

T2S PROGRAMME OFFICE

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v1.1

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Summary

Teleconference of the Change Review Group (CRG)

01 December 2016, from 09:30 to 11:00

held at European Central Bank

1. Introductory session

The Chairperson, Karen Birkel, welcomed the participants.

The Chairperson informed that the aim of the teleconference was to discuss the Change Request T2S-0646-SYS (Pre-formatted operational reports at specific times) raised by the Data Access Task Force (DATF) and 4 Scope Defining Document (SDD) clarification notes.

The CRG was informed about the successful deployment of the T2S Release 1.2 in production.

The CRG was also informed that the CR initiator has withdrawn the Change Request T2S-0603-URD (Processing order of settlement).

The Chairperson clarified some of the points related to the scoping of the T2S Release 2.0. As informed by the Project Managers Group (PMG) earlier, the focus of the Release 2.0 should be among other criteria, on the operational stability of the T2S platform and T2S Actor side. Based on a query from a CRG member, the Chairperson provided further clarification on how this definition could fit with the current work on the prioritisation exercise. The operational stability and efficiency will be considered as an additional element along with the preliminary assessment, Operations Managers Group (OMG) operational assessment, Directly Connected Parties (DCP) feedback and the business value for the Change Requests, which remains the main criteria. The CRG was informed that the initial list of Change Requests important from the perspective of operational stability has already been shared with them. They could liaise with the OMG representatives from their institution and provide their views on the initial list. The feedback will be discussed during the CRG meeting on 12-13 December 2016. Alternatively, the CRG members could provide their feedback directly during the CRG meeting on 12-13 December 2016.

2. Analysis of the Change Requests

(A) Change Requests from the market for future T2S Releases

Change Request T2S-0646-SYS (Pre-formatted operational reports at specific times)

The Change Request aims at providing pre-formatted operational reports based on the data retrieved from T2S at specific times and providing these reports via secure e-mail to the individual CSDs /CBs that opt for them. The reports shall be provided to the ECB T2S Coordination function as well.

The CRG took note that the technical implementation of the Change Request, which was raised by the DATF is not in T2S (i.e. neither the T2S hardware nor software change is envisaged). Therefore the Change Request implementation will not follow the normal release management process as the Change Request will not be prioritised and scheduled for a T2S release. Nevertheless, the change management procedure should be followed.

The CRG was informed that the OMG input has already been considered in the drafting of the Change Request and that the CSD Steering group (CSG) agreed on the DATF requirements defined in the Change Request and its submission to the CRG. Some of the CSDs have indicated that the Change Request is urgent and they would like to have it implemented by February 2017 (i.e. before the migration of wave 4).

The CRG was informed that the reports will be sent to the CSD/CB on bilateral basis, via secured email. From the perspective of data confidentiality it is necessary that for providing some of the information, written consent of the CSDs is required. The Change Request will create implementation and running costs, which will be known as part of the detailed assessment of the Change Request. The pricing aspect will be looked upon by the ECB financial team. The discussion related to the pricing aspects will also be required at the T2S Steering Level. The reports are optional i.e. CSD/CB may or may not subscribe to them. Every report consists of several sheets, which can only be received on an all or none basis, i.e. the option to receive only selected sheets is not available.

A CRG member questioned the urgency of the reports and asked if the DAFT has checked the compliance of reports from the perspective of CSD Regulation (CSDR). The CRG was informed that the current definition for calculation of the fields in the report, e.g. 'settlement efficiency', has been approved by the CSG and may deviate from the CSDR definitions. However these could be adjusted to align with the CSDR definitions once they are finalised.

The CRG was of the view that they should have been involved before in consultation, so their functional/technical advice could have been taken into account earlier. Likewise, the CSDR task force members should have also been consulted to ensure alignment with the information required by the CSDR.

The Chairperson suggested that the CRG could recommend the Change Request for detailed assessment, given the request of having it implemented in February 2017. Considering the timeline for implementation the CRG feedback may not be considered in the current version of the Change Request but could be further discussed in the DATF and if required a new Change Request should be raised.

