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Agenda

Meeting of the T2S Change Review Group (CRG)

17 January 2022, from 09:30 to 13:00 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.

CRG Members took note that the outcome of the discussions at AMI SeCo level showed a strong interest for the harmonisation of usage guidelines and schema customisations of securities settlement messages (sese) and securities management messages (semt). The CRG took note that the Harmonisation Steering Group will follow up these discussions.

The CRG members approved the agenda of the meeting. One ad hoc item was added at the start of the meeting (Any other business – Proposals for OGPF updates).

2. Outcome of previous meetings

Outcome

The CRG members approved the outcome of the CRG meeting on 09 November 2021.

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

- T2S-0699-SYS (Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities) and its annexes
- T2S-0705-SYS (CRDM Business Interface Impact on T2S) and its annexes
- T2S-0706-SYS (Billing common component – T2S Migration) and its annexes
- T2S-0707-SYS (T2-T2S Consolidation Business Day Management – T2S Migration)
- Updated Q&A on CSLD-related CRs

Outcome

T2S-0699-SYS (Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities)

The CRG members were informed by the ECB team of a delay in the implementation phase of the consolidated Data Warehouse for TARGET Services. The CRG took note that the PMG would discuss the consequences of this delay

on the contents of release 6.0 on 19 January 2021. The CRG took note of the expectancy that the PMG would recommend the de-scoping of CR-699 from R6.0 and requested thereafter to be informed of the way LTSI or equivalent functionalities would be available to T2S users between R6.0 and the complete delivery of the Data Warehouse for T2S, as soon as possible.

CRG members had no comments on the SDD updates proposed with CR-699 and agreed to close the related CRG written procedure and to update the CR accordingly. The CRG confirmed that the sections describing the DWH could be included in the T2S documentation for R6.0 and requested that, if the DWH implementation delays were confirmed, a cover letter should be attached to the R6.0 documentation together with a footnote at the start of the relevant SDD sections outlining which parts of the T2S documentation would not apply until the full DWH delivery.

Follow-up actions:

- ECB to distribute the updated version of CR-699 to PMG and OMG [21 January 2022]
- ECB to inform the CRG of any changes to the delivery plan of CR-699 [28 January 2022]
- 4CB to attach a cover note to the SDDs for R6.0 to signal that the DWH sections are not yet applicable [4th March 2022]

T2S-0705-SYS (CRDM Business Interface Impact on T2S)

The CRG members took note that due to comments received on the way the CRDM interfaces were documented in the T2S UHB and UDFS for R6.0, the wording updates proposed with CR-705 were not considered as agreed by the CRG yet.

CRG members indicated that the key expectations related to 1) the documentation of the ESMIG portal and the privileges needed to access the GUIs of T2S and of the common components and 2) the options for “User instructions” sections, describing the practical steps to be taken in the GUI to complete a business task, to remain included in the T2S UHB also for T2S-relevant tasks carried out in the GUI of a common component (e.g. Configuration of CoSD rules in the CRDM GUI), at the latest by the implementation of the ‘split books’ approach from June 2023 onwards.

Follow-up actions:

- 4CB to propose various options to update the “user instructions” parts of the T2S UHB [21 January 2022]
- CRG members to indicate which of the proposed options is preferred for the “user instructions” part of the T2S UHB [25 January 2022]
- ECB team to distribute to the PMG and OMG the updated documents, in case of changes. [26 January 2022].

T2S-0706-SYS (Billing common component – T2S Migration)

The CRG members had no comments on the SDD updates proposed with CR-706 and agreed to close the related CRG written procedure and to update the CR accordingly. CRG members took note that several questions related to CR-706 had been added to the CRG Q&A table on CRs related to the T2-T2S Consolidation project.

Follow-up actions:

- ECB to distribute the updated version of CR-706 to PMG and OMG [21 January 2022]

T2S-0707-SYS (T2-T2S Consolidation Business Day Management – T2S Migration)

The CRG members had no comments on the SDD updates proposed with CR-707 and agreed to update the CR accordingly. CRG members took note that these changes were provisionally included already in the draft T2S documentation for R6.0, published on 15 December 2021.

