

Outcome of the Change Review Group (CRG) meeting 21 May 2019

1. Introductory session

Outcome

The CRG chairperson, Dimitri Pattyn, welcomed the participants and thanked Mr Dan Toledano and Mr Bryno Mariager for their important contributions to the work of the CRG as representatives of Euroclear and Danmarks Nationalbank, respectively. The Chairperson also welcomed the new representative of Euroclear, Ms Caroline Derocle. It was also mentioned that some of the “optional” CRs for T2/T2S Consolidation should be re-classified as “mandatory”, namely CR-708 and CR-709.

2. CRG action points list

Outcome

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

In particular, on T2SACTION-3764, the Chairperson informed CRG members that there was an ongoing review, within the Eurosystem, to determine which messages should be subject to legal archiving when exchanged between TARGET Services.

Follow-up action:

- CRG members to provide comments on the proposed closure of action points to the ECB team [4 July 2019]

3. Analysis of change requests

3.1 Change requests already ranked/authorised/recommended for authorisation

T2S-0658-SYS (T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs)

Outcome

CRG members took note of the results of the detailed assessment of CR-658, and agreed to recommend to the PMG the inclusion of this CR in T2S Release 4.0.

T2S-0671-SYS (Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S)

Outcome

CRG members took note of the results of the detailed assessment of CR-671, and agreed to recommend to the PMG the inclusion of this CR in T2S Release 4.0.

T2S-0677-SYS (During partial settlement windows, recycling should only be triggered after an optimization attempt)

Outcome

CRG members took note of the results of the detailed assessment of CR-677, and agreed to recommend to the PMG the inclusion of this CR in T2S Release 4.0.

T2S-0713-SYS (Alignment of T2S Messages with ISO Standards Release)

Outcome

The ECB team informed CRG members that CR-713 had been authorised at T2S Steering Level. CRG members took note that the deliverables related to CR-713 would be distributed in several steps. In particular, a first version of the tracking table (listing individual changes to T2S messages) will be available from 28 June 2019. CRG members will be invited to review it and provide comments early enough to be taken into account in the updated version of the tracking table which 4CB will attach to the CR detailed assessment, planned for 23 August 2019.

In addition, the 4CB informed CRG members that while the standard specification of BIC codes (BIC pattern) had been updated in 2014, this new BIC pattern was only implemented in some, but not all¹ of the ISO20022 message versions included in the ISO/SWIFT Maintenance Release 2019.

To avoid the risk of inconsistencies, CRG members expressed a preference for restricting BIC fields to the old BIC pattern across all messages used by T2S until 2023.

The Chairperson highlighted that some of the messages to be restricted would also be in use by the payments community. In this regard, CRG members indicated that they expected a harmonised approach to be applied in T2 and in T2S.

Follow-up action:

- 4CB to provide a first version of the CR attachment (tracking table) for the next CRG meeting [4 July 2019]
- ECB team to seek the views of relevant TIPS and T2 governance bodies on the proposed approach to manage the diverging BIC patterns across ISO messages [4 July 2019]

T2S-0715-URD (Optimisation of the T2S Penalty Mechanism user requirements)

Outcome

The ECB team informed CRG members that CR-715 had been authorised at T2S Steering Level and that a CRG telco would be organised on 7 June to review the results of its detailed assessment.

3.2 Preliminary assessed change requests

3.2.1 CRs related to the T2-T2S Consolidation project

Outcome (common to CR-696 to CR-710)

CRG members took note of the results of the preliminary assessments of 7 CRs related to T2-T2S Consolidation, and that the preliminary assessment of CR-700 would be delivered at a later stage.

The ECB team informed that except for two CRs foreseen for R4.2 (CR-702 and CR-703), a recommendation of the CRG to the T2S Steering Level would only be sought in an upcoming CRG meeting, and invited CRG members to provide any questions or comments on CR-696 to CR-710 to the CRG Secretariat in the meantime.

Follow-up action (CR-696 to CR-710):

- CRG members to provide comments on the first batch of preliminary assessments for CRs related to T2-T2S Consolidation, for inclusion in an updated Q&A document [14 June 2019]

T2S-0696-SYS (Common Reference Data Management for T2-T2S Consolidation)

Outcome

¹ The following ISO messages used in T2S do not implement the new BIC pattern in their latest version (as of May 2019): acmt.007, acmt.010, acmt.011, acmt.015, acmt.019, head.001, semt.013, semt.015, semt.016, semt.020, sese.027, sese.029

The 4CB presented the preliminary assessment of the CR. The CRG members had no immediate comments or questions.

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

Outcome

CRG members took note that the foreseen release for the deployment of CR-699 would be R6.0 (June 2022) rather than the initially envisaged R5.0. CRG members further took note that historical data from the T2S Long Term Statistical Information module (LTSI) would be migrated to DWH and become accessible to T2S users upon the deployment of CR-699 in R6.0, and LTSI would be decommissioned at the same time.

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

Outcome

CRG members agreed to recommend CR-702 for authorisation by the T2S Steering Level.

T2S-0703-SYS (camt.050 exchanged by TARGET services and common components)

Outcome

CRG members agreed to recommend CR-703 for authorisation by the T2S Steering Level.

