

Outcome of the Change Review Group (CRG) meeting 20 March 2019

1. Introductory session

Outcome

The CRG chairperson, Dimitri Pattyn, welcomed the participants and thanked Mr Pierre Peczi for his important contribution to the work of the CRG as a representative of LCH.Cleartnet. The Chairperson also welcomed the new representative of Oesterreichische Nationalbank, Mr Roman Schön.

The chairperson informed CRG members of the following:

- Since the last CRG meeting, three CRs have been authorised at T2S Steering Level : CR-681 (T2S should allow updates of securities data with an issue date lower than current date), CR-684 (Handling for outbound messages with amounts exceeding 15 digits) and CR-692 (Send status update message upon transition to 'Failing')
- The first workshops on the review of the Operational Governance Processes Framework (OGPF) took place, focusing on the integration of the concept of common components in the OGPF.

The ECB team further informed CRG members that the T2S Subgroup on Message Standardisation (SGMS) had been invited to comment on the latest draft of the message to be introduced for the reporting of CSDR penalties calculated by T2S (semt.044), and that a dedicated workshop would be held on the 26 March, outside of the T2S governance, in order to align ISO150022 and ISO20022 usages for the reporting of penalty-related information as much as possible without changing the approved implementation approach of CR-0654. Any changes compared to the message version included in the approved CR-0654 will result in an update of CR-0654.

Follow-up action:

- ECB team to distribute a stable version of the semt.044 specification once available. [4 July 2019]
- 4CB to issue an update of CR-0654 [September 2019]

2. CRG action points list

Outcome

The ECB team provided an update on the status of open CRG action points.

In particular, on T2SACTION-3731, CRG members took note that the next CSG workshop on market settlement efficiency (scheduled in June 2019) would discuss the recycling period for matched instructions in T2S.

On T2SACTION-3736, CRG members informed that the next ISO upgrade CR would be raised shortly after the CRG meeting. CRG members agreed that a preliminary assessment would not be requested for this CR. 4CB informed that the detailed assessment of this CR was expected to take longer than 10 weeks and should be initiated by early May 2019 with a view to implementation in T2S release 4.2.

Follow-up action:

- CRG members to provide comments on the proposed closure of action points to the ECB team [10 May 2019]
- ECB team to arrange a CRG teleconference to seek a CRG recommendation on the authorisation of the next ISO upgrade CR once available [26 April 2019]
- ECB team to report the outcome of the MSE workshop on the recycling period for matched instructions, as an input for further review of CR-691 (Recycling period of 60 days for matched instructions) [4 July 2019]

3. Analysis of change requests

3.1 Change requests under implementation

T2S-0653-URD (Partial release functionality)

Outcome

CRG members agreed to update CR-653 to use the correct reason code (OTHR instead of INVM) when a partial release request is Denied.

Follow-up action:

- ECB team to inform other T2S technical groups of the updated version of the CR [31 March 2019]

3.2 Change requests already ranked/authorised/recommended for authorisation

T2S-0668-SYS (Provide T2S reference of the linked instruction preventing settlement)

Outcome

The ECB team informed CRG members that the 4CB were investigating a U2A, query-based solution to the requirements of CR-668. CRG members took note that once the proposed solution would be available, their agreement would be sought via written procedure in order to allow the CR to be considered for T2S release 4.0 by the PMG.

Follow-up action:

- 4CB to propose a U2A-based solution to address the underlying business need of CR-668 [29 March 2019]

T2S-0694-URD (Inclusion of two new partial settlement windows and extension of the 08:00 and 15:45 partial settlement windows)

Outcome

The ECB team informed that the OMG operational assessment of CR-694 was ongoing and was expected to be completed during the OMG meeting on 28 March 2019.

Follow-up action:

- ECB team to inform CRG members of the OMG operational assessment of CR-694, once available [4 April 2019]

3.3 Preliminary assessed change requests

T2S-0689-URD (New process to maximise settlement of transactions at DVP cut-off)

Outcome

4CB confirmed that based on examples provided by Iberclear, the solution proposed for CR-689 was indeed expected to allow the settlement of the instructions expected to settle by Iberclear and its participant.

CRG members agreed to recommend CR-689 for authorisation by the T2S Steering Level.