Follow-up actions:

- ECB to distribute the updated version of CR-707 to PMG and OMG [21 January 2022]

Updated Q&A on CSLD-related CRs

The CRG members took note that the CRG Q&A table on change requests related to the T2-T2S Consolidation project had been updated with questions relating in particular to the interaction with BILL and to the use of the Business Application Header. CRG members took note that, should they have further questions on CRs related to the T2-T2S Consolidation project, the Q&A table could be further updated until the go-live of the T2-T2S Consolidation.

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

- T2S-0762-URD (New option for opening T2S during the weekend)
- Summary of questions received on CR-762
- 4CB feedback on CR-762
- Scoping of Release 7.0 - 4CB proposal

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

The CRG members took note that proposed SDD wording updates indicative costs had been added to the interim detailed assessment of CR-762. The 4CB clarified that the operational costs quoted corresponded to the estimated cost of activating the CR-762 option once per year. This amount would be applied as a flat rate independently of the actual usage (higher or lower) of CR-762 and would be revised after 3 years based on actual observed usage. The 4CB answered functional questions raised by CRG members, and indicated that the relevant details, in particular on the codes to be used in camt.019 sent by T2S, would be included in the final detailed assessment. CRG members also took note of the provisional conclusion that a new T2 CR would be needed to implement CR-762.

Follow-up actions:

- 4CB to deliver the final detailed assessment of CR-762 [2 February 2022]
- ECB to highlight to the T2S Steering Level that operational costs of CR-762 would be based on a flat rate, independent of the actual usage of CR-762 [2 March 2022]

T2S-0778-SYS (Technical upgrade of the PROD environment to support increase in the number of Securities Accounts)

The CRG members took note of the results of the detailed assessment of CR-778, in particular of the fact that the operational costs of the CR (EUR 290,176 per year) would only apply in 2022. From November 2022 onwards, an upgrade of the PROD environment was already foreseen by CR-752, i.e. the CPU increase foreseen by CR-778 would be redundant after that date.

The CRG members agreed to recommend the implementation of CR-778 to the PMG, noting that the CR applies only to the PROD environment, that the addition of CPU is carried out following the "minor change" procedure (i.e. outside of the release management process) and that in one of the two T2S regions, the upgrade described in CR-778 had been carried out already to minimise any risk of T2S operations' being affected by the observed increase in the

number of Securities Accounts. The change will be applied to the second T2S region shortly after CR-778 is approved for implementation by the T2S Steering Level.

Follow-up actions:

- ECB to include in the list proposed changes to the OGPF a draft process applicable to changes made outside of a release and/or implementation which is independent from the changed and release management approval process [2 February 2022]

Release 7.0 revised DA batch 2

The CRG members took note of the revision of the batches of detailed assessments for R7.0, in particular of the inclusion of CR-0763 “T2S Multi-Criteria Settlement Optimisation” in batch 1 and CR-0766 “T2S Settlement Optimisation Analysis” in batch 2 and the following timelines: DA delivery 22 March (T2S-769¹, expecting a T2S Steering Level approval by 17 May 2022), DA delivery 2 May (T2S-638, T2S-756, T2S-766², expecting a T2S Steering Level approval by 27 June 2022) and DA delivery 4 July (T2S-720³, expecting a T2S Steering Level approval by 29 August 2022).

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

Background documentation

- Summary slides on CR-525, CR-531, CR-541, CR-580, CR-623, CR-634
- T2S-0525-SYS (Provide Restriction Type name and description in reason code due to Market Specific Restriction Types)
- T2S-0531-SYS (Digital signature at application level for flat file reports)
- T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions)
- T2S-0580-URD (Additional automatic intraday reimbursement of NCB auto collateralisation instructions)
- T2S-0623-SYS (Standing rebalancing of securities positions)
- T2S-0634-SYS (New code to report that settlement information is not available in T2S during the start of day)
- T2S-0735-SYS (T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account)

Outcome

T2S-0525-SYS (Provide Restriction Type name and description in reason code due to Market Specific Restriction Types)

The CRG members agreed to move this CR for discussion in the next CRG Meeting of 28 February.

