

T2S CHANGE REVIEW GROUP

Olivier Leveque
+49 69 1344 95182
T2S.CRG@ecb.int

Outcome

Meeting of the T2S Change Review Group (CRG)

22 January 2020, from 09:30 to 17:30

1. Approval of the agenda and introductory remarks

Outcome

The CRG chairperson, Dimitri Pattyn, welcomed the participants and introduced the meeting. The CRG approved the agenda of the meeting.

2. CRG action points list

Outcome

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

- AP-3909 ([ECB team] to assess potential inconsistencies between the billing requirements of T2S and those set out by the T2-T2S Consolidation project): The ECB team identified no contradiction between the billing requirements of T2S and those set out by the T2-T2S Consolidation project. The detailed assessment of CR-709 further clarifies that messages exchanged between TARGET Services will be billed after the T2-T2S Consolidation go-live if equivalent messages were billed before T2-T2S Consolidation. In particular settlement instructions (sese.023) from ECMS will be billed when ECMS replaces current collateral management systems.
- AP-3760 ([4CB] to propose with the detailed assessment of CR-697 a workaround to the fact that 3-month billing history would not be migrated from current T2S Billing to the new BILL component): 4CB clarified that several options remained under analysis and that a solution would be proposed as part of the detailed assessment of CR-706, rather than CR-697. The AP description will be updated accordingly.
- AP-3757 ([ECB team/4CB] to provide answers to the questions raised by CRG members in Q&A format): CRG members requested the Q&A table to be extended to include answers to all pending questions, including those raised to the CRG Secretariat following the detailed assessment of CRs related to T2-T2S Consolidation.
- AP-3731 ([ECB team] to present a proposal on ad hoc involvement of other groups in the discussion of CR-691): the ECB team reported that the T2S Steering Level had authorised CR-691 (Recycling period of 60 business days for matched instructions), and that the OMG was expected to propose an implementation date for this CR, taking into account guidance received from the T2S CSG.

- Follow-up action:

- CRG members to confirm the closure of action points proposed for closure [31 January 2020]

3. Analysis of change requests

3.1 Change requests under implementation

- T2S-0658-SYS (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs)

Outcome

Upon a question from a CRG member, 4CB confirmed that, as part of the implementation of CR-658, in the settlement instruction message (sese.023), the fields containing Hold information had been customised to allow only those values / sub-fields that are processed by T2S. 4CB further clarified that this customisation was done in accordance with the customisation principles described in the T2S UDFS and was consistent with past practice.

Considering that this customisation implied changes to the sese.023 message schema which some CRG members did not consider necessary, the CRG chairperson proposed that the strategy for the long-term evolution of messages across TARGET Services should include a review of the principles to be followed for the customisation of base messages.

In the particular case of CR-658, CRG members agreed that the solution implemented by 4CB complied with the current T2S principles and, taking into account also the proximity of release 4.0, confirmed that the proposed customisation should be kept unchanged.

Follow-up action:

- ECB team to ensure that the ongoing work to define a strategy for the long-term evolution of messages used in TARGET Services also includes a review of the principles for message customisation [4 March 2020]

- T2S-0684-SYS (Handling for outbound messages with amounts exceeding 14 digits)

Outcome

The CRG agreed to two updates of CR-684:

- a footnote was expanded to describe in further detail when an overflowing number would be truncated or converted to '99999999999999';

- no changes will be made to the current handling of overflowing numbers in the camt.004 message (overflowing amounts will continue to result in the relevant fields being populated with '99999999999999').

Follow-up action:

- ECB team to inform T2S technical groups of the updates to CR-684 [30 January 2020]

- T2S-0713-SYS (Alignment of T2S Messages with ISO Maintenance Release 2018 – 2019 and migration to ISO registered versions)

Outcome

The CRG took note that the OMG would discuss again on 30 January 2020 how to manage the replacement of Transaction type code BIYI by BYIY, following which the CR would be updated to reflect the way forward agreed in the OMG.