A CRG member mentioned that in the absence of detailed definitions for some of the parameters provided, the reports leave many open questions, e.g. how the stock exchange instructions are identified, if 'unsettled' include matched instructions only or matched as well unmatched instructions. Clarification to such open questions/comments might require an adjustment of the 4CB detailed assessment. The representative from DATF agreed to share with the CRG the definitions for the calculation of 'settlement efficiency' and 'T2S value and volume' mentioned in the report. The definitions/calculation for the remaining fields will be provided by the 4CB as part of detailed assessment on the Change Request.

The CRG agreed to recommend the Change Request for the detailed assessment in order not to delay the work on the urgent request, however, it was also noted by the CRG that they did not have sufficient details on the change request to conduct a proper review. The CRG agreed to provide their feedback on the functional aspects of the Change Request by 9 December 2016.

The 4CB informed that they will deliver the detailed assessment on 23 December 2016. The CRG agreed to have a teleconference in the beginning of January 2017 to evaluate the detailed assessment on the Change Request.

CRG Decision: The CRG recommended to launch the detailed assessment of the Change Request. This recommendation was provided in order not to delay the work on the urgent request, however, it was also noted by the CRG that they did not have sufficient details on the change request to conduct a proper review.

Action points: The CRG members will provide comments on the functional aspects of the Change Request by 9 December 2016. In doing so, the CRG members are invited to liaise with the DATF and OMG members in their institutions, if any.

3. Analysis of SDD clarification notes related to fixes planned for future T2S releases

SDD-PBR-0011 (Adaptation of rules for entering a sequence number in the resend communication (admi.006 and U2A) and Outbound Message screens)

Currently, the usage of the search field for sequence number is inconsistent between U2A and the A2A messages.

As of today, the sequence number, a sixteen digits number, is made of the business date and an independent counter per Party Technical Address whereas the business date is already a separate field in the Outbound Message Search / List screen.

Since the business date is a separate field in the resend communication and Outbound Message screens, the sequence number could just be made of an independent counter per Party Technical Address only. When inputting the sequence number in A2A and U2A, the leading zeros can be omitted.

In this respect, a new Business Rule IIMPXXX¹ to submit a resend of messages with a sequence number of eight digits (without business date prefix) is proposed.

T2S Actors should ensure that the sequence number only contains only maximum eight digits. After implementation of the changes, T2S Actors will get an immediate rejection message “Sequence number must only contain up to eight digits” if they submit a resend of messages filled with a sequence number superior to an eight digits and they might have to adapt to be able to process the new error code for the Receipt Acknowledgement (admi.007).

In addition, the correction will give the possibility to the T2S Actors to suppress the leading zeros.

CRG Decision: The CRG agreed to the implementation proposed in the SDD clarification note as well as the updates to the UHB and the UDFS.

SDD-PBR-0012 (Settlement Instruction Details Screen does not correctly display Market Type related information)

Currently, the Settlement Instruction Details screen does not properly display the content of the fields related to the “Market type” frame located under the “Other information” header.

The reconfiguration of the screen

- ‘New Settlement Instruction’ is required to ensure that the information on place of trade is displayed in the ‘Market Type’ frame instead of the frame ‘Other’. The ‘Market Type’ frame should be renamed as ‘Place of Trade’. The fields for market client side should be displayed in the frame ‘Other’.
- ‘Settlement Instruction - Details’ is required to ensure that the frame ‘Market Type’ is renamed as ‘Place of Trade’ and the fields for market client side attribute are displayed under the frame ‘Other’.

This change shall be reflected in the UHB.

The CRG recommended few updates to the clarification note for completeness and consistency with the usages in the related XSD files. The 4CB agreed to update the clarification note based on the feedback from CRG.

CRG decision: The CRG agreed to the implementation proposed in the SDD clarification note as well as the updates to the UHB in principle subject to the addition of further clarifications for completeness and consistency.

