potential performance risk was identified. [18 January 2023]*
- *ECB team to provide an updated version of CR-0789 with a chart in the requirements section to further clarify the explanations provided by 4CB during their presentation. [18 January 2023]*
- *ECB team to follow-up with OMG secretariat to inform about the CRG preferred option to record the list of external CSDs that did not comply with the automatic cancellation rule. [7 March 2023]*

- ECB team to launch a written procedure to approve the updated version of the CR-0789 with these changes and to agree to recommend CR-0789 for steering level authorisation and to request the business values from the CRG. [18 January 2023]

**Outcome**

**T2S-0791-SYS T2S alignment to ISO 10962:2021 CFI code – addition of new codes.**

The CRG took note of the preliminary assessment for CR-0791 presented by 4CB, with the main outcome being that the impact of this change would be 'Low' and that no risk was identified in the risk assessment.

Following a question from one CRG member, it was agreed that 4CB would check whether this change would also impact reda.xxx messages.

It was agreed to launch a written procedure to agree to recommend CR-0791 for steering level authorisation and to request the business values.

**Follow-up actions:**

- 4CB to check whether reda.xxx messages will also be impacted by CR-0791. [18 January 2023]
- ECB team to launch a written procedure to agree to recommend CR-0791 for steering level authorisation and to request the business values from the CRG. [18 January 2023]

**Outcome**

**T2S-0792-SYS T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes.**

The CRG took note of the preliminary assessment for CR-0792 presented by 4CB, with the main outcome being that the impact of this change would be 'Low' and that no risk was identified in the risk assessment.

Following a question from one CRG member, it was agreed that 4CB would check whether this change would also impact reda.xxx messages.

It was agreed to launch a written procedure to agree to recommend CR-0792 for steering level authorisation and to request the business values.

**Follow-up actions:**

- 4CB to check whether reda.xxx messages will also be impacted by CR-0792. [18 January 2023]
- ECB team to launch a written procedure to agree to recommend CR-0792 for steering level authorisation and to request the business values from the CRG. [18 January 2023]

**Outcome:**

**T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account – oral update**

The CRG members took note that 4CB had finished the second preliminary assessment of CR-735, with the main outcome being that the impact in the T2S Datawarehouse entailed extremely high costs since the data model had to be changed to cover additional entities/attributes.

The CRG agreed to share the preliminary assessment for review via a written procedure and to discuss it the 18 January 2023 CRG Meeting.

**Follow-up actions:**

- *ECB to launch a written procedure to review the second preliminary assessment of CR-0735. [18 January 2023]*

### **3.3.2 Candidates for preliminary assessment / Newly raised CRs**

#### Background documentation

- Consolidated list of business values provided for CR-0784.
- T2S-0784-SYS 'Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model'
- T2S-0794-SYS T2S settlement day processes for DKK.
- T2S-0796-SYS Secured Groups should have name and description attributes.
- T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links.
- Clearstream presentation on CR-0797.
- T2S Penalty Mechanism – New calculation parameter for historical data -oral update
- T2S-0799-SYS 'Matched Partial Settlement Indicator should be informed in sese.024 when instructions are matched'
- T2S-0793-URD 'Introduce party type Ancillary System in T2S' – oral update

#### **Outcome**

##### ***Consolidated list of business values provided for CR-0784.***

##### ***T2S-0784-SYS 'Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model'***

*The CRG members took note of the consolidated business values provided for CR-0784, being some of them 'Negative' and others 'Positive'.*

*The CRG agreed to ask the following policy related questions to the Eurosystem MIPC committee and to assess the situation once feedback was received:*

- *Given that the principle of T2S is to foster the creation of cross CSD links, why does the Eurosystem consider from a policy perspective, that this CCBM solution should still be offered?*
- *What is the reasoning that the Eurosystem insists to raise this CR, in spite of the known workarounds?*
- *To explain the footnote 5, as the CSDs wonder which role the Eurosystem wants to play in this regard. Footnote5 "The MIPC supported the use of CCBM in June 2020 for T2S auto-collateralisation as of the ECMS go-live in order to further improve the efficiency and effectiveness of T2S auto-collateralisation as a Eurosystem credit operation by improving the access to collateral by counterparties in general and to level the playing field between counterparties with large domestic CSDs and counterparties with small domestic CSDs"*

#### **Follow-up actions:**

- *ECB team to approach the MIPC with the agreed policy related questions on behalf of the CRG. [7 March 2023]*

#### **Outcome**

##### ***T2S-0794-SYS T2S settlement day processes for DKK.***

The CRG members took note of the new change request presented by Danmarks Nationalbank CRG representative to change from Automated Mandatory Cash Sweep to Second Optional Cash Sweep. It was agreed to launch a written procedure to collect feedback from the CRG and agree to request the preliminary assessment of CR-0794.

