

<b>General Information (Origin of Request)</b>		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> Clearstream	<b>Institute:</b> CSD	<b>Date raised:</b> 17/04/2015
<b>Request title:</b> Add Short/Long Indicator for all positions/sub-positions in Statement of Holdings (semt.002) report.		<b>Request ref. no:</b> T2S 0519 SYS
<b>Request type:</b> Common		<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> Medium	<b>2. Market implementation efforts parameter:</b> Low	
<b>3. Operational/Technical risk parameter:</b> Low	<b>4. Financial impact parameter:</b> Medium	
<b>Requestor Category:</b> CSD	<b>Status:</b> Withdrawn	

**Reason for change / expected benefits / business case:**

The "Statement of Holdings" report (semt.002) provides information about the different securities positions of a T2S Actor's securities account in T2S, which includes aggregated balance (i.e. total quantity of securities) , available balance (i.e. sum of Deliverable and Earmarked sub-positions), not available balance (i.e. sum of blocked, reserved, collateralized and CoSD blocked positions) and further breakdowns of sub-positions.

The "Statement of Holdings" report (semt.002) includes the Short/Long Indicator (i.e. positive/negative sign) only for the 'aggregated balance'. The report does not include the sign for the 'available balance', 'not available balance' and further breakdowns of the sub-positions. ISO 20022 message schema for semt.002 itself does not include the sign for the 'available balance', 'not available balance' and further breakdowns of the sub-positions

Due to this unavailability of sign at individual sub-positions and further breakdown level, it would be difficult and, in some cases impossible to deduce the sign of individual sub-positions on the securities account which allows negative positions.

In the context of UTSG clarification note UT-PBR-030 (semt.002 Statement of holding), it was proposed that the formula "Aggregated = Available + Not Available" could be applied to derive the sign of the Available Balance, given that the 'Not Available balance' is always positive. Additionally, once the sign of the Available Balance is known, the sign of the Deliverable (AWAS) and the overall Earmarking sub-positions could be derived (Available = AWAS + Earmarking). However, there is an exception if the quantity for both deliverable and Earmarked positions is the same and with opposite sign in which it will not be possible to know which of the two positions is negative and which positive. This could happen only in the securities accounts that allow negative positions and which contains at the same time earmarked and available positions.

Although T2S allows to ensure that only one earmarking position is used in a specific account (by earmarking the whole account), during the CRG Telco of 26 March 2015, few market participants indicated that the business case exists, i.e. different earmarking positions as well as an available position may exist in the same account and with different signs. Therefore this issue limits or may limit in future, their ability to use the earmarking functionality on accounts which allows negative positions (e.g. on issuance accounts in the issuance process). Moreover, the Statement of holding report has a legal value. Therefore, it should reflect the complete information i.e. all securities positions/sub-positions along with the correct sign and deriving signs of securities positions based on the current report using a formula would not be a right approach.

Therefore, there is a need to update the T2S message schema to include the Short/Long Indicator field at least for all positions/sub-positions which can become negative in T2S. This change requires the change in ISO 20022 message schema of semt.002. With such a change, the semt.002 would also replicate what is possible in an MT535 (i.e. ISO 15022 message) where each sub-position reported in the Statement of Holding includes the sign.

**Description of Requested Change:**

Add a Short/Long Indicator for at least prior to the following attributes in the statement of holding (semt.002):

*<BalForAcct><AggtBal><Qty> (<ShrtLngInd>existing)*  
*<BalForAcct><AvlBlBal><Qty> (<ShrtLngInd> to be added prior to this tag)*  
*<BalForAcct><BalBrkdown><Qty> (<ShrtLngInd> to be added prior to this tag)*  
*<BalForAcct><BalBrkdown><AddtlBalBrkdownDtls><Qty> (<ShrtLngInd> to be added prior*

*to this tag)*

These tags are the minimum required to update the semt.002 from a T2S perspective.

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**Submitted annexes / related documents:**

T2S User testing Sub-group Clarification note UT-PBR-030 (Semt.002 - Statement of Holdings)  
[http://www.ecb.europa.eu/paym/t2s/progress/pdf/tg/crg/crg38/bd\\_ut-pbr-030\\_semt.pdf](http://www.ecb.europa.eu/paym/t2s/progress/pdf/tg/crg/crg38/bd_ut-pbr-030_semt.pdf)

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**Proposed wording for the Change request:**

3.3.7.1 SecuritiesBalanceCustodyReportV05 (semt.002.001.05)

The schema of the message and examples must be modified to provide a Short/Long Indicator prior to all quantity attributes which can have negative values in T2S (aggregate, available, and further breakdowns).

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**High level description of Impact:**

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**Outcome/Decisions:**

- \* CRG Meeting of 28 April 2015: The CRG put the Change Request on hold. The Change Request is required for T2S Release 2. The CRG decided to re-discuss the Change Request in September 2015 along with the other Change Requests required for T2S Release 2. The Change Request and related ISO CR will be updated based on suggestions received from a CRG member.
- \* CRG meeting of 6/7 July 2016: The CRG recommended the Change Request for preliminary assessment
- \* CRG meeting of 06 September 2016: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment and that (i) an impact on the flat file functionality is given and (ii) there are synergies with the Change Request T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002)) and a joint implementation was favourable.
- \* On 8 January 2019: This Change Request was withdrawn by its initiator.

**Preliminary assessment:**

- Impacted functionality/module: A2A, SETT, flat file.
- There are synergies with the Change Request T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002)) and a joint implementation is favorable.
- No further functional, technical and risk related issues have been identified beyond the elements already described in the Change Request.