

SUMMARY OF THE 29TH MEETING OF THE DCP GROUP

Thursday, 11 April 2019, 15:00 – 16:30
The meeting was held by conference call

1. Welcome by the Chairperson

The Chairperson, Marcello Topa, welcomed the participants to the 29th T2S DCP Group (DCPG) conference call meeting. Following a proposal to change the order of the agenda i.e. start with the CRG topics and continue with the OMG topics, the new order of the agenda was approved. No ad-hoc items were added.

2. Review and update of recent issues

The Chairperson presented the Summary document of the 28th DCPG meeting, held on 12 February 2019, and invited the DCPG members to approve it. The Summary document was approved without any objection and will be published on the DCPG webpage.

2.1 Directly Connected participants consolidated list

The members of the DCPG were informed that no changes have been reported to the DCPs' consolidated list since the last DCPG meeting in February 2019. The latest DCP declaration was registered on the 19 November 2018 and the total number of CSD and NCB declared institutions is now 166 with 243 DCPs.

3. Debriefing on regular agenda topics

The DCPG members took note of the information originating from the T2S technical groups and the T2S Steering level that are relevant for the DCPs.

3.1 T2S Operational Status, OMG update

The members of the DCPG were debriefed on the T2S Operational status from the last OMG meeting on the 28 March 2019.

- The CSG, NECSG, and MIB approved the T2S MOP & Annexes v3.0 in February 2019
- The OMG is currently working on the MOP v.3.2 in order to reflect all the changes related to the CRs scoped for R3.2. The drafting process will be finalised by the end of June and expected to be approved by the OMG by the end of July 2019.
- The DCPs were informed about the drafting of the operational procedure to cover the CR613 “Bundling of outbound messages”. The DCPs were invited to inform the relevant CSDs if and when there is the intention to use the new functionality.
- The discussion on the operational tool to “Recover T2S data” for missing messages is ongoing.
- The OMG conducted the operational impact assessment on CR 694 (Inclusion of two new partial settlement windows and extension of the 08:00 and 15:45 partial settlement windows). The outcome is that the extension of the 08:00 and 15:45 (15:30) partial settlement windows to 30 minutes is supported from operational point of view. Once prioritised, it is expected from the last OMG, PMG and CSG discussions that the CR will be proposed for R3.2.
- The DCPs were informed about the reasons that led to the decrease in the EOD T2S Global settlement ratio in both volume and value in November & December 2018. The volume decrease was due to the migration activity in T2S, and the value drop in December 2018 was linked to a major incident in the market. It was also noted that settlement efficiency in March 2019 has improved.

3.2 CRG update

The members of the DCPG were debriefed on the current status of the CRG activities (CRG meeting 20 March 2019), including the prioritisation of the relevant CRs for future releases.

- The DCPG was informed that 5 CRs (CR-680, CR-688, CR-689, CR-711, CR-712) were recommended by the CRG for T2S Steering Level authorisation. All 5 CRs were authorised by the CSG and NECSG. A preliminary assessment started for 15 T2S CRs related to the T2-T2S Consolidation project presented to CRG on 20 March.
- In view of the T2-T2S Consolidation the DCPs were informed about the impact of the CR701, introducing a new technical gateway, ESMIG, to all the Target components/services. 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). It was also clarified that the T2S DicoA will start using the ESMIG after the expiry of current NSP licence agreements, i.e. in June 2022 at the earliest. ESMIG will be available for T2 and common components from the go-live of the T2-T2S Consolidation project, i.e. from November 2021.

Please find below the ECB website link to all T2S CRs for your convenience:

<https://www.ecb.europa.eu/paym/target/t2s/governance/html/changerequests.en.html>

3.3 T2S Release Management process

The CSDs informed the DCPG members of the update on future release deployments.

