

T2S CHANGE REQUEST FORM				
General Information (Origin of Request) ☐ User Requirements (URD) or GUI Business Functionality Document (BFD) ☑ Other User Functional or Technical Documentation (SYS)				
Request raised by: 4CB Institute: 4C		Date raised: 03-06-2025		
Request title: CRDM reda messages should support the ne account type 'End Investor Account' for Direct Holding Market			Request No.: T2S-0854-SYS	
Request type: Common	Classification: Scope enhancement		ncement	Urgency:1 Fast-track
1. Legal/business importance parameter ² : High		2. Market implementation efforts parameter ³ : Medium		
3. Operational/Technical risk parameter ⁴ : Medium		4. Financial impact parameter ⁵ : (to be provided by 4CB)		
Requestor Category: 4CB		Status: Proposed for a release		

Reason for change and expected benefits/business motivation:

On 11 September 2023 five new CSDs successfully migrated to T2S: the Bulgarian National Bank Government Securities Settlement System (BNBGSSS) and Central Depository AD (CDAD) in Bulgaria, Središnje klirinško depozitarno društvo d.d. (SKDD) in Croatia, Euroclear Finland and Euroclear Bank. The number of CSDs connected to T2S therefore increased to 24, and the number of European countries with CSDs relying on T2S increased from 20 to 23.

Euroclear Finland brought all its 2.3 million end-investor accounts to T2S as part of its migration. This approach contrasts with the "layered model" and less securities used by some other markets already active in T2S. The direct holding model is a model where securities accounts are segregated at the level of end-investor in T2S. This results in a very high number of accounts that have to be accessed when processing and settling settlement instructions.

While the migration was successful, the premigration activities detected some performance issues during the EOD reporting which were caused by the very high number of securities that T2S needed to handle. These issues where promptly handled before the migration weekend but highlighted the need to implement long term enhancements with the aim to prepare T2S for potential onboarding of new markets with an end-investor business model.

Deeper investigations have shown that increasing the number of accounts could create adverse effects on system performance. A contention area identified relates to the access right management (ARM) checks and U2A or A2A queries.

To mitigate the risk of adverse effects on the performance, some short-term measures have already been put in place. These are:

- Ad hoc fast track queries for selected criteria and search on small number of accounts.
- Prevention of ARM scan⁶ of securities accounts outside the system entity of the requestor.

¹ Fast-track justification: A fast-track approach is requested since the PMG requested to implement the schema changes stemming from the implementation of CR-0837 within the minor release R2026.NOV where all CRs with XSD changes should be allocated in order to allow an smooth later implementation of the complex CR-0837.

² Legal/business importance parameter was set to 'High' since this change request will implement mandatory changes needed for the migration of new end-investor markets, and particularly, ES-CPH migration to T2S.

³ Market implementation effort parameter was set to 'Medium' since this change request will not imply that a long implementation test campaign is performed by the users.

⁴ Operational/technical risk parameter was set to 'Medium' since this change request is not considered to create an operational or technical risk for the smooth running of T2S operations.

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

⁶ Data scanning is a method used in database management to examine and analyse data within a database. It involves traversing through records in a database or specific tables, scrutinizing each column's schema and data to understand its type, sample data, and characteristics.

These measures have been effectively improving response time but, given the growing number of securities accounts in T2S and potential onboarding of other direct holding markets to T2S, long term solutions must be put in place.

The objective of this change is to update the xsd of messages impacted by change request <u>T2S-0837-URD</u>. The newly introduced business rules and securities account type "End Investor Account" must be added in A2A CRDM messages reda.018 'SecuritiesAccountCreationRequest', reda.019 'SecuritiesAccountQuery' and reda.021 'SecuritiesAccountReport'.

Description of requested change:

Change request T2S-0837-URD introduces the Securities Account type "End Investor Account", that is owned by end investors in direct holding markets.

The addition of the new Securities Account Type "ENDI", requires a data type change in the securities account maintenance message set.

Impacted messages are:

reda.018 Securities Account Creation Request

reda.019 Securities Account Query

reda.021 Securities Account Report

The currently implemented data type for the securities account type must be changed into a specific type which includes all the already defined securities account types, adding the new value for End Investor Accounts.

The solution has already been used for for the Party Maintenance ISO registered messages, which include aspecific data type for the list of possible party types.

Excerpt from reda.014 Party Type Code data type:

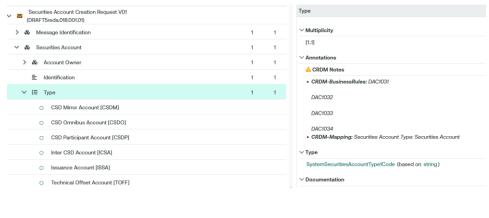
TARGET_Exact4AlphaNumericText_PartyType Specifies an alphanumeric string with a length of 4 characters Properties • Pattern: [a-zA-Z0-9]{4} Min Length: Not set Max Length: Not set • Exact Length: Not set · Identification Scheme: Not set Codes Value Ancillary System ANSY CSDF Central Securities Depository Participant Central Securities Depository **CSDY** ECSD **External Central Securities Depository NCBK** National Central Bank **PMBK** Payment Bank

Following the Party Maintenance solution approach, the new data type replacing the currently implemented SystemSecuritiesAccountTypeCode, will be named "TARGET_Exact4AlphaNumericText_SecuritiesAccountType" and add the value "ENDI" (End Investor Account) in the list of already supported code values.

