

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD)		
<input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	Institute: 4CB	Date raised: 06/02/2015
Request title: Correction of typos and minor clarifications on the UDFS		Request ref. no: T2S 0500 SYS
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: Low	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	

Description of the requested Change

Changes to UDFS stemming from tickets correction and answers to "Open Functional issues".

Reason for change / expected benefits/business case:

- 1 [500_001] EUROSYSTEM UPDATE: page 82, line 26 (Section 1.2.5 "Instruction Types"): Addition of additional specific instruction types available in T2S 2
- 2 [500_002] EUROSYSTEM UPDATE: page 257, line 10 (Section 1.6.1.1.3 "Validation process"): Addition of a footnote to clarify the possibility of cancellation of a partially settled instruction due to the settlement quantity validation..... 3
- 3 [500_003] EUROSYSTEM UPDATE Page 342, line 17 (Section 1.6.1.9.3 "Partial Settlement") Correction of threshold value. 3
- 4 [500_004] EUROSYSTEM UPDATE: Page 780, line 7-14, (Section 2.7 "Send Cancellation Instruction for CoSD by Administering Party"): Inclusion of a clarification as regards the CoSD Settlement Restrictions cancellation in case the business Settlement Instruction is cancelled. 4
- 5 [500_005] EUROSYSTEM UPDATE Page 912, line 26 (Section 3.3.2.3 "ReceiptAcknowledgementV01 (admi.007.001.01)": Inclusion of a clarification. 4
- 6 [500_006] EUROSYSTEM UPDATE Page 1087, (Section 3.3.5.1 BusinessApplicationHeaderV01 (head.001.001.01)): Update of the T2S-use for all elements related to U2A LCMM requests. 5
- 7 [500_007] EUROSYSTEM UPDATE Page 1097 (Section 3.3.6.1 "SecurityCreationRequest (reda.006.001.01)": Update..... 6
- 8 [500_008] EUROSYSTEM UPDATE Page 1350 and ff, (Section 4.1 Index of Business Rules and Error Codes: Correction of typos in error texts and/or Business Rules descriptions..... 6

Proposed wording:**1 [500_001] EUROSISTEM UPDATE: page 82, line 26 (Section 1.2.5 "Instruction Types"):
Addition of additional specific instruction types available in T2S**

Based on customer tickets, it has been deemed necessary to provide an enlarged classification of instruction types available in T2S for message subscription configuration purposes. As a consequence the T2S Actor will be able to explicitly configure the delivery of only one leg for already matched FOP instructions.

In order to align the instruction types classification in the UDFS with the updated list of instruction types available for message subscription purposes, the UDFS need to be updated to:

- Update the naming of the FOP instruction sub-types to "DFoP" and "RFoP";
- Clarify that the PFoD instructions can be classified into the credit and the debit leg.

Instruction sent by a T2S Actor aiming to deliver/receive securities and/or cash between their own accounts or between one of their accounts and a counterpart's account(s).

There are different types of Settlement Instructions depending on their characteristics. T2S classifies the Settlement Instructions as follows:

- Depending on the nature of the exchanges involved, Settlement Instructions in T2S can be one of the following types:
 - F~~o~~P: Free of payment consists of DF~~o~~P (deliver free of payment) and RF~~o~~P (receive free of payment). In both cases, securities are delivered / received without payment being made;
 - DVP/RVP: Delivery or receive versus payment, define an exchange of securities against cash;
 - DWP/RWP: Delivery with payment defines the delivery of cash and securities from one party to another. For example, trade netting by a CCP may result in such instructions;
 - PF~~o~~D: Payment free of delivery defines an exchange of cash without the delivery of securities, where the Settlement Quantity is equal to zero and the Settlement Amount is greater than zero. PFoD instructions can be classified into Payment Free of Delivery Credit instruction "PFoD-CRDT" (crediting cash) and Payment Free of Delivery Debit instruction "PFoD-DBIT" (debiting cash).