Follow-up action:

- ECB/4CB to provide an updated version of CR-713 [4 March 2020]

3.2 Change requests already authorised (and not yet under implementation)

- T2S-0556-SYS (Modification of cash forecast for the current and following business day after DVP cut-off)
- T2S-0629-SYS (Enhance Cash Forecast Query and Report to display CORP related cash movements separately)
- T2S-0630-SYS (Enhance Cash Forecast Query and Report to display expected aggregated cash movements, with separate status Hold or Released)

Outcome

The CRG took note of the results of the detailed assessment of CR-556, CR-629 and CR-630, and agreed to recommend to the PMG the implementation of these CRs in T2S release 5.0. CRG members took note that the wording of scope defining documents for CR-629 and CR-630 would be provided by end April 2020.

Considering that the requirements from CR-725¹ were effectively covered by the proposed solution for CR-630, Clearstream, as initiator of CR-725, confirmed that CR-725 should be withdrawn.

- T2S-0696-SYS (Common Reference Data Management for T2-T2S Consolidation - New Objects)
- T2S-0697-SYS (Billing common component development)
- T2S-0704-SYS (CRDM Business Interface development)
- T2S-0708-URD (Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA)
- T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)
- T2S-0710-URD (Daily maintenance window only for urgent changes)

Outcome

The CRG took note of the results of the detailed assessment of CR-696, CR-697, CR-704, CR-709 and CR-710, and agreed to recommend the implementation of these CRs in release 5.0 to the PMG. Subject to a confirmation by CRG members of the scope of CR-708, the CRG also agreed to recommend the implementation of CR-708 in release 5.0 to the PMG. CRG members took note that the wording of scope defining documents for CR-708, CR-709 and CR-710 would be provided by end April 2020

Complementing the review of the detailed assessment of CR-704, the 4CB indicated that a new CR would be raised, targeting release 6.0, to introduce longer maximum length of Amount fields in three messages that are not in the scope of CR-704: camt.004, camt.052 and camt.053.

¹ CR-725 (Next Settlement Day Cash Forecast should report cash demand for the next possible cash settlement day)

On CR-709, CRG members took note that even after the EUR cash sweep becomes optional, the other processes that are currently part of the End of Day Cash management process will remain unchanged: T2S will release unused cash restrictions, cancel cash reservations with a pending part and generate increases of cash CoSD blockings for the next settlement day where applicable.

CRG members invited the 4CB to provide further details on the CR functionalities which would be switched on or off in Production when CR-709 is deployed. In addition, CRG members took note that with CR-709, by default, balances remaining in T2S would not be swept. CRG members invited the 4CB to clarify the configuration activities needed on customer side to sweep DCA balances before EOD.

Follow-up action:

- CRG members to confirm their recommendation to the PMG on CR-708 [24 January 2020]
- 4CB to raise a new CR to allow amounts of up to 18 digits in the messages camt.004, camt.052, and camt.053 [26 May 2020]
- 4CB to provide further details on the CR functionalities which would be switched on or off in Production when CR-709 is deployed [4 March 2020]
- 4CB to provide further details on the configuration activities needed on customer side to sweep DCA balances when CR-709 is deployed [4 March 2020]
- ECB team to confirm that where relevant, Service Level Agreements have been updated to cater for the future setup of the maintenance window (CR-710) [4 March 2020]
- 4CB to clarify during the detailed assessment of CR-706 how access to “old” billing data can be provided to CSDs after the replacement of the current Billing module by BILL in June 2022 [target date : detailed assessment of CR-706]

- T2S-0698-SYS (T2-T2S Consolidation Business Day Management Development)
- T2S-0721-SYS (Common Reference Data Management for T2-T2S Consolidation – Reused Objects)

Outcome

The CRG took note of the results of the detailed assessment of CR-698 and CR-721 and agreed to recommend the implementation of these CRs in release 4.2 to the PMG.

- T2S-0711-SYS (Recovery Building Processes)

Outcome

The CRG took note of the update provided by the ECB team on the ongoing work of the Security Managers Group on CR-711. CRG members agreed that considering the high number of features still under discussion, the CRG should postpone its recommendation to the PMG regarding the implementation until the solution design for CR-711 was stable.

