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Outcome

Meeting of the T2S Change Review Group (CRG)

29 August 2022, from 09:30 to 13:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Outcome.

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG members approved the agenda of the meeting on 29 August 2022.

The CRG members took note that as a follow-up of the last CRG meeting on 6 July 2022:

- *Following CR had been approved by the T2S Steering level:*
 - *T2S-0769-BFD 'Add MS Edge to the list of supported browsers for U2A interaction' and was allocated to R2023.JUN*
 - *T2S-0783-SYS 'RTS Improvement of the optimisation process dedicated to Corporate Action high volume' and was allocated to R2023.NOV*
 - *T2S-0782-SYS 'Adaptations due to the decommissioning of Kronos2 and migration to T2' and was allocated to R2023.NOV*
 - *T2S-0785-SYS 'Multiplex Editorial Change Request (for R6.2)' and was allocated to R6.2*
 - *T2S-0788-SYS 'Multiplex Second Editorial Change Request (for R6.2)' and was allocated to R6.2*
 - *T2S-0638-SYS 'T2S should allow and process already matched instructions which include the counterparty's securities sub-position to be used for settlement purposes' and was allocated to R2023.JUN*
- *Following CRs have been authorised by the T2S Steering level:*
 - *T2S-0786-SYS (Counterparty leg of a failing instruction due to reason code "LINK" should not be penalised).*
- *Following SDD clarification notes were approved:*
 - *SDD-PBR-0083 'ESMIG Business Rules v2.0_updated' was approved on 14 July 2022.*
 - *SDD-PBR-0086 'PBI-222519 _ Itemised A2A query - camt.076/077 ITEM' was approved on 29 July 2022.*
 - *SDD-PBR-0087 'PBI-223076 _ Correction of outbound queuing values in the outbound messages/files search screens' was approved on 11 August 2022.*

The CRG members took note that as an update from the PMG, the main point of discussion was related to the critical PBI-222519 "Itemised A2A query - camt.076/077 ITEM" that would change camt.077 'Billing Report' message to behave in the same way it did before R6.0. The deployment path should be known during the current week and thereafter, it would be possible to allocate it to a package of R6.1 so that the CSD can resume the Billing testing.

The CRG members took note that as an update from the OMG, during its meeting on 24 August 2022, 4CB presented three possible options that envisaged different timelines for the reactivation of Billing operation and delivery of the pending invoices for July, August, September, October and November of the current year 2022. The CRG acknowledged that the OMG agreed that the preferred option was option two, which foresaw to send the pending invoices during December although the payment date was not yet clear.

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 06 July 2022

Outcome

Outcome of the CRG meeting on 06 July 2022

The CRG members took note that during the written procedure to review the outcome of the meeting on 6 July 2022, some editorial updates were proposed.

The CRG members approved the updated outcome of the CRG meeting on 6 July 2022.

Follow-up actions:

- *ECB to publish in the ECB Webpage the outcome from the CRG meeting on 6 July 2022. [10 September 2022]*

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

- T2S-0699-SYS Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities
- T2S-0733-SYS Definition of a classification of transactions for CB T2S data
- 4CB outcome of assessment for CR-0699 and CR-0733 de-scoping and new scoping proposal.
- T2S-0782-SYS-Adaptations due to the decommissioning of Kronos2 and migration to T2

Outcome

4CB outcome of assessment for CR-0699 and CR-0733 de-scoping and new scoping proposal.

The CRG took note of the outcome of the assessment provided by 4CB to de-scope CR-0699 and CR-0733 from R6.2 and scope them either within R6.3 (February 2023) or R2023.JUN. It was acknowledged that 4CB deemed it not feasible to deliver CR-0699 within R6.2 (November 2022) and that the possible new releases allocation was R2023.JUN or less likely, R6.3 (February 2023). The CRG took note that due to this postponement, the current T2S Datawarehouse operation had to be also extended until the go-live of CR-0699 and that because of a functional dependency, CR-0733 delivery had to also be replanned.

The CRG agreed to recommend to the PMG the implementation of CR-0699 and CR-733 within R2023.JUN.

The CRG took note that in its meeting on 31 August 2022, the PMG would discuss in which release they would recommend the inclusion of CR-0699 and CR-0733.

Outcome

T2S-0782-SYS-Adaptations due to the decommissioning of Kronos2 and migration to T2

The CRG members took note of the editorial changes on CR-0782 that were received during the PMG written procedure to recommend CR-0782 to be implemented within R2023.JUN. The CRG members approved this updated version of CR-0782 and acknowledged that the final version was already updated in the ECB webpage.

3.2 Change requests already authorised at T2S Steering Level (not yet under implementation)

Background documentation

- T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off
- T2S-0762-URD New option for opening T2S during the week-end)
- T2S-0775-SYS T2S Recovery - IBM Air-gap solution: functionalities and tools needed for the selection and restore of the snapshot in case of T2S Recovery.

