



EUROPEAN CENTRAL BANK

EUROSYSTEM

<b>General Information (Origin of Request)</b>		
<input type="checkbox"/> User Requirements (URD)		
<input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> Euroclear	<b>Institute:</b> CSD	<b>Date raised:</b> 28/06/2018
<b>Request title:</b> T2S should allow updates of securities data with an issue date lower than current date		<b>Request ref. no:</b> T2S-0681-SYS
<b>Request type:</b> Common	<b>Classification:</b> Scope enhancement	<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> Medium	<b>2. Market implementation efforts parameter:</b> Medium	
<b>3. Operational/Technical risk parameter:</b> High	<b>4. Financial impact parameter:</b> Low	
<b>Requestor Category:</b> CSD	<b>Status:</b> Implemented	

**Reason for change and expected benefits/business motivation:**

From a business perspective, it is sometimes needed to correct/update the issue date of a security after it has been created in T2S (change decided by the issuer, error in the initial information or in the input). Failing this correction/update of the issue date, settlement instructions may be sent to T2S with an intended settlement date earlier than the issue date defined in T2S, and therefore rejected.

Currently, if the new/correct issue date is earlier than the current date, it is not possible to update the original issue date via the T2S GUI or in A2A mode. The related update requests are rejected with an error code such as:

- DSU1023 - When performing a Securities update request, the Issue Date can only be updated if it is greater than the current date, and the new value must be equal to or greater than the current date.

Instead, the only way to change the issue date to a date situated in the past is a last level intervention by the T2S Operator.

**Description of requested change:**

T2S should allow updates of the issue date of a security with an issue date lower than the current date. This should be possible both in U2A mode (Edit securities Screen) and A2A mode (reda.007 – Security Maintenance Request)

**Submitted annexes / related documents:**

**Proposed wording for the Change request:**

**UDFS**

3.3.6.2 SecurityMaintenanceRequestV01 (reda.007.001.01)

Removal of all references to business rule DSU1023.

4.1 Index of Business Rules and Error Codes

Removal of business rule DSU1023.

DSU1023	<del>When performing a Securities update request, the Issue Date can only be updated if it is greater than the current</del>	reda.007	reda.029		REJT	Invalid Issue Date
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	<del>date, and the new value must be equal to or greater than the current date.</del>					
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**UHB**

2.5.2.7 Security – New/Edit screen

Removal of all references to business rule DSU1023.

6.4.2.168 Security – New/Edit screen (references for error messages)

Removal of business rule DSU1023.

DSU1023	<del>Issue date field Submit button</del>	<del>Invalid Issue Date</del>	<del>When performing a Securities update request, the Issue Date can only be updated if it is greater than the current date, and the new value must be equal to or greater than the current date.</del>
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**High level description of Impact:**

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**Outcome/Decisions:**

- \* CRG on 4 July 2018: The CRG agreed to launch the preliminary assessment of the CR.
- \* CRG on 23 January 2019: The CRG agreed to recommend CR-681 for authorisation by the T2S Steering Level.
- \* AMI-SeCo on the 6 February 2019: The AMI-SeCo has agreed to the recommendation of the CRG to authorise this Change Request.
- \* CSG on 6 February 2019: The CSG took the resolution to authorise this Change Request.
- \* NECSG on 8 February 2019: The NECSG took the resolution to authorise this Change Request.
- \* MIB on 18-19 February 2019: The MIB agreed to authorise this Change Request.
- \* CRG on 27 November 2019: The CRG confirmed that the requirements stated in CR-681 were stable and complete.
- \* PMG on 23 January 2020: The PMG asked the 4CB to launch the detailed assessment of CR-681 in view of R5.0.
- \* CRG on 23 April 2020: The CRG took note of the results of the detailed assessment of CR-681, and agreed to recommend to the PMG the implementation of CR-681 in T2S release 5.0.
- \* OMG on 11 May 2020: the OMG did not identify an operational impact for CR-681.
- \* PMG on 28 May 2020: the PMG recommended to the Steering Level the inclusion of the CR in the scope of R5.0.
- \* CSG on 9 June 2020: The CSG approved the inclusion of the CR in T2S R5.0.
- \* NECSG on 11 June 2020: The NECSG approved the inclusion of the CR in T2S R5.0.
- \* MIB on 15 June 2020: The MIB approved the inclusion of the T2S CR in the scope of R5.0.