- T2S-0722-SYS (Upgrade of non-repudiation for U2A)

Outcome

The CRG took note of the results of the detailed assessment of CR-722, and of the additional information provided by the 4CB in response to questions from various T2S users. While the CRG supported further investigation of the solution proposed to fulfil the user requirements for non-repudiation in U2A mode, the CRG members postponed any formal recommendation to the PMG regarding the implementation of CR-722. The CRG will reconsider its recommendation once 4CB answered the outstanding questions raised by T2S technical groups, in particular those related to the legal/contractual aspects of the provision and use of the Ascertia Go>Sign Desktop solution.

Follow-up action:

- 4CB to provide an updated version of CR-722 and of the NRO technical document [14 February 2020]

- T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions)

Outcome

As an interim update on the ongoing detailed assessment of CR-383, the 4CB informed the CRG of the main assumptions taken for the design of the solution, in particular the fact that T2S would (as today) check that the system entity of the Instructing Party is the CSD in which the instructed² securities account is open.

Some CRG members invited the 4CB to consider the possibility of removing this verification and to base validation checks on the receiving and delivering CSDs stated in the instruction, rather than on the configuration of the Instructing Party. The CRG members also advised that potential impacts on the T2S Penalty mechanism should be reviewed only after this analysis is completed.

Follow-up action:

- 4CB to provide an updated presentation clarifying whether the solution design suggested by CRG members would be feasible as part of CR-383 [31 January 2020]
- CRG members to confirm the assumptions described by 4CB for the detailed assessment of CR-383 [4 February 2020]

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

- T2S-0717-URD (T2S penalty mechanism: exemption from LMFP on settlement instructions created as a result of partially successful buy-ins)

Outcome

² In the case of an already matched RECE instruction, the receiving securities account, and conversely.

The CRG took note of changes made to CR-717 to reflect that a large part of its scope had been integrated in the fast-track CR-728³. CRG members agreed to recommend the updated version of CR-717 for authorisation by the T2S Steering Level.

- T2S-0720-URD (Rule-based liquidity transfers between a T2S DCA and a MCA (CLM))
- T2S-0720-URD – Interim update on preliminary assessment

Outcome

The 4CB presented interim results of the ongoing preliminary assessment of CR-720, and clarified in particular that the liquidity transfers triggered by a settlement fail, foreseen by CR-720, would be done on a net amount basis, in asynchronous mode. The liquidity sourced from T2 would not be reserved to settle specifically the transaction(s) that triggered the liquidity transfer. 4CB invited the CR initiators and CRG members to confirm whether some of the CR requirements should be revised on account of the interim preliminary assessment findings.

Follow-up action:

- CRG members to review the interim results of the preliminary assessment of CR-720 and provide questions and suggestions for CR amendments [31 January 2020]
- Banque du Luxembourg and Bundesbank (CR-720 initiators) to provide an updated version of CR-720 for CRG discussion and further assessment by the 4CB [4 March 2020]

3.3.2 Candidates for preliminary assessment / Newly raised CRs

- T2S-0723-URD (Introduce reason code as parameter for T2S message subscription logic)

Outcome

The CRG took note that the camt.067 message had been added to the scope of CR-723 and agreed to launch its preliminary assessment.

- T2S-0731-SYS – Editorial CR covering recently agreed changes for T2S R4.0)

Outcome

The CRG agreed to recommend CR-731 for authorisation by the T2S Steering level, and the inclusion of the editorial updates it contains in the scope defining documents for T2S release 4.0

4. Clarification notes

- CRG-PBR-0021 (Settlement restriction partially settled with unexpected quantity)

Outcome

³ T2S-0728-SYS (T2S must be able to identify, store, and report settlement information related to settlement instructions created as a result of partially successful buy-in)

The CRG took note of the explanation of incident INC-252816, during which an instruction was selected for settlement before a competing instruction with higher priority. The identified cause of the incident is that functions used in the T2S night-time settlement algorithms do not all operate at the same precision level.

Some CRG members expressed concerns that the explanation provided for INC-252816 could apply to a wider number of cases, and potentially reduce the effectiveness of setting a priority parameter on settlement instructions, in certain scenarios. As a follow-up, and considering the high technicality of the topic at hand, the Chairperson proposed to hold a dedicated CRG workshop before the next CRG meeting to further assess the incident based on additional background information.