Outcome

T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off

The CRG members took note that the dependency between T2-CR-67 'CLM changes to accommodate T2S rule based LT' and TIPS-CR-28 'Rule-based liquidity transfer orders between MCA and TIPS DCA' had been solved and hence, the detailed assessment on CR-0720 could be resumed. The CRG members took note that the expected delivery date for the detailed assessment of CR-0720 was 1 December 2022.

Outcome

T2S-0762-URD New option for opening T2S during the week-end

The CRG members took note that CR-0762 had been updated to include the following two requirements:

- Camt.019 'ReturnBusinessDayInformation' provided by Business Day Management (BDM) common component to include the three new standard cycles when a camt.018 "GetBusinessDayInformation" is sent to BDM to query the status of the T2S settlement day.
- Non-functional tests must be performed to make sure that the extended Night-Time Settlement (NTS) can cope with high volume of transactions without affecting other TARGET Services.

The CRG members took note that the CRG written procedure to approve these changes was closed without comments and that the PMG would be asked to request a detailed re-assessment of CR-0762 in view of the same release, R2023.JUN.

Outcome

T2S-0775-SYS T2S Recovery - IBM Air-gap solution: functionalities and tools needed for the selection and restore of the snapshot in case of T2S Recovery.

The CRG took note that an updated version of the detailed assessment of CR-0775 had been provided by 4CB stemming from the CSG resolution in June 2022 to raise a new change request for the new test environment to test the T2S Recovery Solution. The CRG acknowledged that once the updated cost was ready, a new written procedure would be launched to agree to recommend the implementation of CR-0775 within R2024.JUN.

Follow-up actions:

- 4CB to provide a new version of the detailed assessment of CR-0775 with the cost updated. [2 September 2022]
- ECB team to launch a written procedure once 4CB provides the new cost for CR-0775 to agree to recommend the implementation of CR-0775 within R2024.JUN. [4 September 2022]

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

Background documentation

- T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account

Outcome

T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account

The CRG members took note that the preliminary assessment of CR-0735 was on-going but the expected delivery date was not yet clear as some functional questions had to be further clarified internally with the Datawarehouse functional colleagues.

Follow-up actions:

- 4CB to clarify internally with the Datawarehouse functional colleagues and provide the delivery date of the pre-assessment of CR-0735 [26 October 2022]

3.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0787-SYS Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty
- T2S-0787-SYS Presentation by 4CB justifying this is a new enhancement and not a defect.
- T2S-0790-SYS Implementation of a new test environment to support internal and external testing activities for the T2S Recovery solutions
- T2S-0789-SYS - Handling automatic cancellation for T2S External Transactions
- T2S_0791_SYS - T2S alignment to ISO 10962 2021 CFI code – addition of new codes.
- T2S_0792_SYS- T2S alignment to ISO 10962 2021 CFI code – removal of decommissioned codes.
- T2S_0791_792_SYS_Annex_1_CFI Delta ISO2015-2021.

Outcome

T2S-0787-SYS Presentation by 4CB justifying this is a new enhancement and not a defect.

The CRG members took note that during the CSG written procedure to authorise CR-0787, Iberclear's CSG member provided a comment explaining that this change fixed a defect in T2S and hence, the CSDs should not bear the cost

of this change. It was also acknowledged that SWISS ECSDA member, SIX in the AMI-SeCo provided a comment with the same understanding in the written procedure to get the advice from the AMI-SeCo for the authorisation of CR-0787.

Therefore, both written procedures could not be closed and CR-0787 had not been authorised yet.

The CRG members took note of a presentation from 4CB explaining the reason why this change should be considered as a new enhancement rather than a defect.

The CRG members acknowledged that the T2S behaviour was not correct neither from a business point of view nor from the spirit of the CSDR Settlement Regime as if an instruction was not settled in its intended settlement day, it should be penalised.

The CRG members assessed the case and acknowledged that the implementation was in line with the specifications but also with the CSDR Requirements and therefore, CR-0787 should be considered as a new enhancement.

Iberclear representative objected to this resolution since this business case had no business sense because a CSD participant might get rid of penalties by releasing all transactions during the cut-off period.

The CRG members took note that this topic would be discussed during the following CSG meeting on 7 September 2022 and agreed to share this outcome for that meeting.

Outcome

T2S-0790-SYS Implementation of a new test environment to support internal and external testing activities for the T2S Recovery solutions

The CRG members took note that a new change request CR-0790 was provided by 4CB and that it foresaw a new test environment to support internal and external testing activities for the T2S Recovery solution.