3.4 Newly raised CRs / Candidates for preliminary assessment

3.4.1 Newly raised CRs

T2S-0711-SYS (Recovery Building Processes)

Outcome

The ECB team informed of the role of the Information Security Subgroup (ISSG) in initiating CR-711. CRG members took note that for confidentiality purposes, the CR would not be published on the ECB website and should only be shared further on a need-to-know basis.

Considering the very specific topic of this CR, the ISSG will be the group primarily involved in discussing the adequacy of any proposed solution for this CR. The CRG will however be kept informed via interim updates during the detailed assessment of CR-711, which is expected to take around 6 months once launched. Considering the specific nature and extent of the changes requested in the CR, CRG members agreed not to request a preliminary assessment of CR-711.

Following a presentation by the 4CB of the main features requested in CR-711, CRG members agreed to recommend CR-711 for authorisation by the T2S Steering Level. 4CB agreed to tackle during the detailed assessment of the CR the questions from CRG members on the interplay between message subscriptions and the envisioned recovery processes.

Follow-up action:

- 4CB to provide a plan for interim updates to the CRG on CR-711 [26 April 2019]
- 4CB to address during the detailed assessment of CR-711 the questions raised by CRG members [27 November 2019]

T2S-0693-URD (Automatic rebooking of failed outbound liquidity transfers)

Outcome

The 4CB indicated that it expected that the core requirement of CR-693, i.e. that T2S should automatically rebook failed outbound liquidity transfers back to the originating T2S DCA, would most likely be needed if CR-709 was to be implemented. Taking this into account as well as the decision of the CRG to launch the preliminary assessment of CR-709 (see below), CRG members agreed to keep CR-693 on hold until the preliminary assessment of CR-709 is available, and to re-assess the need for CR-693 at that point.

Follow-up action:

- 4CB as CR initiator to re-assess the need for CR-693 against the solution design for CR-709 [4 July 2019]

3.4.2 CRs related to the T2-T2S Consolidation project

Outcome (CR-696 to CR-710)

- The Chairperson introduced the CRs related to the T2-T2S Consolidation project, and reminded CRG members that these CRs corresponded to early announcements made in 2018 about changes to be expected in T2S. The Chairperson further confirmed that these change requests would follow the standard T2S Change and Release Management processes.
- The ECB team took note of the questions and suggestions raised by CRG members during the meeting or in writing. The Eurosystem will provide some answers in a Q&A document to be distributed to CRG members after the meeting. CRG members took note that the 4CB would provide further answers as part of the preliminary and detailed assessment of the CRs. For discussion points/follow-up actions that were specific to a particular CR or common component, please refer to the next paragraphs.
- CRG members agreed to launch the preliminary assessment of the 15 CRs related to the T2-T2S Consolidation project (CR-696 to CR-710). The 4CB informed that the preliminary assessments would be carried out in two batches (batch 1: 25/3 to 17/5/19, batch 2: 27/5 to 18/7/19).

- 4CB also clarified that the current release planning for these CRs was indicative and would be updated/confirmed during their preliminary assessment.

Follow-up actions:

- ECB team/4CB to provide answers to the questions raised by CRG members in Q&A format [21 May 2019]
- ECB team/4CB to update CR-696 to CR-710 to clarify how they relate to one another [21 May 2019]
- ECB team to organise the collection of suggestions from T2S users on possible improvements to GUI screens which are currently part of the T2S GUI and will be included in the GUIs of common components from June 2022 onwards [21 May 2019]

T2S-0696-SYS, T2S-0704-SYS, T2S-0705-SYS (Reference data - CRDM)

Outcome

CRG members took note that the common component CRDM would be developed as an evolution of the current T2S Static Data Management module. CRDM will have its own business interface, and screens/messages related to static data management will be decommissioned from the current T2S Interfaces / T2S GUI when T2S is connected to ESMIG (see T2S-0701-SYS below).

The 4CB clarified that the full CRDM business interface would be developed and deployed in two stages. In the first stage, the CRDM BI would handle those static data objects/functions relevant to the Payments area (which may or not be also used in T2S); in the second stage, objects/functions relevant to T2S, but not needed for T2 or TIPS will be added to the scope of the CRDM BI.