- R 3.0: The CSG approved the scope changes in R 3.0 v2.7, which includes additional 2 PBIs and totals to 12 CRs and 33 PBIs. There is a new chapter including information about TIPS PBIs which will be deployed together with the T2S Release 3.0 but which have no impact on T2S.
- R 3.1: The CSG approved the scope changes in R 3.1 v0.5, which includes additional of 8 PBIs, and totals to 11 PBIs.
- R 3.2: The CSG approved the scope changes in R 3.2 v1.2, and since the last version of the STP (v1.0) there were no changes in scope, remaining 5CRs and 3 PPs in total.
- R4.2: The CSG approved the STP for R 4.2 v0.3 as baseline, acknowledging that scope changes might be proposed in the future.

4. Additional topics

4.1 CSG meeting update

The CSDs representatives debriefed the DCPG members of the CSG meeting that took place on 3/4 April 2019.

- The CSG approved the STP for R 3.0 v2.7, STP for R3.1 v 0.5, STP for R 3.2 v1.2, STP for R 4.2 v0.3 as baseline, acknowledging that scope changes might be proposed in the future.
- The CSG authorised CR-680, CR688, CR-689, CR-711 and CR-712.
- Regarding CR-710 (ad-hoc maintenance window) the DCPs were informed that discussions continue on the definition of the best timing for the MW during the night time, in coordination with relevant technical groups on the T2 side.
- The CSG agreed to revise the scope of Change Requests CR-694 and to include only the extension of the already existing RTS partial settlement windows at 08:00 and 15:45 CET.
- The CSG approved the SMG mandate.
- The DCPs were informed about the current plans for the next Market Settlement Efficiency workshop, to be held on 12 June 2019. Discussions will include analysis of the partial windows (CR-694), the recycling of old pending matched instructions (CR-691).
- The DCPs were also debriefed on the main conclusions of the “Operational Governance Framework (OGPF) Task force” with a particular focus on how to manage the CRs on common components. The DCPs will be kept up-to-date on the evolution of the work of the task force.

4.1.1 CSDR Taskforce update: T2S Penalty mechanism update

The CSDs updated the members of the DCPG on the development of the T2S penalty mechanism stemming from the last CSDR taskforce meeting, on 12 March 2019, with a focus on the status of the CR654.

- CR 654 (T2S Penalty Mechanism) implementation work is on track though CSDs have identified the need for some changes, following confirmation by ESMA that use of the T2S penalty mechanism will be mandatory for all CSDs in T2S. For non-T2S CSDs, the work on the ECSDA Framework is still in progress.
- Feedback to public consultation on guidelines on settlement fails reporting under Article 7(1) of CSDR was provided to ESMA by 20th of February. The gap analysis between CSDR settlement fails reporting and CR646 settlement efficiency calculation will be provided once the final guidelines have been published by ESMA (potentially for June or a subsequent CSG meeting).

4.2 AMI-SeCo

The members of the DCPG were debriefed on the AMI-SeCo ongoing activities, with a particular focus on the Eurosystem Collateral Management System.

- It was highlighted in particular the need for timely agreement on the harmonisation proposals prepared by the CMH-TF (harmonised business processes and workflows for triparty and corporate actions to the AMI-SeCo by May 2019). The ECB ECMS project team will continue to update the AMI-SeCo on the progress of the project and interact with the CMH-TF as relevant.

4.3 Information from DCP

The DCPG members were invited to take note of the information provided in this section, originating from other DCPs activities on items that are relevant for all DCPs. No DCP had any specific information to share with the group.

5. Open Issues Register

Members of the DCPG reviewed the list of open issues of relevance for the DCPs and directly connected DCA Holders; and were invited to add any point that they think relevant in this context. The DCPG members agreed to maintain the action points open, until further developments are presented.

6. Any other business

Members of the DCPG were invited to raise any other issues that needed to be discussed during this meeting. No additional topics were discussed.

7. Next steps: future DCPG meetings

The members of the DCPG were invited to discuss and agree on the future DCPG meetings and were asked for preferences on the dates of the next call. The Chairperson proposed 18 June 2019 for the next call, following the CSG meeting on 13-14 June 2019. The DCPG secretariat will provide an exact date in due course.