T2S-0531-SYS (Digital signature at application level for flat file reports)

¹ T2S-0769-BFD Add MS Edge to the list of supported browsers for U2A interaction

² T2S-0638-SYS T2S should allow and process already matched instructions which include the counterparty’s securities sub-position to be used for settlement purposes;

T2S-0756-SYS If an instruction is cancelled, then T2S should no longer consider it to be part of a Pool;

T2S-0766-SYS T2S Settlement Optimisation Analysis

³ T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off

The CRG took note of the withdrawal of CR-531 by its initiator and that it would be finally withdrawn if no other CRG member wishes to take over as CR initiator.

Follow-up actions:

- CRG members to confirm their absence of interest in being the Initiator for CR-531 [20 January 2022]

T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions)

The CRG members agreed to move this CR for discussion in the next CRG Meeting of 28 February.

T2S-0580-URD (Additional automatic intraday reimbursement of NCB auto collateralisation instructions)

The CRG members agreed to move this CR for discussion in the next CRG Meeting of 28 February.

T2S-0623-SYS (Standing rebalancing of securities positions)

The CRG took note that Euroclear no longer had a business need for CR-623, and therefore should no longer be considered as a co-initiator of this CR.

Follow-up actions:

- Iberclear (CR initiator) to confirm that CR-623 is still needed [28 February 2022]

T2S-0634-SYS (New code to report that settlement information is not available in T2S during the start of day)

The CRG members agreed to move this CR for discussion in the next CRG Meeting of 28 February.

T2S-0735-SYS (T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account)

The CRG members took note of the updates made to CR-735 following the dedicated CRG workshop on 15 December 2021 and requested a new preliminary assessment of the CR based on the now clarified requirements. Additionally, CRG members agreed that due to workload constraints 4CB would defer the start of the new preliminary assessment.

Follow-up actions:

- 4CB to indicate the expected delivery date of the new preliminary assessment of CR 735 [28 January 2022]

3.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0770-URD (Dynamic allocation of processing priority to massive concurrent settlement attempts and optimisation limit)
- T2S-0772-SYS (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem monetary policy application)
- T2S-0774-SYS (Main CR for T2S Recovery Solution 2 - Rebuild)
- T2S-0777-SYS (Un-prune elements of the semt.002 message to allow their use by ECMS)
- T2S-0779-SYS (Optimise processing of CORP transactions during Real Time Settlement: grouping in collections and modified sorting method)
- T2S-0780-URD (Identification of penalties related to a CCP participating in a CSD outside T2S)
- T2S-0781-SYS (Allowing Security Intraday Restriction maintenance on or after Maturity Date)
- Possible enhancements to the processing of CORP transactions by the Optimisation function during RTS

Outcome

T2S-0770-URD (Dynamic allocation of processing priority to massive concurrent settlement attempts and optimisation limit)

The CRG members took note of the withdrawal of CR-770 by the 4CB.

T2S-0772-SYS (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem monetary policy application)

The CRG members agreed to follow a fast-track procedure for CR-772 considering that the CR has no functional implications for T2S, and that it needs to be ready for detailed assessment simultaneously with T2 change request CSLD-CR-0082.

The CRG agreed to recommend CR-772 for authorisation by the T2S Steering Level, with the following justification of the CR parameters:

- *Legal/business importance: High because the ECB currently relies on manual intervention by all Eurosystem NCBs to compute the indicators for which the DWH data is needed.*
- *Market implementation efforts: Low because the CR does not require any adaptation by T2S users.*
- *Operational technical risk: Low because the initial configuration and daily production of a new report in DWH is not expected to affect T2S operations.*
- *Financial impact: To be assessed during DA*

Follow-up actions:

- CRG members to provide the business values of CR-772 [28 January]

T2S-0774-SYS (Main CR for T2S Recovery Solution 2 - Rebuild)

The CRG members took note that the DA of CR-774 would be made available for technical groups review on 7th March 2022. The planned review time for the detailed assessment is 15 business days, and other Services will be consulted to the extent they need to contribute to a successful T2S recovery (e.g. by re-sending messages to T2S), in line with the cross-service impact management process.

