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Outcome

Meeting of the T2S Change Review Group (CRG)

25 April 2022, from 09:30 to 13:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Background documentation

- CRG draft Member list.
- Euroclear Bank onboarding to T2S.

Outcome

Due to the absence of the CRG chairperson (Karen Birkel), Ioana Alexopoulou, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG members did not propose additional items and approved the agenda of the meeting on 25 April 2022.

The CRG members approved the updated version of the CRG member list.

The CRG members took note that Laurence Pierre is the new Euroclear Bank representative, as Euroclear Bank signed the T2S Framework Agreement on December 2021 and now they are part of the T2S governance bodies. In addition, the CRG members took note of the phased approach foreseen by Euroclear Bank to join T2S.

The CRG members took note that as a follow-up of the last CRG Meeting on 28 February, the following change requests have been approved by the T2S Steering Board:

- CR-0762-URD 'New option for opening T2S during the weekend'.
- CR-0551-SYS 'Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002)'.
- CR-0740-SYS 'No check of the Minimum Settlement Unit upon revalidation of partially settled instructions and partially settled settlement restrictions.'
- CR-0764-SYS 'No intraday update of the Negative Position flag'.
- CR-0763-SYS 'T2S Multi-Criteria Settlement Optimisation'.

The CRG members took note that as a follow-up of the last CRG Meeting on 28 February, the following change requests have been authorised by the T2S Steering Board:

- T2S-0525-SYS 'Provide Restriction Type name and description in reason code due to Market Specific Restriction Types'.
- T2S-0623-SYS 'Standing rebalancing of securities positions'.
- T2S-0783-URD 'RTS Improvement of the optimization process high volume of CA'.

The CRG members took note that the PMG finally proposed to the CSG to delay the UTEST and PROD deployment for three weeks to 27 April and 2 July, respectively. This was endorsed by the CSG/MIB in March.

The CRG members took note that the Coordination Group agreed on 25 March to endorse the new TS Release Numbering convention which is valid from release R2023.JUN.

Follow-up actions:

- ECB to publish an updated CRG member list in the ECB Website. [30 April 2022]

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 28 February 2022

Outcome

The CRG members approved the outcome of the CRG meeting on 28 February 2022.

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

None.

3.2 Change requests already authorised at T2S Steering Level (not yet under implementation)

Background documentation

- Summary of DAs CR-769, CR-777 and CR-781.
- Presentation on CR-0769_BFD_4CB_detailed_assessment.
- T2S-0769-BFD (Add MS Edge to the list of supported browsers for U2A interaction).
- Presentation on CR-0777_SYS_CR_0781_SYS_4CB_detailed_assessment.
- T2S-0777-SYS (Unprune elements of the semt.002 message to allow their use by ECMS).
- T2S-0781-SYS (Allowing Security Intraday Restriction maintenance on or after Maturity Date).

Outcome

T2S-0769-BFD (Add MS Edge to the list of supported browsers for U2A interaction)

The CRG took note of the results of the detailed assessment of CR-0769.

The CRG agreed to recommend to the PMG the implementation of CR-0769 within release R2023.JUN taking into account that the costs were being reviewed by ECB-4CB and in case they get revised, the detailed assessment would be shared again with the CRG for information.

Outcome

T2S-0777-SYS (Unprune elements of the semt.002 message to allow their use by ECMS).

The CRG took note of the results of the detailed assessment of CR-0777.

The CRG agreed to recommend to the PMG the implementation of CR-0777 within R6.2 (November 2022).

Outcome

T2S-0781-SYS (Allowing Security Intraday Restriction maintenance on or after Maturity Date).

The CRG took note of the results of the detailed assessment of CR-0781.

The CRG agreed to recommend to the PMG the implementation of CR-0781 within release R2023.JUN.

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

Background documentation

- Summary slides on CR-541, CR-634 and CR-580.
- T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions).
- T2S-0580-URD (Additional automatic intraday reimbursement of NCB auto collateralisation instructions).
- T2S-0634-SYS (New code to report that settlement information is not available in T2S during the start of day).

Outcome

T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions)

The CRG members agreed to recommend CR-0541 for T2S Steering Board authorisation.

The CRG members took note that no business values would be required for CR-0541 as it was already ranked.

Outcome

T2S-0580-URD (Additional automatic intraday reimbursement of NCB auto collateralisation instructions)

The CRG members took note that in the related written procedure, some feedback was received agreeing with the proposal to withdraw CR-0580.

The CRG agreed to withdraw CR-0580.

Follow-up actions:

- *ECB to publish an updated CRG Ranking list without CR-0580. [30 May 2022]*

Outcome

T2S-0634-SYS (New code to report that settlement information is not available in T2S during the start of day)

The CRG members took note that a new proposal for one CR parameter justification was received within the written procedure launched to review these parameters.

