



EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S CHANGE REQUEST FORM		
<b>General Information (Origin of Request)</b> <input type="checkbox"/> User Requirements (URD) or GUI Business Functionality Document (BFD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> TFOS/AMI-SeCo	<b>Institute:</b> CSD	<b>Date raised:</b> 14/12/2023
<b>Request title:</b> T2S should use Pending Processing status to report hold on unmatched instructions		<b>Request No.:</b> T2S 0826 SYS
<b>Request type:</b> Common	<b>Classification:</b> Scope Enhancement	<b>Urgency:</b> Fast-track <sup>1</sup>
<b>1. Legal/business importance parameter<sup>2</sup>:</b> Medium		<b>2. Market implementation efforts parameter<sup>3</sup>:</b> Low
<b>3. Operational/Technical risk parameter<sup>4</sup>:</b> Low		<b>4. Financial impact parameter<sup>5</sup>:</b> (provided by 4CB)
<b>Requestor Category:</b> CSD		<b>Status:</b> Proposed for a release

#### Reason for change and expected benefits/business motivation:

Currently T2S applies the following “freeze approach” for maintenance of T2S customized versions of ISO 20022 messages:

- At the time of writing of this CR in November 2023, the T2S customized versions of ISO20022 messages are based on ISO20022 message versions from 2019.
- As T2S evolves, new versions of the T2S customized messages are generated, but they keep being based on the “frozen” original ISO20022 message versions from 2019.
- In parallel, the ISO20022 standard evolves with the yearly Maintenance Releases, but this evolution is not yet reflected in T2S. In fact, ISO versions and T2S versions evolve independently.

In June 2025, the T2S customized versions will be aligned with the evolved ISO20022 versions via [T2S CR 809 “Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024”](#), which will integrate all changes of ISO Maintenance Release (MR) 2020 – 2024 into the customized T2S message versions.

At this point in time, T2S will launch the “*T2S Unfreeze Strategy*” with the objective for all T2S messages to be updated to the latest ISO20022 base message versions, and from then on, to follow the latest ISO20022 versions via the yearly Maintenance Releases.

In this context, the TFOS was created to provide the market view of how T2S messages can be improved. The initial scope of the work of the TFOS is to review which SWIFT/ISO CRs, implemented since the last freeze of the T2S settlement messages, should be implemented with priority and ideally at the same time with the “*T2S Unfreeze Strategy*”. To implement such scope items, dedicated T2S Change Requests shall be raised.<sup>6</sup>

This Change Request covers one of those scope items, namely, to implement in T2S the following ISO CR:

- [CR 001643: Add On Hold status reason codes to PACK or PPRC](#) (MR 2021)

This change request has introduced some new hold-related reason codes to the “Pending Processing” status within the “Processing Status” sequence of the sese.024 and the semt.018 message. Background is that this “Pending Processing” status shall be used in the future to report hold status of an instruction that is still unmatched.

<sup>1</sup> Fast-track justification: A fast-track approach is requested due to the need to have this CR detailed assessed in parallel with *T2S-0809-SYS ‘Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024’* to make sure they can be implemented jointly with the first step of the ISO unfreeze strategy.

<sup>2</sup> Legal/business importance parameter was set to “Medium” because T2S Actors will benefit from the option to have a reporting of on-hold status of un-matched instruction avoiding ambiguity on the actual reporting of matching status.

<sup>3</sup> Market implementation effort parameter was set to “Low” as the change does not imply significant changes to T2S Actors.

<sup>4</sup> Operational/technical risk parameter was set to “Low” because it is not expected that this change will have an operational impact on the T2S Actors.

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

<sup>6</sup> In this context TFOS supports the implementation of [T2S CR 807 “Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator”](#) which implements one of those ISO CRs in T2S.

This removes the need to use “Pending/Failing” status to report such hold on unmatched instructions. As “Pending/Failing” status normally implies that the instruction is matched, this requires an additional parallel reporting of “Unmatched” status in all such cases, to avoid ambiguity on the actual matching status. With “PendingProcessing” status to report hold on unmatched instructions, this need to report an unmatched status in parallel does no longer exist, and the now redundant matching status can be dropped.

Quote from the ISO CR:

- *“The change is needed to allow institutions to continue to be able to report that an instruction is both unmatched and on hold, for example, but to be able to do this in a way that means an instruction isn’t both unmatched and pending / failing settlement in the same update.”*

This reporting logic shall also be implemented in T2S:

- In the future, “pending” and “failing” status shall only be used for matched instructions.
- If an instruction is not yet matched, “pending processing” status to be used.
- It is therefore no longer required to provide an additional unmatched status when “pending processing” status is used. This redundant status information shall be dropped, in line with the proposal in the ISO CR.
- The new logic will override the logic that was introduced with [T2S CR 614 “Matching status should be included in sese.024 status messages for unmatched instructions when a pending reason is reported”](#)

This will result in an alignment with ISO standard and SPMG recommendation for the affected reporting scenarios.