2 [500_002] EUROSYSYSTEM UPDATE: page 257, line 10 (Section 1.6.1.1.3 “Validation process”): Addition of a footnote to clarify the possibility of cancellation of a partially settled instruction due to the settlement quantity validation

It can occur in T2S that a Settlement Instruction settles partially, leaving a pending quantity to be settled lower than the MSU. This situation will lead into the cancellation by T2S of the partially settled instruction at a later revalidation

Example: Given a MSU: 50, a SUM: 5, a securities position of 55 and an instruction with a settlement quantity of 100 eligible to partial settlement. T2S will partially settle the instruction for 55 on the intended Settlement Date (during a partial settlement window). As the remaining quantity to be settled is 45, and therefore lower than the MSU, T2S will cancel the partially settled instruction at a later revalidation.

In addition the following checks are done during the revalidation process for Settlement Quantity Validation:

- In case of a partially settled Settlement Instruction with a settlement quantity greater than zero or of a partially settled Settlement Restriction on securities, the remaining Settlement Quantity must be equal to or greater than the Minimum Settlement Unit specified in T2S.¹
- In case of a partially settled Settlement Instruction with a settlement quantity greater than zero or of a Settlement Restriction on securities and not related to a “Corporate Action”, the remaining Settlement Quantity must be a multiple unit of the Settlement Unit Multiple or a Deviating Settlement Unit.

3 [500_003] EUROSYSYSTEM UPDATE Page 342, line 17 (Section 1.6.1.9.3 “Partial Settlement”) Correction of threshold value.

Correction regarding the text of the threshold value for threshold type “Quantity”.

TABLE 1 – APPLICABLE THRESHOLD TYPES FOR PARTIAL SETTLEMENT

CONTENT OF SETTLEMENT INSTRUCTION				RESULTING APPLICABLE THRESHOLD TYPE	RESULTING APPLICABLE THRESHOLD VALUE
INSTRUCTION TYPE	INSTRUCTION THRESHOLD TYPE	ISIN	CURRENCY		
FOP	n/a	applicable	n/a	Quantity	Minimum settlement unit (<u>only for first partial settlement</u>) and for first partial settlement / <u>Settlement unit multiple for next partial settlement are used.</u>
DVP/DWP	Set to “Quantity” for both matched Settlement Instructions				
DVP/DWP	Not set to “Quantity” for both matched Settlement Instructions	Unit-quoted	applicable	Cash value	Amount configured in the currency specified (for quantity, minimum settlement unit and settlement unit multiple are used).

¹ In case the partial settlement of a Settlement Instruction took place leaving a pending quantity to be settled lower than the Minimum Settlement Unit, the partially settled Settlement Instruction will be cancelled at revalidation.

CONTENT OF SETTLEMENT INSTRUCTION				RESULTING APPLICABLE THRESHOLD TYPE	RESULTING APPLICABLE THRESHOLD VALUE
INSTRUCTION TYPE	INSTRUCTION THRESHOLD TYPE	ISIN	CURRENCY		
		Nominal-quoted			Amount configured in the currency specified (for quantity, minimum settlement unit and settlement unit multiple are used).

- 4 [500_004] EUROSYSYSTEM UPDATE: Page 780, line 7-14, (Section 2.7 “Send Cancellation Instruction for CoSD by Administering Party”): Inclusion of a clarification as regards the CoSD Settlement Restrictions cancellation in case the business Settlement Instruction is cancelled.

In case of the cancellation of the Business Settlement Instruction, T2S also cancels any pending related CoSD Settlement Restriction.

Settlement Status CoSD Settlement Restriction(s)

Simultaneously to the Settlement Instruction Cancellation Processing, T2S checks whether a securities, cash or a securities and cash blocking has taken place successfully (Detailed description of the process can be found at section **Error! Reference source not found.** “Error! Reference source not found.”):

- **[Settlement Status CoSD Settlement Restriction(s) NOK]** If the related CoSD Blocking Settlement Restriction(s) ~~remains unsettled~~ has not been created yet, T2S does not perform any communication. If created but remains unsettled, T2S will inform the T2S Actor that its (their) unsettled CoSD Settlement Restriction(s) has been cancelled.
- **[Settlement Status CoSD Settlement Restriction(s) OK]** If the related CoSD Blocking Settlement Restriction(s) is (are) settled T2S continues with the following check.