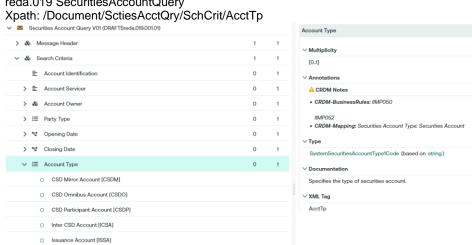
The impacted component are:

reda.018 SecuritiesAccountCreationRequest

Xpath: /Document/SctiesAcctCreReg/SctiesAcct/Tp

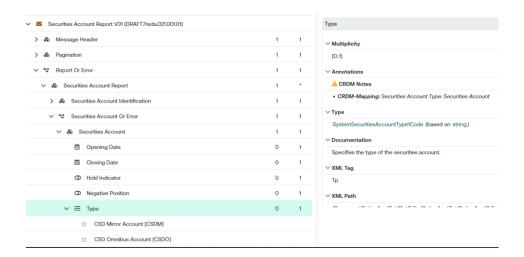


reda.019 SecuritiesAccountQuery



Reda.021 Securities Account Report

Xpath: /Document/SctiesAcctRpt/RptOrErr/SctiesAcctRpt/SctiesAcctOrErr/SctiesAcct/Tp



Submitted annexes / related documents:

Outcome/Decisions:

^{*}PMG on 3 July 2025: the PMG agreed to launch the detailed assessment of CR-0854 with a view of scoping in R2026.NOV, subject to T2S Steering Level authorisation.

- *CRG on 14 July 2024: the CRG agreed to recommend CR-0854 for authorisation by the T2S Steering Level., following a fast-track approach.
- *CSG on 18 July 2024: the CSG agreed to authorise CR-0854.
- *NECSG on 18 July 2024: the NECSG agreed to authorise CR-0854.
- *MIB on 31 July 2025: the MIB agreed to authorise CR-0854.

Documentation to be updated:

Preliminary assessment:

n.a.

Detailed assessment:

T2S Specific Components	Common Components		
LCMM	Common Reference Data Management		
Instructions validation	Party data management		
Status management	Securities data management		
Instruction matching	Cash account data management		
Instructions maintenance	Securities account data management		
Penalty Mechanism	Rules and parameters data management		
	Access rights management		
Settlement	CRDM business interface		
Standardisation and preparation to settlement	Report management		
Night-time Settlement	Query management		
Daytime Recycling and optimisation	Communication		
Daytime Validation, provisioning & booking	Outbound Processing		

Auto-collateralisation	Inbound Processing
Liquidity Management	
Outbound Information Management	
NCB Business Procedures	
Liquidity Operations	
Statistics and archive	
Short term statistical information	Legal archiving
	Data Warehouse
T2S Interface	Eurosystem Single Market Infrastructure Gateway
Communication	Communication
Outbound Processing	Outbound Processing
Inbound Processing	Inbound Processing
T2S information management	
Report management	
Query management	
Operational Services	
Data Migration (T2S DMT)	Data Migration (CRDM DMT)
MOP Contingency Templates	Business Day Management
OMEGA Tool	Business Day Management business interface
OMEGA Templates	Billing
AID Tool	Billing business interface
	Operational and Business Monitoring

Impact on major documentation					
Document	Chapt		Char	nge	
Impacted	•				
GFS chapter					
Impacted UDFS					
chapter					
Impacted URD					
chapter					
Additional					
deliveries for					
Message					
Specification					
(UDFS,					
MyStandards,					
MOP contingency					
templates)					
UHB					
External training					
materials					
Other impacted					
documentation					
(FA Sch. 05, FA Sch. 07)					
/					
Impacted GDPR message/ screen					
fields					
Helus		Links with other reque	ests		
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
Main Cost Driver
Impact on other TARGET Services and projects
Summary of project risk
Security analysis
Other impacts (yes/no)

To be filled out in case of impact on T2S Recovery (not to be published on the ECB website)

Detailed assessment:	
T2S Specific Components	
LCMM	
Recovery functionalities	
Settlement	
Recovery functionalities	
Liquidity Management	
Recovery functionalities	
T2S Interface	
Recovery functionalities	

	lı	mpact on major docume	ntation	
Document	Chapter Change		nge	
DRS				
Impacted RDFS chapter				
		Links with other reques	sts	
Links	Reference		Title	

OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT
Impact on the Recovery functionality