**Follow-up actions:**

- ECB team to launch a written procedure to collect feedback on CR-0794 and to agree to request the preliminary assessment. [18 January 2023]

**Outcome**

**T2S-0796-SYS Secured Groups should have name and description attributes.**

The CRG members took note of the new change request presented by Clearstream CRG representative to add two additional attributes to identify the secured groups: name and description. It was agreed to launch a written procedure to collect feedback from the CRG and agree to request the preliminary assessment of CR-0796.

**Follow-up actions:**

- ECB team to launch a written procedure to collect feedback on CR-0796 and to agree to request the preliminary assessment. [18 January 2023]

**Outcome**

**T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links. Clearstream presentation on CR-0797.**

The CRG members took note of the new change request presented by Clearstream to enable to settle any security issued in one T2S CSD with any counterparty in another T2S CSDs via an alternative security CSD link. Some CRG members asked functional questions and it was agreed that Clearstream would provide additional material explaining how the bookings would be created for the main two scenarios. It was agreed to launch a written procedure to collect feedback from the CRG and to discuss again the topic in the next CRG meeting on 18 January 2023.

**Follow-up actions:**

- ECB team to launch a written procedure to collect feedback on CR-0797. [30 December 2022]
- Clearstream to provide information on how the bookings would be created for the two main scenarios discussed. [18 January 2023]

**Outcome**

**T2S Penalty Mechanism – New calculation parameter for historical data -oral update**

The CRG members took note that the T2S Operator had consulted with ESMA/PTSC for guidance but a formal guidance via the CSDR review was not possible in the short-term. ESMA will liaise with EU Commission to consider this option as part of the ongoing CSDR review process.

The CRG acknowledged that in the short term and in order to prevent the degradation of the T2S system, ESMA/PTSC did not object to the 4CB proposal to implement the purge mechanism in T2S.

The CRG agreed that 4CB would raise a new change request to modify the retention period of reference data used for calculation of penalties from 40 days to 92 days. This will further minimise the number of potential cases of noncompliance. The CRG took note of the concerns raised by 4CB if, as part of the CSDR review process, it would be needed to extend this retention period over 92 days since the impact in T2S would be much higher than the current foreseen change.

**Follow-up actions:**

- 4CB to provide a new change request to modify the retention period of reference data used for calculation of penalties from 40 days to 92 days. [18 January 2023]

**Outcome**

**T2S-0799-SYS 'Matched Partial Settlement Indicator should be informed in sese.024 when instructions are matched'**

The CRG members took note of the new change request CR-0799 raised by Iberclear to include the value of the partial settlement indicator that T2S would use for settlement in the corresponding sese.024 message. Clearstream representative questioned whether there could be a relation between this change and the ISO change request 1779 "Add status reason code to indicate a mismatch on the partial settlement indicator". It was agreed that Iberclear would check this question and share the outcome with the CRG in the next meeting on 18 January 2023.

**Follow-up actions:**

- Iberclear to provide the outcome of the assessment related to the potential relation between the functional requirement explained in CR-0799 and the ISO change request 1779 [18 January 2023].

### **3.4 Editorial CRs**

Background documentation

- T2S-0795-SYS Multiplex Editorial Change Request (for R2023.JUN).
- Presentation on the planned review period for the SDD updated for R2023.JUN.
- Presentation on the planned review period for the SDD updated for R2023.NOV.

**Outcome**

**T2S-0795-SYS Multiplex Editorial Change Request (for R2023.JUN).**

The CRG members took note of the version of the new change request CR-0795. It was agreed to include ICN-0015 as requested by the PMG as a short-term solution to track the testing of the camt.077 draft7 version and to remove SDD-PBR-0093 since the written procedure in the CRG concluded that the proposal should be rejected.

