

## T2S CHANGE REVIEW GROUP

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### Outcome

## Meeting of the T2S Change Review Group (CRG)

17 December 2020, from 10:00 to 12:00 CET (held remotely)

### 0. Introductory remarks and approval of the agenda

*The CRG chairperson, Karen Birkel, welcomed the participants and introduced the main points for discussion. The CRG members approved the agenda of the meeting, including the postponement of the discussion on the detailed assessment of CR-745 (point 1.2).*

### 1. Review of detailed assessments

#### 1.1 Change requests raised by the OMG

##### Background documentation

- Summary of the detailed assessments of CR-746, CR-747 and CR-750 [15/12]
- Additional information on detailed assessments [15/12]
- CRG Q&A on CR-746 and CR-747 [14/12]
- T2S-0746-SYS (Mitigation measures for missing partial settlements and new COLGEN tool) [8/12]
- T2S-0747-SYS (NTS cash contingency cases management - new CASHGEN tool) [14/12]
- T2S-0750-SYS (Align Instructions Database (AID) tool for the T2S Operator) [8/12, updated 14/12]

##### **Outcome**

##### **T2S-0746-SYS (Mitigation measures for missing partial settlements and new COLGEN tool)**

*The CRG members took note of the results of the detailed assessment of CR-746, in particular of the finding that the CR could be deployed at the earliest in T2S release 5.2 (November 2021). The CRG also took note that following the revision of the business values assigned to the CR by some CRG members, the ranking of CR-746 was #8/35. CRG members had no outstanding questions on CR-746 and the CRG recommended to the PMG the implementation of CR-746 in release 5.2.*

##### **T2S-0747-SYS (NTS cash contingency cases management - new CASHGEN tool)**

*The CRG members took note of the results of the detailed assessment of CR-747, in particular of the finding that the CR could be deployed at the earliest in T2S release 5.2 (November 2021), together with CR-746. The CRG also took note that following the revision of the business values assigned to the CR by some CRG members, the ranking of CR-747 was #11/35.*

*CRG members had no outstanding questions on CR-747 but confirmed that a CRG recommendation to the PMG on the implementation of CR-747 in release 5.2 could only be made when the CRG written procedure on this topic closes on 18 December 2020.*

##### **Follow-up actions**

- CRG members to provide any remaining feedback on CR-747 to the ECB team [18 December 2020]

### **T2S-0750-SYS (Align Instructions Database (AID) tool for the T2S Operator)**

The CRG members took note of the results of the detailed assessment of CR-750, in particular of the finding that the CR could be deployed at the earliest in T2S release 6.0 (June 2022). The CRG also took note that following the assignment of business values to the CR by CRG members, the ranking of CR-750 was #9/35.

The 4CB clarified that the status updates related to instructions being processed in the AID tool would be sent out in the order of their processing. The standard reporting functionality means that the messages will include a sequence number allowing T2S users to handle cases where the messages would be received in an unexpected order.

CRG members had no outstanding questions on CR-750 and the CRG recommended to the PMG the implementation of CR-750 in release 6.0.

## **1.2 Change requests raised by the CSDR Task Force**

### Background documentation

- T2S-0745-URD (T2S penalty mechanism must provide increased flexibility for the penalty computation currency in case of FOP instructions) [postponed]

### **Outcome**

The CRG members took note that the detailed assessment of CR-745 would be provided for discussion in the CRG meeting scheduled on 19 January 2020.

## **1.3 Change requests related to the T2-T2S Consolidation project**

### Background documentation

- Summary of the detailed assessments of CR-701, CR-706 and CR-734 [15/12]
- Additional information on detailed assessments [15/12]
- T2S-0701-SYS (ESMIG impact on T2S) [14/12]
- T2S-0706-SYS (Billing common component – T2S Migration) [14/12]
- T2S-0734-SYS (Allow 18 digits (of which max 2 decimals) in Amount fields of messages camt.004, camt.052, camt.053 and alignment of error texts) [8/12]

### **Outcome**

### **T2S-0701-SYS (ESMIG impact on T2S)**

The CRG members took note of the results of the detailed assessment of CR-701. CRG members had no outstanding questions on CR-701 but confirmed that a CRG recommendation to the PMG on the implementation of CR-701 in release 6.0 could only be made when the CRG written procedure on this topic closes on 18 December 2020.

