



EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S CHANGE REQUEST FORM		
General Information (Origin of Request) <input type="checkbox"/> User Requirements (URD) or GUI Business Functionality Document (BFD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	Institute: 4CB	Date raised: 17/11/2021
Request title: Technical upgrade of the PROD environment to support increase in the number of Securities Accounts		Request No.: T2S 0778 SYS
Request type: Common	Classification: Maintenance	Urgency: Fast-track ¹
1. Legal/business importance parameter²: Medium	2. Market implementation efforts parameter³: Low	
3. Operational/Technical risk parameter⁴: Low	4. Financial impact parameter⁵: Medium	
Requestor Category: 4CB	Status: Implemented	

Reason for change and expected benefits/business motivation:

In the context of the Long-term Capacity Planning, the aggregated forecast provided by the CSDs registered a significant increase in the indicator "Number of Securities Accounts" for the last quarter of 2021 and the first half of 2022.

The forecast has been steadily increasing since Q4 2020, surpassing the then committed ceiling of 155,000 securities accounts (SACs), and again surpassing the previous forecast and the revised ceiling at each subsequent review.⁶ The most recent forecast includes a projected estimation of 219,000 SACs in Q4 2021 and up to about 247,000 SACs by Q3 2022.

The presence of volumes exceeding the committed ceilings poses a risk for the operational stability, and it is regulated by the Framework Agreement (Schedule 6), which reads: "*If the volumes processed in production exceed the estimated T2S system capacity, i.e. ceilings [...] service performance commitments are not binding for the Eurosystem.*"

Therefore, it's considered mandatory to increase the committed ceiling to both offset the increase in the number of SACs and acquire sufficient margin to accommodate further increases (up to 300,000 additional securities accounts) without having to resort to new changes. It has to be noted that the estimation is based on the trend observed as of the drafting date of this CR. Any further, unforeseen increase in the trend might prompt a re-evaluation of the current operational margin and possibly the implementation of new corrective measures (e.g. a new CR).

Since a similar necessity had already been investigated in the context of the onboarding of Euroclear Finland, who will migrate a significant number of SACs to T2S⁷, this new Change Request is to be considered as an interim measure until the EFI-specific Change Requests tracking the technical enhancements are deployed in Production.

Description of requested change:

This Change Request includes a one-off change to upgrade the CPU power in the production environment to cope

¹ The initiator requested to fast-track this CR because at the time this CR is raised, the number of securities accounts opened in the PROD environment already exceeds the committed ceiling, posing a risk to operational stability.

² Legal/business importance parameter was set to Medium because even if no performance issues are observed at the time the CR is raised, the CR is needed to ensure the applicability of the Eurosystem's service performance commitments.

³ Market implementation effort parameter was set to Low because no adaptation is required from T2S actors.

⁴ Operational/technical risk parameter was set to Low because the CR does not bring any functional change, only additional CPU power

⁵ Low < 100kEUR < Low-Medium < 200 kEUR < Medium < 400kEUR < High < 700kEUR < Very high

⁶ The Long-Term Capacity Planning exercise takes place each quarter and includes the forecast and ceiling values for the subsequent four quarters.

⁷ The estimated number of SACs for EFI at the Go-Live will be 2.2 million.

with the future additional SACs.

In order to support the increase in the hardware resource consumption (i.e. CPU), an upgrade of the mainframe configuration will be executed to add 1 additional physical CPU to the Production environment.

Adding 1 CPU to the system configuration will also provide enough of a margin to be used in case of further increases of the ceiling up to 300,000 additional SACs.

The running costs for the measure above described, will cover the timeframe between January 2022 and November 2022, taking into account the fact the future running costs for Euroclear Finland were already accounted for in CR-752 (R6.2).

Submitted annexes / related documents:

Outcome/Decisions:

- *CRG on 24 November 2021: the CRG agreed to recommend CR-778 for authorisation by the T2S Steering Level
- *AMI-SeCo on 30 November 2021: the AMI-SeCo agreed with the CRG recommendation of CR-778 for T2S Steering Level Authorisation
- *CSG on 01 December 2021: the CSG agreed to authorise CR-778
- *NECSG on 01 December 2021: the NECSG agreed to authorise CR-778
- *MIB on 02 December 2021: the MIB agreed to authorise CR-778
- *CRG on 17 January 2022: the CRG agreed to recommend to the PMG the implementation of CR-778 outside the scope of a release.
- *PMG on 19 January 2022: the PMG agreed to recommend the implementation of CR-778 outside the scope of a release subject to the OMG operational assessment.
- *OMG on 25 January 2022: the OMG identified no operational impact from the implementation of CR-778 outside the scope of a release.
- *CSG on 02 February 2022: the CSG approved the inclusion of CR-778 outside the scope of a release.
- *NECSG on 02 February 2022: the NECSG approved the inclusion of CR-778 outside the scope of a release.
- *MIB on 03 February 2022: the MIB approved the inclusion of CR-778 outside the scope of a release.

Documentation to be updated:

Preliminary assessment:

Detailed assessment:

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

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

	Scheduling (until June 2022)		Business Day Management (from R6.0)
			Business Day Management business interface (from R6.0)
	Billing (until June 2022)		Billing (from R6.0)
			Billing business interface (from R6.0)
	Operational Monitoring		Operational and Business Monitoring
	MOP Contingency Templates		

Impact on major documentation				
Document	Chapter		Change	
Impacted GFS chapter				
Impacted UDFS chapter				
Additional deliveries for Message Specification (UDFS, MyStandards, MOP contingency templates)				
UHB				
External training materials				
Links with other requests				
Links	Reference		Title	
OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT				
Summary of functional, development, infrastructure and migration impacts				
<p>This Change Request includes a one-off change to upgrade the CPU power in the production environment to cope with the future additional SACs. Therefore, in each region one additional CPU will be added to the system configuration.</p> <p>Main Cost Drivers:</p> <ul style="list-style-type: none"> - Adding one additional CPU in each region to the system configuration 				
Impact on other TARGET Services and projects				
No impact on TIPS, Target2, ECMS or CSLD				
Summary of project risk				
Security analysis				
No security assessment necessary.				



11 January 2022

Cost assessment on Change Requests

T2S-778-SYS – Technical upgrade of the PROD environment to support increase in the number of Securities Accounts			
One-off	Assessment costs*		
	- Preliminary	2,000.00	Euro
	- Detailed	10,000.00	Euro
One-off	Development costs	0.00	Euro
Annual	Operational costs		
	- Maintenance costs	0.00	Euro
	- Running costs	290,176.00	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).