



24 September 2015

## SUMMARY OF THE 11<sup>th</sup> MEETING OF THE T2S DCP GROUP (DCPG)

*Held in Brussels at the premises of the National Bank of Belgium on 15 September 2015*

### 0. Welcome and approval of the agenda

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting. The secretary informed the group about changes in the representation of Banco de España and Iberclear in the DCPG.

### 1. Review of recent open issues

#### 1.1 Recent consultations and briefings

The members of the DCPG were informed about the developments following recent written consultations and briefed about recent decisions that are relevant to the DCPs:

- a) Consultation by the CRG on Partial settlement reporting in Statement of Transactions: The DCPG was informed about the outcome of the CRG written procedure on 4 September. The CRG will discuss the DCPG feedback at their meeting on 17-18 September. The DCPG members will be informed about their conclusion thereafter; and  
Consultation on Close Link functionality in T2S: in the light of the few responses received, DCPG members were reminded that they could still send their input ahead of the CRG meeting on 17-18 September.
- b) Postponement of the start of Community Testing for wave2: During the 29 July Ad-hoc CSG meeting a resolution was taken to re-plan all activities related to the start of Community Testing for Wave 2 due to the migration of Monte Titoli end of August while at the same time keeping the go-live date of Wave 2. This re-planning resulted in a four-week delay for the start of Wave 2 Community Testing. On 21 August, the CSG members were informed that the Governing Council has agreed that the start of the Community Testing phase of wave 2 (SP 10.2) is shifted from 21 September 2015 to 19 October 2015 for all wave2 CSDs. In this respect, Euroclear decided to open community testing on 19 October only with selected pilot entities and open to all other entities on 9 November for global community testing.

## 2. Information from other T2S groups, CBs and CSDs

The DCPG were invited to take note of the information provided in this section, originating from other T2S groups, CBs and CSDs activities on items that are also relevant for the DCPs. The DCPG members were also invited to share their experience following T2S go-live.

### 2.1 Information from Central banks

The representative from the Deutsche Bundesbank updated the DCPG on the German NUG work on Change Requests relating to reimbursement of pending auto-collateralisation instruction and cash management and cash forecast functionalities that are presented to the CRG for discussion in the context of release 2.0.

Following the discussion on the most recent DCPG meetings, CR 545 "Separate release privilege for T2S auto-collateralisation reimbursement instructions" and CR 541 "Bulk-release functionality (U2A) for settlement instructions" were included in the CR package to be discussed during the 17/18 September CRG meeting.

In addition to these two CRs, the German NUG decided to launch one further CR in the context of auto-collateralisation: CR 543 "Minimum amount for auto-collateralisation transactions". This CR proposes a change so that auto-collateralisation is only triggered if the settlement amount is higher than a predefined minimum amount to avoid that many small auto-collateralisation transactions are triggered.

In the context of the identification of time-critical settlements, the German NUG decided to initiate two CRs: CR 544 "Retroactive Cash Restriction (Cash Blocking and Reservation)" and CR 546 "Indication for time-critical settlements ("settlement till" time-stamp)". With CR 546 it should be possible to identify within T2S instructions that might deserve settlement earlier than the official DvP cut-off time. With CR 544, it should become possible to specifically provide liquidity for these time-critical settlements.

These five CRs mentioned so far cover more or less topics that have also already been addressed during last DCPG meetings. On top of these five CRs, the German NUG decided to launch three further CRs to improve cash management within T2S: CR 540 "Alignment of U2A and A2A cash forecast information", CR 556 "Modification of cash forecast for the current and following business day after DvP cut-off" and CR 542 "Enrich camt.054 with data elements SAC Owner Parent BIC and SAC Owner Party BIC". CRs 542 and 556 are also explicitly supported by the German TARGET2 NUG.

All these CRs were submitted to the CRG by the Deutsche Bundesbank on behalf of the German T2S NUG (CR 540, 541, 543, 544, 545, and 546) or T2S and T2 NUG (CR 542, 556) for the release 2 discussion. They are part of the CRG meeting of 17/18 September. All CRs are available online as part of the [CRG meeting documentation](#). The CRG might consult the DCPG on (some of) these CRs.

### 2.2 Information from CSDs

Euroclear representatives informed the participants that the preparation to the pre-migration phase was on track.

Monte Titoli representatives mentioned that they had reported to the CSG about the successful migration to T2S (end-August) and that, despite a few small issues, they have registered a good behaviour of the system in all operational days since their go-live. They confirmed that they are also working to improve

their settlement efficiency rate, which has already been improving since the high unmatched transactions rate recorded in the very first days of operations.

The DCPG members were also informed that, following the recording of high peaks of GUI usage in the days after the migration of Monte Titoli, the CSG has accepted a proposal from the ECB to update the analysis on volumetric assumptions through new workshops that will take place before the end of the year.

### **2.2.1 CSG taskforce on insolvency procedures**

The DCPG members were informed about the work of the CSG taskforce on insolvency procedures. The process should be completed by the end of 2015 or by the start of wave 2 at the latest. The outcome will be a common set of procedures in cases of insolvency.

## **3. Open Issues Register**

The participants agreed to update the list of open issues relevant for the DCPs and directly connected DCA Holders (version 8.0) to be published as version 9.0 on the T2S website.

## **4. Miscellaneous**

### **4.1 Any Other Business**

The secretary to the DCPG recalled the next upcoming deadlines for DCP declarations:

- 9 October 2015 for connecting in A2A in migration wave 4; and
- 23 November 2015 for connecting in U2A in migration wave3.

### **4.2 Future DCPG meetings**

As the November CSG meeting and AG meeting will take place within a short period of time, the DCPG members agreed not to meet at the margins of the CSG meeting taking place on 4 November 2015 and meet at the margins of the subsequent AG meeting on 16 November 2015.