

1. General Information

CR Raised by: ECB T2S Project Team **Institute:** ECB **Date Raised:** 20/08/09

Change Request Title: Haircut is not needed for the selection or reimbursement of collateral **CR Ref.:** T2S URD 237

Change Request Classification: Consistency
(Typo, Consistency, Clarification, Substance) **Status:** Approved by the AG

Change Type: Modification, Deletion
(New Requirement/Modification/Deletion) **Requestor Category:** ECB T2S Project Team
(User, 4CB, ECB T2S Project Team)

Chapter Number/Annex Number **Req No: (If applicable)**
Chapter 8, Chapter 16 T2S.08.605, T2S.08.870

Priority (S,H,M,L): M **Proposed Implementation Date/Release:** Version 5.0

Description of Requested Change:

The haircut as a basis of selection of collateral in the process of reimbursement of intraday credit should be removed.

Reason for Change / Expected Benefits / Business Case:

The current description in the URD specifies that during the process of reimbursement of intraday credit, T2S will select the collateral (on stock) based on the haircut. T2S will not be able to support this requirement as T2S will not maintain the haircut for the collateralisation of a security. This CR would remove the inconsistency between the static data for securities valuation and the requirement for collateral selection during reimbursement..

Submitted Annexes / Related Documents:

Proposed wording for the Change Request:

1. Deletion of UR T2S.08.605

Selection of eligible collateral on stock

Reference ID	T2S.08.605
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Reference ID T2S.08.605

~~Amongst the earmarked positions eligible for auto collateralisation on stock T2S will use first the collateral which has the lowest haircut.~~

2. The UR T2S.08.870 need to be amended as below

Release/back transfer of collateral when intraday credit is reimbursed

Reference ID	T2S.08.870
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As soon as intraday credit is reimbursed in T2S, either automatically by T2S or on demand of the relevant settlement/payment bank, T2S must:

- release collateral for the corresponding amount of intraday credit reimbursed (where there was reservation of collateral); and
- transfer the collateral back onto the securities account from which it was transferred (where there was transfer of collateral).
- ~~the selection of the collateral to be released automatically should be based on the haircut of the security received from the collateral management system providing the credit. The collateral with the highest haircut should be released first~~

3. Deletion of 5th bullet point the “Data Store” entry in “Securities Data (3.1)” in section 16.1.2

~~5) This data store also feeds settlement with the relevant price and haircut figures for valuation purpose.~~

Outcome of meetings:

URM-SG meeting of 7 September 2009
Recommendation to AG: Approval

* AG Meeting on 23 Sep 2009

Approval of SG recommendation