**Follow-up actions:**

- ECB team to provide an updated version of CR-0795 including ICN-0015 and removing SDD-PBR-0093 within the running written procedure to agree to recommend CR-0795 for steering level authorisation and approval. [18 January 2023]

**Outcome**

**Presentation on the planned review period for the update to the SDD for R2023.JUN.**

The CRG members took note of the planned review period for the SDD update for R2023.JUN.

**Outcome**

**Presentation on the planned review period for the update to the SDD for R2023.NOV.**

The CRG members took note of the proposal to review the SDD for R2023.NOV. The CRG agreed with the timeline for the SDD review for R2023.NOV and acknowledged that the split book approach would be delayed by one release and start in R2023.NOV with CRDM and ESMIG common components.



## 4. 4CB proposal release allocation of change requests

### Background documentation

- 4CB proposal allocation of CRs in R2024.JUN.

### **Outcome**

#### **4CB proposal allocation of CRs in R2024.JUN.**

As agreed in the CRG meeting on 26 October 2022 and confirmed later by the PMG, 4CB presented a proposal for the allocation of change requests in view of R2024.JUN. It was acknowledged that this exercise was done based on the following:

- *List of ranked CRs finalised on 10 November 2022.*
- *Optimising usage of CR implementation capacity.*
- *Balancing the 4CB CR DA workload.*
- *Dependencies with CRs of other TARGET Services.*

The CRG took note that the proposal envisaged these two assessment slots:

- *First DA slot with:*
  - *T2S-0596-SYS Enhance Settlement Instruction - Details screen to display T2S matching reference and the counterparty's instruction details.*
  - *T2S-0525-SYS Provide Restriction Type name and description in reason code due to Market Specific Restriction Types*
  - *T2S-0634-SYS New code to report that settlement information is not available in T2S during the start of day*
  - *T2S-0623-SYS Standing rebalancing of securities positions*
  - *In addition, 4CB propose to start the DA for the new CR on T2S Penalty Mechanism data purging improvements*
- *Second DA slot with:*
  - *T2S-0541-URD Bulk-release functionality (U2A) for settlement instructions*
  - *T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off*
  - *T2S-0757-SYS T2S should apply a 20-day transformation period for instructions subject to COSD*
  - *T2S-0679-SYS Implementation of thresholds in outbound liquidity transfer orders*
  - *Still open: ISO 2020-2023 alignment CR after re-scheduling of ECMS go-live.*

*The CRG acknowledged that the proposed order for the detailed assessment of these change requests has no relation to the subsequent release allocation, meaning that if a change request would be detailed assessed only in slot 3, this would not imply that this change could not be allocated for the next possible release. The final release allocation will be performed considering both the results of the detailed assessment and the priority in the CR Ranking.*

*The CRG did not object to the proposal presented by 4CB and agreed to recommend to the PMG the start of the detailed assessment in view of R2024.JUN.*

**5. Clarification notes**

Background documentation

None

**6. CRG action points**

Background documentation

- List of CRG action points

**Outcome**

**List of CRG action points**

*The CRG agreed to launch a written procedure to review the proposed resolutions for the action points.*

**Follow-up actions:**

- *ECB team to launch a written procedure to agree on the proposed resolutions for the action points. [18 January 2023]*

**7. New CRG recurrent deliverable**

Background documentation

- Upcoming releases and change requests.

**Outcome**

**Upcoming releases and change requests**

*The CRG agreed to discuss this topic in the next CRG meeting on 18 January 2023.*

**8. New proposal on Delivery Plan of change requests**

Background documentation

None.

**Outcome**

*The CRG agreed to discuss this topic in the next CRG meeting on 18 January 2023.*

**9. Any other business**

Background documentation

Delivery plan of change requests (table document)

Dashboard on cross-service impact of CRs (table document)

The following CRG meeting is planned (to be confirmed at least 4 weeks in advance):

18 January 2023	09:30-13:00	WebEx
7 March 2023	09:30-13:00	WebEx
27 April 2023	09:30-13:00	WebEx
31 May 2023	09:30-13:00	WebEx
5 July 2023	09:30-13:00	WebEx
6 September 2023	09:30-13:00	WebEx
17 October 2023	09:30-13:00	ECB Main Building
5 December 2023	09:30-13:00	WebEx