### **Follow-up actions**

- CRG members to provide any remaining feedback on CR-701 to the ECB team [18 December 2020]
- ECB team to control and correct if needed the dates of ESMIG connectivity testing mentioned in CR-701 [19 January 2021]

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

The CRG members took note of the results of the detailed assessment of CR-706. Upon a question from a CRG member, the 4CB re-confirmed that the current T2S Billing will not be decommissioned immediately when the new BILL goes live, so as to guarantee access to historical billing data during the applicable retention period (3 months). CRG members had no outstanding questions on CR-706 but confirmed that a CRG recommendation to the PMG on the implementation of CR-701 in release 6.0 could only be made when the CRG written procedure on this topic closes on 18 December 2020.

#### **Follow-up actions**

- CRG members to provide any remaining feedback on CR-706 to the ECB team [18 December 2020]

### **T2S-0734-SYS (Allow 18 digits (of which max 2 decimals) in Amount fields of messages camt.004, camt.052, camt.053 and alignment of error texts)**

The CRG members took note of the results of the detailed assessment of CR-734, in particular of the recommendation to deploy the CR in T2S release 6.2 (November 2022) to avoid unnecessary impacts on TARGET2. CRG members had no outstanding questions on CR-734 and the CRG recommended to the PMG the implementation of CR-734 in release 6.2.

## **2. Status update on the detailed assessment of CR-700 (Legal archiving)**

#### Background documentation

- T2S-0700-SYS (Legal Archiving common component for T2S) [11/12]
- Status update on the detailed assessment and design of the Legal Archiving common component [8/12]

#### **Outcome**

CRG members took note of the envisaged solution design for the future archiving of internal messages, i.e. messages exchanged between TARGET Services. CRG members confirmed that they had no objections to the proposals that 1) only the receiving TARGET Service would be in charge of archiving an internal message, except in well-defined, exceptional cases such as the flat file reports sent by T2S to ECMS and 2) no automated solution is foreseen to link liquidity transfers triggered by CRDM back to the original configuration of a standing or predefined order in CRDM.

Regarding liquidity transfers triggered by CRDM, the CRG recommended to seek the view of the OMG on the following points:

- Even if no automated back tracing will be available, it will however be possible to manually link back a Liquidity Transfer to the original CRDM configuration that triggered it. The OMG should consider whether/how to integrate this manual approach in the relevant operational procedures.
- If the original CRDM configuration took place more than 10 years before the liquidity transfer was triggered, the manual procedure described in the previous point would not apply, as the original interaction would only be archived for 10 years. The OMG view should be sought on whether this gap is acceptable, or on possible alternatives (for instance “renewing” the CRDM configuration before 10 years have passed).

#### **Follow-up actions**

- ECB team to seek the view of the OMG on the Legal archiving design for the CRDM-triggered liquidity transfers [21 December 2020]
- 4CB to deliver the detailed assessment of CR-700 [25 February 2021]

### 3. Review of preliminary assessments

#### Background documentation

- T2S-0740-SYS (No check of the Minimum Settlement Unit upon revalidation of partially settled instructions and partially settled settlement restrictions) [8/12]
- Presentation on the preliminary assessment of CR-740 [8/12]

#### **Outcome**

*In order to accommodate time constraints, the CRG members agreed to postpone the review of the preliminary assessment of CR-740 until the CRG meeting scheduled on 19 January 2020.*

### 4. New change requests

#### Background documentation

- T2S-0751-SYS (Logical deletion of Securities Accounts and purge of CMB Securities Account Links) [10/12]
- T2S-0752-SYS (Intraday delta Flat File reporting and technical optimisations to enhance the flat file generation process) [14/12]
- T2S-0753-SYS (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem analytical platform) [14/12]

#### **Outcome**

#### ***T2S-0751-SYS (Logical deletion of Securities Accounts and purge of CMB Securities Account Links)***

*The CRG took note of the request of the 4CB and Euroclear Finland to fast track CR-751. CRG members confirmed that the CR requirements were stable and complete but requested additional time, until 18 December 2020, to confirm their agreement to fast track CR-751, to confirm the values and wording of the CR parameters, and to make a recommendation on the authorisation of CR-751 by the T2S Steering Level.*

#### ***Follow-up actions***

- *CRG members to provide feedback to the CRG written procedure on CR-751 [18 December 2020]*
- *ECB to inform the PMG that a detailed assessment of CR-751 may be proposed, following a fast track procedure [18 December 2020]*
- *CRG members to provide business values for CR-751 [8 January 2021]*