Action points:

- The 4CB will update the clarification note SDD-PBR-0012 by 7 December 2016 to incorporate the clarifications requested by a CRG member for completeness.
- The CRG members will validate the updated clarification note SDD-PBR-0012 in a short written procedure from 7 to 9 December 2016.

¹ IIMPXXX: the XXX will be replaced by the exact numbers of the Identifier and provided later. The key documents, UDFS and UHB, will be updated accordingly

SDD-PBR-0013 (Addition of a new error code for party modifications in the Party Status Advice (reda.016) to indicate that a party technical address is already defined)

Currently, when a reda.022 (Party Modification Request) is sent with a Party Technical Address update and if the Party Technical Address is already linked to the Party being updated, the reda.016 (Party Status Advice) sent by T2S in response shows a technical error which is not understandable from a business point of view.

The SDD clarification note SDD-PBR-0013 explains that a new business rule must be added in order to provide a meaningful error description when an already used Party Technical Address is inserted when updating a party.

This change shall be reflected in the UDFS.

The CRG agreed that when a the customer sends a reda.022 to update the Party Technical Address and it inserts a Party Technical Address already in place for that Party, the customer should be able to receive a meaningful business error description via reda.016 (Party Status Advice) instead of a technical error.

The changes described in the clarification note might require adaptation by the CSDs and DCPs to be able to process the new Business rule and the related error code.

After implementation of the changes, when the T2S Actor sends a reda.022 to update the Party Technical Address and it inserts a Party Technical Address already in place for that Party, the T2S Actor would be able to correctly receive a meaningful business error description via reda.016 instead of a technical error.

CRG Decision: The CRG agreed to the implementation proposed in the SDD clarification note as well as the updates to the UDFS.

SDD-PBR-0014 (Corrections of business rules related to the ‘Trade Date From’ and the ‘Actual/Intended Settlement Date From’ in instruction queries (semt.026 and U2A)

Currently, the validation criteria for the settlement instruction queries uses business rules (BR) QMPC010, QMPC011 which do not permit the Trade-Date-From to be the same as the Intended-Settlement-Date-From or the Effective-Settlement-Date-From (i.e. Trade-Date-From should be earlier than the Intended-Settlement-Date-From or the Effective-Settlement-Date-From). Hence the queries for settlement instructions where Trade-Date-From is same as Intended-Settlement-Date-From or the Effective-Settlement-Date-From are rejected.

The user expectation is to be able to query the settlement instruction where Trade-Date-From is before or same as Intended-Settlement-Date-From or the Effective-Settlement-Date-From.

The SDD clarification note SDD-PBR-0014 explains that the BR QMPC010 and BR QMPC011 must be amended to ensure that the queries for settlement instructions where Trade-Date-From is earlier or same as the Intended-Settlement-Date-From or the Effective-Settlement-Date-From are not rejected.

This change shall be reflected in the UDFS and UHB.

The CRG was informed about the below changes proposed to the UDFS wordings.

- QMPC010 - In case the Trade Date and the Intended Settlement Date are specified, the Trade Date From must not be after ~~before~~ the Intended Settlement Date From, i.e. it must be earlier or on the same day as the Intended Settlement Date From.
- QMPC011 - In case the Trade Date and the Actual Settlement Date are specified, the Trade Date From must not be after ~~before~~ the Actual Settlement Date From, i.e. it must be earlier or on the same day as the Intended Settlement Date From.

After implementation of the changes, the T2S Actors will be able to query settlement instructions where the Trade-Date-From is earlier or same as the Intended-Settlement-Date-From and Trade-Date-From is earlier or same as the Actual-Settlement-Date-From.

CRG Decision: The CRG agreed to the implementation proposed in the SDD clarification note as well as the updates to the UDFS and UHB.

4. Any other business

The CRG was informed that the next CRG meeting will take place on 12-13 December 2016.