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

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

Outcome

The Chairperson informed CRG members that the CSG took on 3-4 April 2019 a resolution to request that CR-708 and CR-709 be reclassified as “necessary”. This resolution was presented to the Market Infrastructure Board on 8 April 2019. The MIB agreed in principle but requested further analysis regarding the potential implications that such reclassification could have on the CR implementation capacity

Follow-up action:

- ECB team to report on the outcome of the T2S Steering Level discussion on the reclassification of CR-708 and CR-709 [4 July 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

The ECB team reminded CRG members that a dedicated workshop on the future set-up of the maintenance window for T2 and T2S would take place on 28 May 2019. The 4CB mentioned that the effort estimation made in the preliminary assessment applies equally to both timings that were potentially in scope, i.e. 00:30 and 03:00 as start of maintenance window.

Follow-up action:

- ECB team to report on the outcome of the workshop on Maintenance window and if applicable, provide an updated version of CR-710 for discussion in the CRG [4 July 2019]

3.2.2 Other preliminary assessed CRs

T2S-0690-SYS (Unprune fields in settlement alleggements)

Outcome

CRG members took note of the results of the preliminary assessment, and agreed that the exact scope of the CR would need to be narrowed down before the CRG could make a recommendation to the Steering Level on CR-690.

Follow-up action:

- Euroclear as CR initiator to review the scope of CR-690 for further discussion in the CRG [4 July 2019]

T2S-0695-URD (Trade date to become mandatory within a settlement instruction (sese.023))

Outcome

CRG members took note of the results of the preliminary assessment of CR-695 and agreed to recommend CR-695 for authorisation by the T2S Steering Level in view of bundling this CR with the next ISO upgrade CR for R4.2.

3.3 Newly raised CRs

T2S-0714-SYS (T2S should allow ECMS to receive the notifications of relocation instructions)

Outcome

CRG members requested the clarification of the following points in CR-714:

- the reason for not including status updates (sese.024) in the scope of the CR;
- the reason why the new parties (CSD participants) to be created for ECMS could not be granted “third party” privileges to receive notifications of relocation instructions;
- the types of accounts/parties for which notifications would be sent should be stated more explicitly

Follow-up action:

- 4CB to provide an updated draft of CR-714 addressing the request for clarifications from CRG members [4 July 2019]

T2S-0716-SYS (Multiplex Editorial Change Request on GFS, UDFS and UHB)

Outcome

CRG members agreed to recommend CR-716 for authorisation by the T2S Steering Level, and took note that the editorial changes described in CR-716 would be included in the next version of T2S Scope Defining Documents to be published in September 2019 (linked to R3.2).

4. Clarification notes

CRG-PBR-0015 (TIPS CR on Routing enhancement (TIPS-0010-SYS), affecting CRDM)

Outcome

CRG members took note of the information provided in the table document and requested additional time to confirm that from a T2S perspective, no functional issues were identified with TIPS-0010-SYS, scheduled for TIPS R2.0 (coinciding with T2S R3.2, Nov 2020).

Follow-up action:

- CRG members to provide any comments on CRG-PBR-0015 by [23 May 2019 noon]

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

Outcome

The ECB team provided an overview of how T2S calculates the different cash forecast values, in U2A and A2A mode, and outlined three possible courses of action to address the identified discrepancies:

- Option 1: changes in U2A and A2A mode

- Option 2: changes in U2A mode only
- Option 3: no software changes, editorial changes only.

CRG members agreed to pursue Option 3 as a short-term action, and that interested CRG members should liaise with the CRG Secretariat should they wish to initiate a CR for Option 1 or 2.

- **SDD-PBR-0050 (New sort order for data records in Collateral Value per DCA screen)**

Outcome

CRG members agreed to recommend to the OMG the implementation of the software fix described in SDD-PBR-0050 as well as the related updates to T2S Scope Defining Documents.

5. Any other business

Proposal to introduce floor-based liquidity transfers (Banque du Luxembourg)

The representative of Banque du Luxembourg sought the views of CRG members on their potential interest in using a lack of cash in T2S as a trigger for T2S-inbound Liquidity Transfers (LT), in the context of the T2-T2S Consolidation project. In case of lack of cash on a T2S DCA, an inbound LT would be triggered, pulling liquidity from the relevant CLM Main Cash Account to the T2S DCA and thus potentially allowing further settlement in T2S.

Some CRG members expressed an interest in principle, while others pointed out that such a possibility had been considered at an earlier stage of the T2-T2S Consolidation project and not pursued.

Follow-up action:

- ECB team to report on past discussions, within the T2-T2S Consolidation project governance, on the same or similar concepts [4 July 2019]
- Banque du Luxembourg to further detail the proposed new functionality in view of a discussion in the CRG [4 July 2019]

Updated CR ranking

Outcome

CRG members took note of the updates made to the CRG ranking to include authorised CRs for which CRG members had already provided business values.

Follow-up action:

- ECB team to publish the updated ranking on the ECB website [24 May 2019]

5.1 CRG meeting dates

Outcome

The next teleconference of the CRG is scheduled for 7 June 2019 10:30 – 11:30.

The next meeting of the CRG is scheduled for 4 July 2019 and will be hosted at the ECB Main Building (Sonnemannstrasse 20) in Frankfurt ([registration link](#))