General Information (Origin of Request)		
☐ User Requirements (URD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	**Institute:** 4CB	**Date raised:** 04/12/2014
Request title: Unpruning of ISO transaction code OWNI (Internal Account Transfer)		**Request ref. no:** T2S 0502 SYS
Request type: Common	**Urgency:** Fast track	
1. Legal/business importance parameter: Medium	**2. Market implementation efforts parameter:** Low	
3. Operational/Technical risk parameter: Low	**4. Financial impact parameter:** No cost impact	
Requestor Category: 4CB	**Status:** Authorised at Steering level	

Reason for change and expected benefits/business motivation:

During the recent tests activities an issue regarding SecuritiesSettlementTransactionGenerationNotification sese.032 was detected. The sese.032 message is used to notify parties of instructions generated within T2S. When a CoSD is activated for a Settlement Instruction using restriction references, resources have to be moved from the restricted positions of the restriction references provided in the Settlement Instruction to the CoSD blocking position or pivot position. The movement to fill this pivot position is done using a technical FOP or sese.032 message with an ISO transaction code or Securities Transaction Type code within the message of OWNI ('Internal Account Transfer').

The current customisation of the sese.032 message does not include this code OWNI as it has been pruned out. This missing code does not allow for the generation of a valid instance of this message for this specific case.

Description of requested change:

This CR intends to unprune (restore) the code OWNI or 'Internal Account Transfer' from the sese.032 allowing for the creation of the technical FOP for the pivot position when a conditional delivery is triggered on a settlement instruction using restrictions. The modification comprises the inclusion of an additional message usage, an accompanying example within UDFS section 3.3.8.12 SecuritiesSettlementTransactionGenerationNotificationV03 (sese.032.001.03) and the update of the MyStandards message resources. Together with this change the Additional Reason Info is updated to make it most accurate vs the currently one implemented.

Impacted paths:
sese.032 – /SctiesSttlmTxGnrtnNtfctn/SttlmParams/SctiesTxTp/Cd – addition of code 'OWNI'

Submitted annexes / related documents:

The updated schema and documentation of the impacted message will be available after the approval at MyStandards.

Proposed wording for the Change request:

UDFS section 3.3.8.12 SecuritiesSettlementTransactionGenerationNotificationV03 (sese.032.001.03)

3.3.8.12.1 Overview and scope of the message

This chapter illustrates the *SecuritiesSettlementTransactionGenerationNotificationV03 message.*
The SecuritiesSettlementTransactionGenerationNotificationV03 message is sent by T2S to CSDs, CBs or 4 CMSs. It is sent to notify parties of instructions generated within T2S associated with realignment or auto- collateralisation or COSD with use of restrictions in direct debit.

A SecuritiesSettlementTransactionGenerationNotificationV03 is sent by T2S in the following message usages:

- Realignment;
- Collateral;
- Hold Reverse Collateral;
- COSD with use of restrictions in direct debit.

These message usages are described in the chapter "The message in business context".

3.3.8.12.2 The T2S-specific schema, References/Links

The schema of the message must be modified to ensure that the Securities Transaction Type Code OWNI is added.

sese.032 – /SctiesSttlmTxGnrtnNtfctn/SttlmParams/SctiesTxTp/Cd – addition of code 'OWNI'

MyStandards to be updated accordingly.

3.3.8.12.3 The message in business context
[The whole section is new]

Message usage: CoSD with use of restrictions in direct debit

This message usage relates to T2S generated Settlement Instructions, sent by T2S, in the context of CoSD activation for Settlement Instructions using restriction references in use for direct debit. When a CoSD is activated for a Settlement Instruction using securities restriction references, securities must be moved from the restricted positions of the provided restriction references to the CoSD blocking position. As this transfer cannot be done directly, T2S generates these Settlement Instructions and implements the CoSD blocking using the deliverable securities position (or the earmarked position in case of an earmarked account) as a "pivot" position. These instructions are linked by T2S to the Settlement Restriction generated for CoSD Blocking.