T2S-0697-SYS, T2S-0706-SYS (Billing - BILL)

Outcome

CRG members took note that the common component BILL would replace the current T2S Billing module. BILL will have its own business interface, and screens/messages related to billing will be decommissioned from the current T2S Interfaces / T2S GUI when T2S is connected to ESMIG (see T2S-0701-SYS below).

Follow-up action:

- 4CB to propose with the preliminary assessment of CR-706 a workaround to the fact that 3-months billing history would not be migrated from current T2S Billing to the new BILL component [18 July 2019]
- 4CB to clarify with the preliminary assessment of CR-706 how T2S-related adjustments currently performed in TARGET2-CRSS should be handled between November 2021 and June 2022 [18 July 2019]

T2S-0698-SYS, T2S-0707-SYS (Business day management - BDM)

Outcome

CRG members took note that the common component BDM would be developed as an evolution of the current T2S Scheduling module. BDM will have its own business interface, and screens related to business day management will be decommissioned from the current T2S GUI when T2S is connected to ESMIG (see T2S-0701-SYS below).

T2S-0699-SYS (Decommissioning LTISI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities)

Follow-up action:

- 4CB to clarify with the preliminary assessment of CR-699 whether all T2S data stored in the Data Warehouse would be accessible from D+1 [17 May 2019]
- 4CB to clarify with the preliminary assessment of CR-699 which strategy would be followed to migrate historical data from T2S LTISI to the Data Warehouse [17 May 2019]

T2S-0700-SYS (Legal Archiving common component for T2S)

Follow-up action:

- 4CB to update CR-700 to clarify that messages from and to counterparties would be legally archived [17 May 2019]

T2S-0701-SYS (ESMIG impact on T2S)

Outcome

Upon a question of a CRG member, the 4CB clarified that when messages are sent to ESMIG, users would need to indicate the Service and Component to which the message should be routed by ESMIG, using the appropriate NSP protocol features (Data Exchange Protocol).

The 4CB further clarified that T2S users would be able to use the current T2S Interfaces until T2S is connected to ESMIG in June 2022. T2S users which are also active in the Payments area and would have a connection to ESMIG because of their participation in T2 would have the possibility to carry out T2S-related tasks in Common components via their ESMIG connection already from the go-live of the T2-T2S Consolidation project, to the extent these actions are already supported by the business interfaces of these common components.

Follow-up action:

- 4CB to provide with the preliminary assessment of CR-701 more details about the precise impacts that T2S users can expect from the connection to ESMIG as of June 2022 [18 July 2019]

T2S-0702-SYS (T2-T2S Consolidation will require an internal communication within the consolidated platform)

Outcome

4CB clarified that the reason for planning to deploy the internal communication layer with T2S release 4.2 was to make early testing activities on the connectivity between T2 and T2S possible.

T2S-0703-SYS (camt.050 exchanged between T2S and CLM)

Outcome

4CB clarified that the purpose of this CR is to introduce a common usage/definition for the camt.050, which will be exchanged between CLM and T2S.

T2S-0708-URD (Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA)

Outcome

CRG members considered that, while it represented a clear business need, CR-708 should be reclassified as necessary rather than optional. This is to ensure consistency of the functionality delivered by the T2-T2S Consolidation project: as transfers from T2 RTGS to T2S will be possible, transfers in the opposite direction should be possible too. Furthermore, liquidity transfers from T2S to RTGS are available to T2S users today, before the T2-T2S Consolidation project.

The 4CB clarified that dedicated resources were planned only for CRs originally classified as necessary, which is not the case of CR-708. Accordingly, a reclassification of CR-708, if confirmed, would need to be considered also from the perspective of implementation capacity for CRs in T2S.

Follow-up action:

- ECB team to report to the T2S Steering Level the view of the CRG that CR-708 should be classified as necessary and the underlying rationale for it. [3 April 2019]
- ECB team to update CR-708 to clarify that all outbound liquidity transfers to other TARGET services are in scope, regardless of the trigger for the transfer (standing, predefined or immediate LT order) [17 May 2019]

T2S-0709-URD (Make the mandatory automated cash sweep at 17:45 optional)

Outcome

CRG members took note that the scope of the CR was limited to the EUR mandatory cash sweep. The representatives of Danmarks Nationalbank and VP Securities confirmed that there was no current interest of the DKK community to make the mandatory cash sweep optional for DKK. 4CB clarified that should an interest for DKK (or another currency) arise in the future, a dedicated CR would be needed to take into account the specificities of the business day schedule of that currency.