Follow-up action:

- ECB team to distribute the T2S NTS Algorithms Objectives document and organise a workshop (remote participation) to discuss the way forward on CRG-PBR-0021 [4 March 2020]

- Clarification note on changes in CRDM resulting from T2-T2S Consolidation Change request CSLD-0030-URD

Outcome

The CRG took note of the clarification note and agreed that the CSLD CR-0030 was not expected to have any adverse impact on T2S functionality.

Follow-up action:

- ECB team to inform the PMG of the CRG view on the impact of CSLD CR-0030 [23 January 2020]

5. Any other business

- Possible classification of T2S data for statistical purposes

Outcome

The CRG took note that work was ongoing to classify T2 transactions stored in the Data Warehouse for statistical purposes. The ECB team clarified that T2S transactions are out of scope of this DWH classification exercise: as a result, if some T2S transactions should also be classified in DWH for statistical or other business purposes, interested CRG members should raise a CR.

Some Central Bank members of the CRG confirmed their interest in the classification of cash data such as movements on T2S DCAs recorded in DWH, and other CRG members requested more time to analyse the business case to classify other data than cash movements and/or to classify it along other categories than those envisaged for T2 data.

Follow-up action:

- CRG members to provide feedback on their interest in the classification of T2S data stored in DWH [31 January 2020]

- GDPR: Personal data requests in the GDPR context

Outcome

The 4CB presented a list of fields in messages and screens identified as potentially containing personal data, according to market practices/UGs, and processed by T2S. CRG members indicated that, in order to assess whether this list was exhaustive, further information was needed to understand the criteria for a field to be within the scope of possible GDPR queries. In particular, CRG members pointed out the fact that some fields in the sese.023 message were not processed by T2S internally, but could be retrieved by an authorised recipient of sese.023 copies: in this case CRG members requested that the relevant ECB team clarifies whether such fields should be in scope and why.

Follow-up action:

ECB team to seek and distribute additional clarifications from the ECB Data Protection Officer on the scope of fields to be reviewed by CRG members [4 March 2020]

- Updated CRG ranking

Outcome

The CRG approved the updated ranking and invited the ECB team to publish it and share it with the PMG.

- Update on capacity consumption to the PMG (for CRG info)

Outcome

The CRG members took note that on 23 January 2020, PMG members would discuss whether to allocate further CRs to R5.0. The candidates identified by 4CB were CR-503, CR-615, CR-681, CR-688, CR-690 and CR-717⁴.

5.1 CRG meeting dates

The following CRG meetings are planned in 2019-2020, to be confirmed 4 weeks in advance:

4 March 2020	04/03 09:30-17:30	ECB Main building
24 March 2020	24/03 10:00-12:00	Telco (NTS algorithms Workshop)
30 March 2020	30/03 16:00-17:30	Telco (DAs for R5.0)
4 May 2020	04/05 16:00-17:30	Telco (DAs for R5.0)
26 May 2020	26/05 09:30-17:30	Madrid – Banco de España
26 May 2020	26/05 Afternoon	1 st Workshop on CRDM GUI
2 July 2020	02/07 09:30-17:30	ECB Main building

⁴ T2S-0503-SYS (T2S Actor Reference and T2S Reference of counterparty's settlement instruction should be included in T2S messages sese.024, sese.025 and sese.032 after matching)

T2S-0615-SYS (Enrich values in "Transaction activity field" of the semt.017, semt.018 and camt.053 with all ISO20022 codes)

T2S-0681-SYS (T2S should allow updates of securities data with an issue date lower than current date)

T2S-0688-SYS (Enhanced reporting of cancellation reason codes)

T2S-0690-SYS (Unprune fields in settlement allegements)

T2S-0717-URD (T2S penalty mechanism: exemption from LMFP on settlement instructions created as a result of partially successful buy-ins)

2 July 2020	02/07 Afternoon	2 nd workshop on CRDM GUI
17 September 2020	17/09 09:30-17:30	ECB Main building
18 November 2020	18/11 09:30-17:30	ECB Main building

Another GUI workshop, focused on BDM and BILL, is to be scheduled in 2020.