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**Preliminary assessment:**

- **Impact:** Low
- **Impacted modules:** INTF (U2A), LCMM, SDMG, LTSI/LEA
- **Findings:**
  - Business rules will be relaxed to allow updating the issue date of a Security if the current value is in the past; it will be possible to input a new value either in the past (including the current date) or in the future.
  - In some specific situations this type of changes could entail the cancellation of pending instructions in the revalidation process, as for instance in case of a more restrictive change of the issue date of the security.
- **Open issues/ questions to be clarified by the originator:**
  - If the above behaviour regarding issue date modifications is too broad, possible restrictions should be clarified by the originator

**EUROSYSTEM ANALYSIS – GENERAL INFORMATION**

T2S Specific Components		Common Components	
<b>LCMM</b>			
	Instructions validation		
	Status management		
	Instruction matching		
	Instructions maintenance		
	Penalty Mechanism		
<b>Settlement</b>			
	Standardisation and preparation to settlement		
	Night-time Settlement		
	Daytime Recycling and optimisation		
	Daytime Validation, provisioning & booking		
	Auto-collateralisation		
<b>Liquidity Management</b>			
	Outbound Information Management		
	NCB Business Procedures		
	Liquidity Operations		
<b>T2S Interface</b> (as of June 2022 without Static Data Management, Communication for SDMG, Scheduler, Billing)			
	Communication		
	Outbound Processing		
	Inbound Processing		
<b>Static Data Management</b> (until June 2022)		<b>Common Reference Data Management</b> (from PROD R6.0 June 2022)	
	Party data management		Party data management
X	Securities data management	X	Securities data management
	Cash account data management		Cash account data management
	Securities account data management		Securities account data management
	Rules and parameters data management		Rules and parameters data management
<b>Statistics and archive</b>		<b>Statistics and archive</b>	
	Statistical information (until June 2022)		Short term statistical information
	Legal archiving (until June 2022)		Legal archiving (from PROD R6.0)
			Data Warehouse (from PROD R6.0)
<b>Information</b> (until June 2022 containing reference data)		<b>CRDM business interface</b> (from PROD R6.0 June 2022)	
	Report management		Report management

	Query management		Query management
			Communication
			Outbound Processing
			Inbound Processing
<b>Operational Services</b>			
	Data Migration (T2S DMT)		Data Migration (CRDM DMT, from PROD R6.0)
	Scheduling (until June 2022)		Business Day Management (from PROD R6.0) Business Day Management business interface (from PROD R6.0)
	Billing (until June 2022)		Billing (from PROD R6.0) Billing business interface (from PROD R6.0)
	Operational Monitoring		Operational and Business Monitoring

Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter		
Impacted UDFS chapter	3.3.6.2 SecurityMaintenanceRequestV01 (reda.007.001.01) 4.1 Index of Business Rules and Error Codes	Removal of all references to business rule DSU1023.
Additional deliveries for Message Specification	reda.007	Removal of business rule DSU1023 from message annotations
UHB	2.5.2.7 Security – New/Edit screen 6.4.2.168 Security – New/Edit screen (references for error messages)	Removal of all references to business rule DSU1023.
Other documentations		
Links with other requests		
Links	Reference	Title
<b>OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT</b>		
Summary of functional, development, infrastructure and migration impacts		
<p>On the part of Static Data Management business rule DSU1023 will be removed to allow editing Securities issue date regardless of the current value and to allow also for the input of any value in the past/present/future. In Securities New/edit screen has to be aligned to this new approach.</p> <p><b>Main cost drivers:</b></p> <ul style="list-style-type: none"> <li>- The removal of business rule DSU1023 will imply new notifications for revalidation from Static Data to LCMM that would lead to the cancellation of pending instructions and restrictions if the new value of the issue date is more restrictive than the current value.</li> </ul> <p>The changes described in this Change Request do not impact TIPS and the CSLD and ECMS projects.</p>		
Summary of project risk		
n.a.		
Security analysis		
No adverse effect has been identified during security assessment.		



08 April 2020

## Cost assessment on Change Requests

<b>T2S-681-SYS – T2S should allow updates of securities data with an issue date lower than current date</b>			
One-off	Assessment costs*		
	- Preliminary	2,000.00	Euro
	- Detailed	10,000.00	Euro
One-off	Development costs	32,264.52	Euro
Annual	Operational costs		
	- Maintenance costs	2,559.18	Euro
	- Running costs	0.00	Euro

\*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).