#### **Description of requested change:**

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This change request to implement [CR 001643: Add On Hold status reason codes to PACK or PPRC](#) into T2S comprises four scope elements:

- Update of sese.024 XSD,
- Update of semt.018 XSD,
- Update of status reporting logic of sese.024 for unmatched instructions to use “pending processing” status in the future, and to drop the additional, now redundant reporting of unmatched status.
- Update of status reporting logic of semt.018 for unmatched instructions to use “pending processing” status in the future.

#### **Updates to sese.024 XSD:**

- Unprune “Pending Processing” sequence in the sese.024, including at least the following attributes contained in this sequence:
  - SctiesSttlmTxStsAdvC/PrCgSts/PdgPrCg/NoSpCfdRsn
  - SctiesSttlmTxStsAdvC/PrCgSts/PdgPrCg/Rsn/Cd/Cd and at least the hold related reason codes CSDH, CVAL, PREA, PSRY plus code NEXT to report no issue.
  - SctiesSttlmTxStsAdvC/PrCgSts/PdgPrCg/Rsn/AddtlRsnInf
- Customization should follow the logic applied for the same attributes in other status sequences.

sese.024.00110.T2S  
sese.024.T2S ( Version: UDFS T2S R2023.NOV , Format: MX , Status: Final )  
Version: UDFS T2S R2023.NOV Status: Final
Compare Export

[Show details](#)

View only restricted elements
  Hide removed elements
  Hide ignored elements
  Show XML Tags

search message (min 2 chars)

Name	Min	Max	Restrictions
✓  Securities Settlement Transaction Status Advice V10 (sese.024.00110)			
>  Transaction Identification	1	1	
>  Linkages	0	1	
✓  Processing Status	0	1	
>  Acknowledged Accepted	1	1	
✓  Pending Processing	1	1	
>  No Specified Reason	1	1	
✓  Reason	1	*	
✓  Code	1	1	
>  Code	1	1	
>  Proprietary	1	1	
Additional Reason Information	0	1	
>  Rejected	1	1	
>  Repair	1	1	
>  Cancelled	1	1	
>  Pending Cancellation	1	1	

**Pending Processing**

✗ **Element Removal**  
 This element must be removed

✗ **Multiplicity**  
 Mandatory, Non repetitive  
 [1..1]

✗ **Annotations**

⚠ **Notes**

- **T2S-Mapping:**  
 Settlement Status: Settlement Instruction and  
 Match Status: Settlement Instruction
- **T2S-Use:** When this processing status is sent, the 'Settlement Status' and 'Match Status' of class 'Settlement Instruction' is set to 'Unsettled' and 'Unmatched' respectively.

✗ **Type**

PendingProcessingStatusIfChoice  
 • is\_choice: true

✗ **Documentation**  
 Processing of the instruction/request is pending.

✗ **XML Tag**  
 PdgPrccg

**Updates to semt.018 XSD:**

The equivalent changes shall be implemented in the semt.018:

- Unprune “Pending Processing” sequence in “transactions” sequence of the semt.018, including at least the following attributes contained in this sequence:
  - SctiesTxPdgRpt/Txs/StsAndRsn/InstrPrcgSts/PdgPrcg/NoSpfcdRsn
  - SctiesTxPdgRpt/Txs/StsAndRsn/InstrPrcgSts/PdgPrcg/Rsn/Cd/Cd and at least the hold related reason codes CSDH, CVAL, PREA, PRSY plus code NEXT to report no issue.
  - SctiesTxPdgRpt/Txs/StsAndRsn/InstrPrcgSts/PdgPrcg/Rsn/AddtlRsnInf
- Customization should follow the logic applied for the same attributes in other status sequences.

**Update to status reporting logic in sese.024 for unmatched instructions:**

Status reporting logic to be adjusted so that hold status for unmatched instructions is always reported in a sese.024 with “Pending Processing” status<sup>7</sup>. As “Pending Processing” status implies that the instruction is unmatched, the redundant “Unmatched” status is no longer needed and can be dropped.

**Status Reporting for pending unmatched instructions (up to and including ISD):**

ID	Scenario	Current status reporting	Future status reporting
P1	Accepted without hold for unmatched instruction	PrcgSts/AckdAccptd/NoSpfcdRsn MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/FUTU	PrcgSts/AckdAccptd/NoSpfcdRsn  PrcgSts/PdgPrcg/Rsn/Cd/Cd/NEXT
P2	Accepted with hold for unmatched instruction	PrcgSts/AckdAccptd/NoSpfcdRsn MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/PREA or CSDH	PrcgSts/AckdAccptd/NoSpfcdRsn  PrcgSts/PdgPrcg/Rsn/Cd/Cd/PREA or CSDH
P3	Party hold applied on unmatched instruction	MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/PREA	PrcgSts/PdgPrcg/Rsn/Cd/Cd/PREA
P4	CSD hold applied on unmatched instruction	MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/CSDH	PrcgSts/PdgPrcg/Rsn/Cd/Cd/CSDH
P5	Accepted with CVAL on unmatched instruction	PrcgSts/AckdAccptd/NoSpfcdRsn MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/CVAL	PrcgSts/AckdAccptd/NoSpfcdRsn  PrcgSts/PdgPrcg/Rsn/Cd/Cd/CVAL
P6	No hold remains on unmatched instruction	MtchgSts/Umtchd/NoSpfcdRsn SttlmSts/Pdg/Rsn/Cd/Cd/FUTU	PrcgSts/PdgPrcg/Rsn/Cd/Cd/NEXT
P7	Other hold remains on	PrcgSts/AckdAccptd/NoSpfcdRsn	PrcgSts/AckdAccptd/NoSpfcdRsn