#### ***T2S-0752-SYS (Intraday delta Flat File reporting and technical optimisations to enhance the flat file generation process)***

*CRG members took note that CR-752 foresees the possibility to subscribe to intraday flat file reports based on a subset of existing business events – i.e. CR-752 will not make it possible to configure the subscription based on specific times, and the 4CB will assess which of the existing business events should be available in the configuration of intraday flat file subscriptions. The 4CB confirmed that the subscriptions would be configured by the T2S operator upon request by a T2S CSD.*

The CRG took note of the request of the 4CB (CR initiator) and Euroclear Finland to fast track CR-752. Subject to the outcome of the CRG written procedure on CR-752 until 18 December 2020, CRG members had no outstanding questions or known objections to fast-tracking<sup>1</sup> CR-752 and recommending it for authorisation by the T2S Steering Level.

Upon a question from a CRG member, the ECB team clarified that according to the Framework Agreement, the 'Market implementation efforts' parameter should refer to the efforts expected by institutions seeking to benefit from the CR. Therefore, a CR could have Medium or High implementation efforts even it does not have mandatory impacts (i.e. even if it requires implementation efforts only from institutions interested in the new functionality). Accordingly, the CRG agreed, subject to the abovementioned written procedure, to document the value of the CR-752 parameters as follows:

- *Legal/business importance: High because it will improve the stability of T2S in case of volume peaks for the reporting.*
- *Market implementation efforts: Medium because it would require implementation efforts only for a minority of T2S actors.*
- *Operational/technical risk: Medium because the new functionality could create additional reporting volumes throughout the business day.*
- *Financial impact parameter: To be provided when CR-752 is detailed assessed*

The ECB team highlighted that the detailed assessment of CR-752 should also cover possible optimisations to the duration of reporting processes for Euroclear Finland. This is particularly relevant in the context of the exceptional processing of corporate actions on weekends, as also being discussed in the OMG.

#### **Follow-up actions**

- *ECB to distribute to CRG members the description of the "Medium" value for market implementation efforts, according to the T2S Framework Agreement [17 December 2020]*
- *ECB to inform the PMG that a detailed assessment of CR-752 may be proposed, following a fast track procedure [18 December 2020]*
- *CRG members to provide business values for CR-752 [8 January 2021]*

#### **T2S-0753-SYS (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem analytical platform)**

The CRG took note of the request of the ECB (CR initiator) to fast track CR-753. Subject to the outcome of the CRG written procedure on CR-753 until 18 December 2020, CRG members had no outstanding questions or known objections to fast-tracking<sup>2</sup> CR-753, recommending it for authorisation by the T2S Steering Level and documenting the value of its parameters as follows:

- *Legal/business importance: High because by making T2S NCB data available to the TARGET Analytical Environment in a homogeneous way, the CR will increase the usability and correctness of the Data Warehouse for users and for analytical purposes.*
- *Market implementation efforts: Low because the CR does not require any adaptation by T2S users.*
- *Operational/technical risk: Low because the data export from the Data Warehouse is not expected to interfere with T2S operations*

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<sup>1</sup> Fast-tracking is requested because the results of the detailed assessment of CR-752 are needed urgently for the preparation of the onboarding of Euroclear Finland to T2S

<sup>2</sup> Fast-tracking is requested because of synergies between the detailed assessment of CR-753 and ongoing work of the Eurosystem on the future interface between the TARGET Services Data Warehouse and the Eurosystem analytical platform.

- *Financial impact parameter: To be provided when CR-753 is detailed assessed*

*A CRG member highlighted that considering that only NCB data should be in scope of CR-753, its detailed assessment should include a list of the data/fields that will be exported from the TARGET Data Warehouse to the Eurosystem's analytical platform.*

**Follow-up actions**

- *ECB to inform the PMG that a detailed assessment of CR-753 may be proposed, following a fast track procedure [18 December 2020]*
- *CRG members to provide business values for CR-753 [8 January 2021]*

## **5. Any other business**

Background documentation

- Updated CRG mandate (final version) [11/12]

**Outcome**

*The CRG members took note of the final version of the revised CRG mandate, approved by the T2S Steering Level.*

**Follow-up actions**

- *ECB team to publish the revised CRG mandate on the ECB website [18 December 2020]*