Specific message requirements

For CoSD purposes the *SecuritiesSettlementTransactionGenerationNotificationV03* should have:

- Payment – free of payment as only securities are concerned;

- Link – that corresponds to the CoSD blocking settlement restriction generated by T2S;

- Trade Details -Matching Status – Matched as instruction is already matched within T2S;

- Securities Transaction Type - ISO code identifying the instruction as an internal account transfer;

- Status Accepted - status that corresponds to 'Accepted' the initial state of all generated instructions;

- Accepted Reason Code – 'OTHR' ISO code when accepted fulfilling a rule of a negative rejection restriction;

- Additional Reason Information – rule Id identifying a negative rejection restriction when applicable;

- Status Pending – the status that corresponds to 'Pending' with the corresponding reason code when applicable;

- Generated Reason Code and information – Specifying that the instruction was generated for CoSD activation when settlement instruction uses restriction references in direct debit;

Message Item	Data Type / Code	Utilisation
Payment Document/SctiesSttlmTxGnrtnNtfctn/TxIdDtls/Pmt	DeliveryReceiptType2Code	Code: 'FREE'

Message Item	Data Type / Code	Utilisation
Linkages Document/SctiesSttlmTxGnrtnNtfctn/Lnkgs	Linkages24	Link to Settlement Restriction generated by T2S for CoSD blocking.
Code Document/SctiesSttlmTxGnrtnNtfctn/Lnkgs/PrcgPos/Cd	ProcessingPosition3Code	Code: 'INFO'
MarketInfrastructureTransactionIdentification Document/SctiesSttlmTxGnrtnNtfctn/Lnkgs/Ref/MktInfrstrctrTxId	RestrictedFINXMax16Text	T2S Instruction Reference of related CoSD Blocking Settlement Restriction.
Code Document/SctiesSttlmTxGnrtnNtfctn/TradDtls/MtchgSts/Cd	MatchingStatus1Code	Code: MACH
Code Document/SctiesSttlmTxGnrtnNtfctn/SttlmParams/SctiesTxTp/Cd	SecuritiesTransactionType7Code	Code: 'OWNI'
Code Document/SctiesSttlmTxGnrtnNtfctn/GnrtdRsn/Cd/Cd	GeneratedReason2Code	Code: 'OTHR'
AdditionalReasonInformation Document/SctiesSttlmTxGnrtnNtfctn/GnrtdRsn/AddtlRsnInf	RestrictedFINXMax210Text	Relates to transfer to pivot position required for CoSD activation when business Settlement Instruction uses restriction references in direct debit.
NoSpecifiedReason Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/PrcgSts/AckdAccptd/NoSpcfdRsn	NoReasonCode	'NORE' when CSD validation not applicable.
Code Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/PrcgSts/AckdAccptd /Rsn/Cd/Cd	AcknowledgementReason5Code	Code: 'OTHR' when negative CSD Validation rule applicable.
AdditionalReasonInformation Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Negative CSD validation rule id when applicable.
Code Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/SttlmSts/Pdg/Rsn/Cd/Cd	PendingReason2Code	ISO reason code for the failure.
AdditionalReasonInformation Document/SctiesSttlmTxGnrtnNtfctn//StsAndRsn/SttlmSts/Pdg/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule and error description

Message example: sese.032.001.03_CoSD_with_Restriction_References.xml

In this example, T2S sends a T2S generated Settlement Instruction, one of two matched FOPs, resulting from a CoSD Activation for a Settlement Instruction with use of restriction references in a direct debit scenario. CSD Participant A (PRTAFRPPXXX) of investor CSD A (CSDABIC1XXX) with a securities account '1000001234' in T2S delivers 100000 securities ISIN00000001 to CSD Participant B (PRTBFRPPXXX) of investor CSD B (CSDBBIC1XXX) versus a payment of 55000 Euros for settlement on the 3/1/2016 using the Restriction References 'T2SRR00001' and 'T2SRR00001'. A

CoSD rule applies resulting in the blocking of the securities and the generation the following FOP T2S generated Settlement Instruction. An 'INFO' link is present to the related CoSD blocking Settlement Restriction. Instructing party information is provided within the BAH which is not provided in the example.

The file contains a message with the sample data.

High level description of Impact:

The UDFS section 3.3.8.12 must be modified to include the message usage and accompanying example for the T2SgSI required for CoSD activation when the business settlement instruction uses restriction references in a direct debit scenario. The schema of the message SecuritiesSettlementTransactionGenerationNotification must be modified to include the Securities Transaction Type Code OWNI ('Internal Account Transfer').

Outcome/Decisions:
* CRG meeting of 6 February 2015: The CRG decided to put the Change Request on hold.
* CRG meeting of 12 March 2015: The CRG recommended the approval of the Change Request.
* OMG on 27 March 2015: During a written procedure from 16 March 2015 to 27 March 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
* Advisory Group's advice on 20 April 2015: Following a written procedure, the AG was in favour of the Change Request.
* CSG resolution on 21 April 2015: The CSG adopted the resolution to approve the Change Request via written procedure.