The CRG members approved the updated list of CR parameter justification for CR-0634, which is the following:

- *Legal/business importance parameter was set to 'Medium' because with this change, the ambiguity with current "no data found" feedback will be removed, and the T2S Actor will always know whether there are really no positions within the query parameters, or whether there might be position but T2S would not display them in the timeframe between SOD and NTS*
- *Market implementation effort parameter was set to 'Low' because the impact of this change will not require to invest huge resources in a testing campaign on the side of Participating CSDs, CBs and their communities*

- *Operational/technical risk parameter was set to 'Low' because this change does not impact to any critical operational functionality.*
- *Financial impact parameter: To be provided in the detailed assessment.*

The CRG members took note that no business values would be requested as CR-0634 was already ranked.

The CRG members agreed to recommend CR-0634 for authorization by the T2S Steering Level.

3.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- Presentation on GUI Performance - way forward
- T2S-0567-SYS (Functional measures to optimise the T2S Graphical User Interface performance)
- T2S_0782_URD DKCB presentation
- T2S-0782-URD (Adaptions due to the decommissioning of Kronos2 and migration to T2)
- T2S-0784-SYS (Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model)
- Identified issue with the application of cash penalties in case of linkages.

Outcome

Presentation on GUI Performance - way forward

The CRG members took note that in the CSG meeting in March 2022 it was agreed to mandate the CRG to revive CR-0567 as a solution to address the several complaints that were raised due to the low performance of the T2S GUI.

The CRG members agreed that the approach to reopen CR-0567¹ seemed not to be the best way forward taking into account that current complaints would not be exactly addressed by CR-0567.

The CRG agreed to follow a phased approach where firstly, 4CB would provide information on performance statistics at system level and secondly, a survey would be launched at OMG level so that an end-to-end view of the overall response time of the top most used screens could be collected, providing useful value for the assessment of the root-cause.

The CRG took note that conclusions of this assessment would have to be shared with the CSG in its meeting on June.

Follow-up actions:

- *ECB to contact OMG colleagues so that this survey could be launched. [6 May 2022]*

Outcome

T2S-0782-URD (Adaptions due to the decommissioning of Kronos2 and migration to T2)

The CRG members approved the CR justification proposal for CR-0782 as follows:

¹ T2S-0567-SYS (Functional measures to optimise the T2S Graphical User Interface Performance)

- *Legal/business importance parameter was set to 'High' (like CSLD-0087-URD) because it is necessary for DKK monetary policy purposes.*
- *Market implementation effort parameter was set to 'Low' because its impact will be included in payment bank's onboarding onto T2 DKK.*
- *Operational/technical risk parameter was set to 'Low' because the changes foreseen does not entail an operational or a technical impact as they are either minor configuration adjustments or new functionalities of a well-tested settlement day process.*
- *Financial impact parameter: To be provided in the detailed assessment*

The CRG agreed to recommend CR-0782 for authorisation by the T2S Steering Level, following a fast-track procedure due to the fact that CR-0782 has to be deployed together with CSLD-0087 and TIPS-0049, which both of them are currently under detailed assessment, hence this approach would shorten the time to get the authorisation and approval by the T2S Steering Level.

Follow-up actions:

- *ECB to request to the CRG members the business values for CR-0782. [10 May 2022]*
- *ECB to publish CR-0782 in the ECB Webpage. [10 May 2022]*
- *ECB to publish an updated CRG ranking in the ECB Webpage CR-0782. [20 May 2022]*

Outcome

T2S-0784-SYS (Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model)

The CRG took note of the newly CR-0784 related to the enhancement of the T2S auto-collateralisation raised by NBB on behalf the Eurosystem.

Some CRG members shared their doubts regarding the real business need of this change request. Others, highlighted that the CR should include also the functional requirements for the new T2S auto-collateralisation logic that would select the correct receiving securities account. Finally, it was also questioned whether this new logic would entail a performance impact on the service.

The CRG took note that these questions should be addressed during the detailed assessment, in case it would be requested, and that the CR should be updated including the requirements for the new logic.

The CRG agreed to launch a written procedure to collect feedback and comments, highlighting that the ones from the NCBs would be particularly valuable. It was also agreed to discuss it again during the next CRG meeting on 30 May 2022.

Follow-up actions:

- *ECB to launch a written procedure so that CRG members can provide comments and feedback. [28 April 2022]*
- *ECB to provide a revised change request including the requirements for the new logic behind the selection of the receiving securities account in the T2S auto-collateralisation functionality. [30 May 2022]*

Outcome

Identified issue with the application of cash penalties in case of linkages

The CRG members took note of a presentation provided by Iberclear that described a scenario where penalties were applied to a T2S participant although it was not the one to be penalised due to not delivering/receiving the securities. It was acknowledged although this behaviour was in line with the SDD specifications, it was probably not in line with the initial CSDR requirements for the Penalty Mechanism.