The 4CB also informed CRG members that the parallelism between the envisaged delivery of CR-774 in June 2024 and the end of the ISO freeze posed a potential risk, currently being assessed by the Eurosystem. The CRG members invited the 4CB to consider, in the detailed assessment of CR-774, a scenario where the recovery mechanism was triggered during the deployment of a release – and particularly the deployment of a release including updates to ISO messages.

T2S-0777-SYS (Unprune elements of the semt.002 message to allow their use by ECMS)

The CRG members agreed to follow a fast-track procedure for CR-777 considering that the CR has no functional implications for T2S, and that it needs to be implemented in time for the deployment of ECMS change request ECMS-CR-0034 to the test environments.

The CRG agreed to recommend CR-777 for authorisation by the T2S Steering Level, with the following justification of the CR parameters:

- *Legal/business importance: Medium because the CR would benefit all NCBs using ECMS and their counterparts, but workarounds (U2A mode) exist until it can be implemented.*
- *Market implementation efforts: Low because the CR does not require any adaptation from T2S users (T2S message contents will not change)*
- *Operational technical risk: Low because unpruning message fields is not connected to any processing within T2S*
- *Financial impact: To be assessed during DA*

Follow-up actions:

- CRG members to provide the business values of CR-777 [28 January]

T2S-0779-SYS (Optimise processing of CORP transactions during Real Time Settlement: grouping in collections and modified sorting method)

The CRG members agreed to follow a fast-track procedure for CR-779 because the results of the detailed assessment of CR-779 are needed for the preparation of the onboarding of Euroclear Finland in September 2023.

The CRG agreed to recommend CR-779 for authorisation by the T2S Steering Level, with the following justification of the CR parameters:

- *Legal/business importance: High because it will improve the stability of T2S in case of peaks in settlement volume*
- *Market implementation efforts: Medium as it would require implementation efforts only for a minority of T2S actors*
- *Operational technical risk: Medium because even if the changes are made on the T2S settlement module, they apply only in very specific scenarios (exceptionally high volumes of settlement instructions).*
- *Financial impact: To be assessed during DA*

Follow-up actions:

- CRG members to provide the business values CR-779 [28 January]

T2S-0780-URD (Identification of penalties related to a CCP participating in a CSD outside T2S)

The CRG members took note that a new CR-780 "Identification of penalties related to a CCP participating in a CSD outside T2S" has been raised by the CSDR-TF and registered. A CRG recommendation on this CR will only be sought if the need for the CR is confirmed (i.e. if CSDR article 19 provisions remain applicable).

T2S-0781-SYS (Allowing Security Intraday Restriction maintenance on or after Maturity Date)

The CRG members agreed to follow a fast-track procedure for CR-781 because CR-781 is a pre-requisite for the onboarding of Euroclear Finland in September 2023.

The CRG agreed to recommend CR-781 for authorisation by the T2S Steering Level, with the following justification of the CR parameters:

- *Legal/business importance: High, because the CR would allow to use intraday security restrictions to comply with SCoRE standard (#8) for simultaneous settlement in corporate action processes.*
- *Market implementation efforts: Low because T2S actors does not restrict existing functionalities, and the functionality introduced is not mandatory*
- *Operational technical risk: Low because Intraday restriction maintenance is an existing, commonly used functionality in T2S. The current business rule preventing its use on or after maturity date is understood not to be a risk mitigation measure.*
- *Financial impact: To be assessed during DA*

Follow-up actions:

- CRG members to provide the business values CR-781 [28 January]

Possible enhancements to the processing of CORP transactions by the Optimisation function during RTS

CRG members took note of the possible enhancements to the Optimisation function described by the 4CB and confirmed their agreement in principle that the implementation of such enhancements would be beneficial to the T2S users. CRG members invited the 4CB to raise a CR to formalise this proposal.

