

1. General Information

CR Raised by: ECB T2S Project Team **Institute:** ECB **Date Raised:** 04/05/09

Change Request Title: Several administering parties in a CoSD **CR Ref.:** T2S URD 207

Change Request Classification: Clarification
(*Typo, Consistency, Clarification, Substance*)

Status: Approved by the AG

Change Type: Modification

(*New Requirement/Modification/Deletion*)

Requestor Category: ECB T2S Project Team

(*User, 4CB, ECB T2S Project Team*)

Chapter Number/Annex Number: Chapter 9, Chapter 5 **Req No:** T2S.09.220, T2S.09.250, T2S.05.470

Priority (S,H,M,L): M

Proposed Implementation Date/Release: Version 4.2

Description of Requested Change:

The purpose of this change request is to clarify the CoSD functionality in the case of several administering parties.

Reason for Change / Expected Benefits / Business Case:

In case a CoSD involves several administering parties, the URD needs to define who is involved in a release or cancellation of the CoSD. This change request is not extending the functionality but provides clarification on the treatment of cancellation and releases in the case of multiple administering parties.

Submitted Annexes / Related Documents:

Proposed wording for the Change Request:

1. Update of requirement T2S.09.220 (CoSD settlement process) as follows:

“T2S shall automatically block the securities position, cash or both and put the settlement instruction on hold. Once the relevant securities, cash or both are blocked, T2S shall inform the administering party (i.e. the CSD defined by the rules previously mentioned) that the securities, cash or both have been blocked. Other parties (i.e. instructing parties, account holders) shall also be informed, as per T2S interface user requirements.

Securities, cash or both shall remain blocked and the delivery instruction shall remain pending until T2S receives from the administering party:

- a release instruction, requesting that the securities are freed and delivered to the receiving party (based on the information contained in the initial instruction);
- or a cancellation request to free the securities and cancel their delivery to the receiving party.

If a CoSD involves more than one administering party, the CoSD settlement instruction will remain pending unless T2S receives a release or cancellation request from each administering party in conditional settlement of the instruction. When T2S has received the release from all administering parties, then T2S will settle the instruction. When T2S has received the cancellation request from all administering parties, then T2S will process the cancellation.”

2. Update of requirement T2S.09.250 (CoSD cancellation process) as follows:

“T2S shall enable the instructing parties to ask for a cancellation of the settlement, according to the rules defined in Chapter 5. After receipt of the cancellation request from the two instructing parties, the administering party shall also send a cancellation after checking the external condition. Only the administering party shall be allowed to cancel (on its responsibility) if the external condition could not be fulfilled. T2S shall also enable the administering party to cancel a CoSD on a unilateral basis (on its responsibility) if the external conditions could not be fulfilled in due time.

A cancellation confirmation shall be send to the (administering) CSD and the directly connected T2S Party, if any.

If a CoSD involves more than one administering party, the CoSD settlement instruction will remain pending unless T2S receives cancellation from each administering party in conditional settlement of the instruction. When T2S has

received the cancellation request from all administering parties, then T2S will process the cancellation."

3. The requirement T2S.05.470 (Cancellation of CoSD) should be updated as follows:

"T2S shall allow an administering party to cancel an instruction unilaterally for conditional securities delivery (CoSD) (e.g. when one of the parties does not fulfil the external condition for settlement), even after T2S has blocked the relevant securities holding for a CoSD.

T2S parties may also request the cancellation of a instruction that triggers a CoSD after the CoSD blocking but T2S will only cancel the instruction upon an additional cancellation request by the administering party. In this respect, T2S shall inform the administering party when both T2S parties send a cancellation instruction.

If a CoSD involves more than one administering party, the CoSD settlement instruction will remain pending unless T2S receives cancellation from each administering party in conditional settlement of the instruction. When T2S has received the cancellation request from all administering parties, then T2S will process the cancellation."

Outcome of meetings:

* SG Meeting of 28 May 2009:

Recommendation to the AG: Approval

* AG meeting on 15 June 2009

Approval of SG recommendation