The CRG members took note that the Spanish NCA has brought the topic to ESMA discussion with the agreement to ask Iberclear to propose a new change request in T2S so that this behaviour is amended.

The CRG members also took note that Iberclear was facing this issue and solving it with an operational intervention that entailed additional workload for them. Hence, Iberclear highlighted the utmost urgency and importance of this topic for them.

The CRG members agreed that a written procedure should be launched where an exhaustive list of possible similar cases would be provided by 4CB for potential feedback.

- 4CB to provide an exhaustive list of similar uses cases [26 April 2022]
- ECB to launch a new written procedure to collect comments from the CRG [6 May 2022]

3.4 Editorial CRs

Outcome

The CRG members took note that a new editorial CR would be provided for release R6.2 (November 2022).

4. Clarification notes

Background documentation

- T2S-ICN-0013 - CSLD SDD-PBR-0065 Update Certificate Distinguished Names

Outcome

T2S-ICN-0013 - CSLD SDD-PBR-0065 Update Certificate Distinguished Names

The CRG members agreed to approve the drafting of the note and deemed the impact identified for T2S users as of R6.0 as acceptable.

The CRG members took note that the new functionality to amend the Certificate Distinguished Name would be detailed in the UDFS SDD document for CRDM within R6.0.

5. CRG action points

Background documentation

- List of CRG action points

Outcome

List of CRG action points

The CRG members took note of the updates and proposed resolutions outlined on the following action points:

AP-4049 (ECB to get the CRG agreement on the removal of T2S U2A GUI business functions from the GUI BFD and inclusion into the ESMIG UDFS.): The CRG agreed to include action point AP-4049 that would be discussed in the next May meeting.

AP-4032 ([4CB/ECB] to present a proposal on the numbering of the Common Components' SDDs): The CRG took note that an update on the release numbering of the Common Components' SDDs was presented in AOB of the February CRG Meeting agenda and agreed to close AP-4032.

AP-4041 (4CB to attach a cover note to the SDDs for R6.0 to signal that the DWH sections are not yet applicable): The CRG took note that a disclaimer flagging this was included in the SDD for R6.0 published on 16 March 2022 and agreed to close AP-4041.

AP-4046 (ECB to launch a written procedure to decide which is the preferred option on how user instructions should look like as of R6.2. in T2S UHB). The CRG took note that a written procedure was launched in March and it was decided to draft new user instructions. The CRG agreed to close AP-4046.

AP-4047 (ECB to include CR-580 'Additional automatic intraday reimbursement of NCB auto collateralisation instructions' for discussion in the forthcoming CRG Meeting in April.) The CRG agreed to close AP-4047 considering that the discussion about CR-0580 had been held under agenda item 3.3.1 of the April meeting.

AP-4048 (ECB/4CB to provide a comprehensive list of duplicate BICs in production and test environments of TARGET2.) The CRG took note that the list of duplicate BICs was already provided by the ECB/4CB in March and agreed to close AP-4048.

6. Any other business

Background documentation

- Compliance Check on ISO Standards
- ISO 10962-2021 version
- Revised strategy on ISO message freeze
- SDD delivery planning for R6.2
- Delivery plan of change requests [Table document]

Outcome

ISO 10962-2021 version

The CRG members took note of the analysis presented by 4CB on the topic regarding T2S not being in line with ISO 10962:2021. It was acknowledged that the set-up of some CFI codes would not be permitted in case T2S was not compliant with the new standard when the coexist period with the 2015 version would have ended.

The CRG members agreed to launch a new written procedure with an exhaustive list of changes stemming from this ISO standard change so that the CRG could assess if a new change request should be raised.

The CRG agreed to bring the discussion to the May meeting for a final resolution.

- 4CB to provide the exhaustive list of changes stemming from ISO10962:2021 [30 May 2022]
- ECB to launch a new written procedure so that the CRG members could assess the need of a new change request [2 May 2022].

Outcome

Revised strategy on ISO message freeze

The CRG members took note of the revised strategy for TARGET Services that the MIB agreed in April 2022 and provided no comments.

Outcome

SDD delivery planning for R6.2

The CRG members agreed to recommend to the PMG the proposed planning for publication of SDD for R6.2.(November 2022)

CRG meeting dates.

The following CRG meetings are planned in 2022 (to be confirmed at least 4 weeks in advance)

30 May 2022	09:30-13:00	Webex
6 July 2022	09:30-13:00	Webex
29 August 2022	09:30-13:00	Webex
26 October 2022	10:00-16:00	ECB Main building
12 December 2022	09:30-13:00	Webex