Follow-up actions:

- 4CB to raise a CR to enhance the optimisation function during RTS as described in the presentation [28 February 2022]

Possible T2S CR related to CLSD CR-87 (DKCB Payment Banks Cut-Off and Balance Snapshot)

CRG members took note that in the context of the onboarding of DKK as a settlement currency in T2, a T2 CR was raised (CLSD CR-87). While this CR is yet to be assessed, it can already be expected that a number of changes will also be needed in T2S, which will be compiled in a new T2S CR.

Follow-up actions:

- ECB to register a new T2S CR as a result of T2 CR 87, and seek a CRG recommendation via written procedure [4 March 2022]

4. Clarification notes

Outcome

The CRG members took note that an updated version of the note SDD-PBR-0078 would be provided following a question by a CRG member.

Follow-up actions:

- ECB to distribute an updated version of SDD-PBR-0078 and close the corresponding written procedure [20 January 2022]

5. CRG action points

Background documentation

- List of CRG action points

Outcome

The CRG members took note of the updates presented and agreed on the outlined resolutions of the following action points:

AP-3987 ([4CB] Un-restrict sese.023 field DivrgSctiesSubBalTp/SchmeNm): The CRG took note that the due date will be re-defined when a CR affecting sese.023 schema is identified- 25/04/2022

AP-4038 ([4CB] to provide a draft of the new CR optimising the way CORP transactions are processed by the Recycling function of the SETT module): The CRG took note that CR-779 on CORP transactions was shared with the CRG on 04 January 2022 as background information for the January CRG Meeting and agreed to close this AP.

AP-4039- 4CB to provide a final draft of a CR following OMG discussions on the SAC ceiling- The CRG took note that CR-778 was distributed to CRG on 19/11 for authorisation and agreed to close this AP.

AP-4040- ECB to distribute the CR-722 and the updated annex for review via written procedure at the CRG and PMG once the updated annex is available. The CRG took note that the current CR-722 annex would be replaced by the latest versions of the ESMIG qualified configurations document, already published on the ECB website under the T2S / For professional use / Technical and functional documents section.

6. Any other business

Background documentation

- Presentation of publication of T2S and CoCo usage guidelines on MyStandards as of R6.0
- Outcome of the 2020 external examination
- Proposed changes to OGPf v3.4 - 2022 update

Outcome

Presentation of publication of T2S and CoCo usage guidelines on MyStandards as of R6.0

The CRG members took note of the presentation detailing how Common Components usage guidelines would be published on MyStandards.

Communication via ASTRA/DARWIN ASTRA workflows

The CRG members took note of the following comment received for the end of year survey: "Request to include the CR documentation link on the "for professional use" section of T2S to align the CR documentation with T2 and TIPS." The CRG was informed that a new CRG communication workflow would be in place starting from 17 January 2022

Follow-up actions

- CRG members to report any difficulties with the new CRG communication workflow [28 February 2022]
- The ECB team to include a link to the list of T2S change requests in the "[For professional use](#)" section of the ECB website to align website setup with [TIPS](#)

Outcome of the 2020 external examination (CRG-relevant topics)

The CRG members took note of the external examination presentation shared and agreed with the proposals for follow-up.

Reminder of the timeline of the ongoing review of SDD for R6.0

The CRG members took note that the SDD market review is ongoing until 18 February 2022.

Proposals for OGPf updates

The CRG members took note of the list of proposed changes to the OGPf v3.4 that will be presented in the following PMG meeting on January 19th and that a written consultation will be launch shortly after the meeting for the PMG members to review these updates and add further input.

CRG Meeting dates

The following CRG meetings are planned in 2022 (to be confirmed at least 4 weeks in advance)

28 February 2022	09:30-13:00	Webex
25 April 2022	09:30-13:00	Webex
30 May 2022	09:30-13:00	Webex
6 July 2022	09:30-13:00	Webex
29 August 2022	09:30-13:00	Webex
26 October 2022	10:00-16:00	ECB Main building
12 December 2022	09:30-13:00	Webex