

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD) <input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Task Force on Smooth Cross-CSD Settlement	Institute: ECB	Date raised: 18/02/2011
Request title: Introduction of T2S securities account as an optional matching field		Request ref. no: T2S 0282 URD
Request type: Common	Requestor Category: Task Force	
Status: Approved by the AG	Request Classification: Modification	
Criticality (S,H,M,L): H	Cost/Resource impact Indicator (+/-H, +/-M, +/-L) TBD	
Business risk indicator (H, M, L): TBD	Technical risk indicator (H, M, L): TBD	

Reason for change / expected benefits / business case:

The change would further minimise the risk of cross matching in countries where currently matching is based on CSD account numbers, however it will not increase the risk of non-matching in countries where this is not a practice.

Description of Request:

In February 2011, the Task Force on Smooth Cross-CSD Settlement agreed on the business need to include the "T2S securities account" as an "optional matching field" in T2S.

The T2S URD supports the market participants to specify in their settlement instructions and match based on optional matching criteria the client of delivering CSD participant and the client of receiving CSD participant. The market participants should also have the possibility to indicate and match the T2S securities account numbers of the delivering and receiving CSD participants based on optional matching criteria to further minimise the risk of cross matching.

Proposed wording for the URD Change request:

Proposed Implementation Release: URD version 5.01

1. Modification of UR T2S.05.590 as follows:

5.5.3 Non-mandatory matching fields

Non-mandatory matching fields

Reference ID	T2S.05.590
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(...)

2. An "optional matching field" is a non-mandatory matching attribute of a settlement instruction, which becomes a mandatory matching criterion when both parties provide a value for the attribute in their settlement instructions.

The exhaustive list of optional matching fields can be found in the table below.

DVP	FOP
Common trade reference	Common trade reference
Client of delivering CSD participant ⁵ (the data type of the field shall be in line with the ISO 20022 standard definition).	Client of delivering CSD participant (the data type of the field shall be in line with the ISO 20022 standard definition).
Client of receiving CSD participant ⁶ (the data	Client of receiving CSD participant (the data type of

type of the field shall be in line with the ISO 20022 standard definition).	the field shall be in line with the ISO 20022 standard definition).
<u>T2S securities account number of the delivering party</u>	<u>T2S securities account number of the delivering party</u>
<u>T2S securities account number of the receiving party</u>	<u>T2S securities account number of the receiving party</u>

⁵ The ESF/ECSDA standards say "second layer market participant (sub-account/customer of counterparty)".

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Submitted annexes / related documents:

High level description of Impact:

Outcome/Decisions:

*Task Force on Smooth Cross-CSD Settlement meeting on 14 Feb 2011

Recommendation to the AG: Approval

* AG Meeting on 7 March 2011

The AG agreed with the proposal of the TF to introduce the T2S securities account as a new optional matching field and to launch a change request in that respect

* URM SG Telco on 26 May 2011

Recommendation for approval

* AG meeting on 30 June-1 July 2011

Approval of request for changes

* PB meeting on 7-8 July 2011

Approval of request for changes