The CRG members took note that the detailed assessment would be provided soon after this meeting and agreed to launch a written procedure to agree to recommend to the PMG the implementation of CR-0790.

The CRG members took note that the approval timeline agreed by the CSG Taskforce on Recovery was to ask the CSG to approve all recovery change requests in its meeting on 7-8 September 2022.

Follow-up actions:

- 4CB to provide the detailed assessment of CR-0790. [2 September 2022]
- ECB Team to launch a written procedure to agree to recommend to the PMG the implementation of CR-0790. [4 September 2022]

Outcome

T2S-0789-SYS - Handling automatic cancellation for T2S External Transactions

The CRG members took note of the draft version of the new change request raised by Euronext Securities to change the automatic cancellation of settlement instructions under an external CSD scenario. Clearstream representative explained that the wording should be enhanced to add the condition that 'the external CSD scenario had to be the Issuer CSD of the security' to the list of conditions a transaction had to fulfil to avoid the automatic cancellation.

The CRG members agreed to include this new requirement in CR-0789 and to launch a written procedure to agree to request a preliminary assessment.

Follow-up actions:

- ECB to launch a written procedure with the updated version of CR-0789 including the requirement that the external CSD must be the Issuer of the security to avoid the automatic cancellation. [15 September 2022]

Outcome

T2S_0791_SYS - T2S alignment to ISO 10962 2021 CFI code – addition of new codes.

T2S_0792_SYS- T2S alignment to ISO 10962 2021 CFI code – removal of decommissioned codes.

The CRG members took note of the new two draft change requests raised by 4CB to make T2S compliant with the new ISO:10962 2021.

The CRG acknowledged that there were no reasons to assess this change with urgency and hence, it was agreed to launch a written procedure to agree to request the preliminary assessment.

The CRG agreed to inform the OMG on CR-0791, CR-0792, and the implications they could have for production data since OMG members might need to assess how to perform the relevant adaptations, based on the number of potential CFI codes and ISINs impacted, and time available.

Follow-up actions:

- ECB team to inform the OMG secretariat about CR-0791, CR-0792, and the implications they could had for production data. [20 September 2022]
- ECB team to launch a written procedure for the CRG to agree to request a preliminary assessment of CR-0791 and CR-0792. [20 September 2022]

3.4 Editorial CRs

Background documentation: none

4. Clarification notes

Background documentation: none

5. CRG action points

Background documentation

- List of CRG action points

Outcome

List of CRG action points

The CRG members took note of the updates and proposed resolutions outlined on the following action points:

AP-4050 (ECB to launch a new written procedure to review the updated detailed assessments for the Recovery CRs.) The CRG took note that the written procedure was launched end of June and agreed to close AP-4050.

AP-4061 (4CB to provide two new change requests to make T2S compliant with ISO10962:2021). The CRG took note that two new change requests were provided for the 29 August 2022 CRG meeting and agreed to close AP-4061.

AP-4071 (Euronext Securities to raise a new change request to de-activate the automatic cancellation under an external scenario). The CRG took note that a new change request was made available for the 29 August 2022 CRG meeting and agreed to close AP-4071.

AP-4076 (ECB team to launch a written procedure to seek the CRG agreement on the preferred date between Saturday, 5 November 2022 and Saturday, 3 December 2022.) The CRG took note that a written procedure was launched, and the preferred date was 3 December 2022, and agreed to close AP-4076.

AP-4077 (ECB team to launch a written procedure to collect comments and feedback from the CRG members and particularly from the NCBs for the MIB Policy note on one party-model for Monetary Policy eligible counterparts.) The CRG took note that a written procedure was launched, and the two comments provided stated that these members had not identified any issue as this business case did not apply for their institutions and agreed to close AP-4077.

AP-4078 (ECB team to launch a written procedure to seek the CRG agreement to approve the CRG meeting dates proposal for 2023.) The CRG took note that a written procedure was launched and the proposal for the meeting dates for 2023 was agreed and hence, it was agreed to close AP-4078.

6. Any other business

Background documentation

- SDD for R6.2 planning

Outcome

SDD for R6.2 planning

The CRG took note of the status update for the SDD R6.2. It was acknowledged that during the written procedure to review the SDD for R6.2, some findings were provided by the CRG members.

The CRG took note that 4CB was addressing these comments and would provide the final version of the documents so that the ECB team could publish them in the ECB website by 2 September 2022.

Follow-up actions:

- ECB team to publish the SDD for R6.2 in the ECB website on 2 September 2022. [2 September 2022]
- Delivery plan of change requests. (*table document*)
- Dashboard on cross-service impact of CRs (*table document*)
- The following CRG meetings are planned in 2022 (to be confirmed at least 4 weeks in advance)

26 October 2022	10:00-16:00	ECB Main building
12 December 2022	09:30-13:00	Webex