<sup>7</sup> This logic follows what is proposed in [ISO CR 001643: Add On Hold status reason codes to PACK or PPRC](#). However, it is not compliant with the SMPG document on status reporting which states that „pending processing“ status shall not be used by CSDs. Since the ISO CR was raised by SMPG, it is assumed that the market practice will be aligned to follow the logic as proposed in the ISO CR.

	unmatched instruction	MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>Pdg</b> /Rsn/Cd/Cd/PREA, CVAL or CSDH <sup>8</sup>	PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/PREA, CVAL or CSDH
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Status Reporting for failing unmatched instructions (after ISD):

ID	Scenario	Current status reporting	Future status reporting
F1	Accepted without hold for unmatched instruction	PrcgSts/AckdAccptd/NoSpfdRsn MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/ <b>CYCL</b>	PrcgSts/AckdAccptd/NoSpfdRsn  PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/ <b>NEXT</b>
F2	Accepted with hold for unmatched instruction	PrcgSts/AckdAccptd/NoSpfdRsn MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/PREA or CSDH	PrcgSts/AckdAccptd/NoSpfdRsn  PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/PREA or CSDH
F3	Party hold applied on unmatched instruction	MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/PREA	PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/PREA
F4	CSD hold applied on unmatched instruction	MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/CSDH	PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/CSDH
F5	Accepted with CVAL on unmatched instruction	PrcgSts/AckdAccptd/NoSpfdRsn MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/CVAL	PrcgSts/AckdAccptd/NoSpfdRsn  PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/CVAL
F6	No hold remains on unmatched instruction	MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/ <b>CYCL</b>	PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/ <b>NEXT</b>
F7	Other hold remains on unmatched instruction	PrcgSts/AckdAccptd/NoSpfdRsn MtchgSts/Umtchd/NoSpfdRsn SttlmSts/ <b>FIng</b> /Rsn/Cd/Cd/PREA, CVAL or CSDH <sup>9</sup>	PrcgSts/AckdAccptd/NoSpfdRsn  PrcgSts/ <b>PdgPrcg</b> /Rsn/Cd/Cd/PREA, CVAL or CSDH

It should be noted that status reporting for unmatched instructions will no longer differentiate between pending and failing instructions. From a penalty perspective, this has no impact since unmatched instructions do not generate penalties.

<sup>8</sup> These are the hold status which can remain after another hold was released. Example: initially CSDH and PREA, then CSDH was released => PREA will be reported.

<sup>9</sup> These are the hold status which can remain after another hold was released. Example: initially CSDH and PREA, then CSDH was released => PREA will be reported.

Status Reporting for matched and already matched instructions:

Status reporting for matched and already matched instructions is not affected by this CR. It remains unchanged.

**Update to status reporting logic in semt.018 for unmatched instructions:**

Status reporting logic to be adjusted so that hold status for unmatched instructions is always reported in a semt.018 with "Pending Processing" status. The same scenarios as for sese.024 apply:

- If a hold applies, "Pending Processing" status shall be reported with the applicable hold reason(s).
- If no hold applies, "Pending Processing" status shall be reported with reason "NEXT".

This applies to the ISO20022 XML reporting, and to the EOD flat file reporting of pending instructions.

Following the "T2S Unfreeze strategy", the strong preference of the TFOS is to implement this CR together with the implementation of [T2S CR 809 "Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024"](#), currently scheduled for June.2025 release.

**Submitted annexes / related documents:**

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[CR 001643: Add On Hold status reason codes to PACK or PPRC](#)

**Outcome/Decisions:**

\*CRG on 30 January 2024: the CRG agreed to recommend CR-0826 for authorisation by the T2S Steering Level, following a fast-track approach.

\*AMI-SeCo on 20 February 2024: the AMI-SeCo agreed with the CRG recommendation of CR-0826 for T2S Steering Level Authorisation.

\*CSG on 20 February 2024: the CSG agreed to authorise CR-0826.

\*NECSG on 20 February 2024: the NECSG agreed to authorise CR-0826.

\*MIB on 28 February 2024: the MIB agreed to authorise CR-0826.

\*PMG on 7 March 2024: the PMG agreed to launch the detailed assessment of CR-0826 with a view of scoping in R2026.JUN.

**Documentation to be updated:****Preliminary assessment:****Detailed assessment:**