CRG members took note that T2 would not support debit transfer orders (camt.051), but that workarounds existed to handle the rare cases where an NCB cash account is in debit in T2S following a collateral relocation.

Follow-up action:

- 4CB to clarify with the preliminary assessment of CR-709 that a functionality to automatically rebook failed liquidity transfers to their originating DCA (similar to CR-693) would be needed [17 May 2019]
- 4CB to clarify with the preliminary assessment of CR-709 if any impact on the T2S cash forecast is expected [17 May 2019]

T2S-0710-URD (Daily maintenance window only for urgent changes and shift of the schedule time from 03:00-05:00 to 00:30-02:30 am)

Outcome

CRG members took note that the underlying assumption of CR-710 was that the maintenance window would in general not be applied on weekdays, and would only be exceptionally activated, in cases where a maintenance activity cannot be carried out during the next weekend.

Against that background, CRG members requested further clarity on the process by which the decision to activate the maintenance window would be taken across TARGET services, and the way in which the start and end of a weekday maintenance window, or the non-activation of the maintenance window, would be communicated by T2S to CSDs, NCBs and DCPs.

Some CRG members highlighted that in the event of an activation of the maintenance window, there was no consensus on its timing, in part due to the difficulty to coordinate the views of T2S users with those of the Payments community. The chairperson agreed to investigate further the suggestion made by CRG members to hold a workshop with representatives of the CRG, the OMG and the TARGET Consolidation Contact Group with the aim of finding a market-wide consensus on the future maintenance window.

Follow-up action:

- ECB team to seek guidance from the T2S Steering Level on the proposal to hold a joint CRG-OMG-TCCG workshop on the maintenance window for TARGET services [4 April 2019]
- 4CB to assess both possible timings i.e. 03:00 – 05:00 and 0:30 – 02:30 am CET/CEST of the maintenance window during the preliminary assessment of CR-710 [17 May 2019]
- 4CB to clarify with the preliminary assessment of CR-710 how T2S actors would be informed of the activation or not of the maintenance window [17 May 2019]

3.4.3 Editorial CR

T2S-0712-SYS (Multiplex Editorial Change Request on UDFS and UHB)

Outcome

CRG members took note that the CR aimed at formalising changes already discussed as part of the clarification notes SDD-PBR-0044, SDD-PBR-0045 and SDD-PBR-0046. These changes would be included in the T2S documentation for release 3.2, to be published in September 2019.

The CRG agreed to recommend the CR for authorisation by the T2S Steering Level.

4. Clarification notes

SDD-PBR-0047 (UHB calculation of “Projected Balance” should not contain the amount of outstanding intraday credit from auto-collateralisation)

Outcome

CRG members agreed not to approve SDD-PBR-0047 in its current drafting. CRG members concluded that the basis for further discussion of this note should be an overview of how T2S calculates the different cash forecast values, in U2A and A2A mode.

Follow-up action:

- 4CB to provide an overview of how T2S calculates cash forecasts, in U2A and A2A mode [3 April 2019]
- ECB team to call for CRG members comments on the way T2S calculates cash forecasts in U2A and A2A mode [26 April 2019]

5. Any other business

Updated CR ranking

Outcome

CRG members took note of the updates made to the CRG ranking to remove withdrawn CRs, remove CRs under implementation, include authorised CRs for which CRG members had already provided business values and update the comments section.

CRG members agreed to provide business values for recently registered CRs in view of a further update of the ranking.

Follow-up action:

- ECB team to publish the updated ranking on the ECB website [29 March 2019]
- ECB team to collect business values for recently raised CRs [22 April 2019]

5.1 CRG meeting dates

Outcome

The next meeting of the CRG is scheduled for 21 May 2019 and will be hosted by Danmarks Nationalbank in Copenhagen ([registration link](#))