- 5 [500_005] EUROSYSYSTEM UPDATE Page 912, line 26 (Section 3.3.2.3 “ReceiptAcknowledgementV01 (admi.007.001.01)”): Inclusion of a clarification.

Clarification that admi.007 about References in case of message usage “Oversize and timeout”. This topic was initially discarded from CR470 (Item 14) but, based on the clarifications provided to the CRG (See http://www.ecb.europa.eu/paym/t2s/progress/pdf/tg/crg/crg31/cr470_item_14-receipt_acknowledgement.pdf), it was decided to include it again in a forthcoming Editorial CR.

Message usage: Oversize and timeout

The ReceiptAcknowledgement message is used in to inform the T2S Actor (Sender) about an oversize and timeout scenario. The related reference indicates “NONREF”. The correlation to the query has to be identified on network layer.²

² The correlation can be derived from the “T2S Connectivity Guide”. in combination with the “Dedicated Link Connectivity Specification V.1.0” where the DEP protocol is defined.

Specific message requirements

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
Reference Document/RctAck/Rpt/RltdRef/Ref	RestrictedFINXMax16Text	MsgId of the incoming message this ReceiptAcknowledgement is sent for Always populated with NONREF
StatusCode Document/RctAck/Rpt/ReqHdlg/Stscd	Max4AlphaNumericText	Status Code indicating the error which occurred during the technical validation. Used in case of BR short names: ICAA001; ICAA002; ICAA003
Description Document/RctAck/Rpt/ReqHdlg/Desc	RestrictedFINXMax140Text	Textual description of the technical validation error specified in the status code field. Used in case of BR short names: ICAA001; ICAA002; ICAA003

6 [500_006] EUROSYSYSTEM UPDATE Page 1087, (Section 3.3.5.1 BusinessApplicationHeaderV01 (head.001.001.01)): Update of the T2S-use for all elements related to U2A LCMM requests.

In the T2S specific schema (References/Links) the following clarifications should be added to the respective "T2S-use" field of the mentioned elements related to U2A LCMM requests:

Element "AppHdr/Rltd/Fr/FIId/FinInstnId/BICFI":

In case of LCMM U2A requests: BIC screen input.

Element "AppHdr/Rltd/Fr/FIId/FinInstnId/ClrSysMmbld/Mmbld":

In case of LCMM U2A requests: System User Reference used for the U2A request

Element "AppHdr/Rltd/Fr/FIId/FinInstnId/Othr/Id":

In case of LCMM U2A requests: BIC screen input

Element "AppHdr/Rltd/To/FIId/FinInstnId/Othr/Id":

In case of LCMM U2A requests: the CSD (BIC) owning the LCMM request.

Element "AppHdr/Rltd/To/FIId/FinInstnId/BICFI":

In case of LCMM U2A requests: BIC of T2S system

Element "AppHdr/Rltd/BizMsgIdr":

In case of LCMM U2A requests: NONREF

Element "AppHdr/Rltd/MsgDefldr":

In case of LCMM U2A requests: Respective A2A message comparable to the U2A request (e. g. U2A: New settlement instruction, should be transferred into sese.023.001.01)

Element "AppHdr/Rltd/CreDt":

In case of LCMM U2A requests: Current system date/time from U2A request

Element "AppHdr/Rltd/CpyDplct":

In case of LCMM U2A requests: not used

Element "AppHdr/Rltd/PssbIDplct":

In case of LCMM U2A requests: not used

Element "AppHdr/Rltd/Prty"

In case of LCMM U2A requests: not used

Element "AppHdr/Rltd/Sgntr/xs:any"

In case of LCMM U2A requests: not used

7 [500_007] EUROSISTEM UPDATE Page 1097 (Section 3.3.6.1 "SecurityCreationRequest (reda.006.001.01)": Update

CR 475 requires an update of reda.007 (SecurityModificationRequestV01) schema. The same change/update should apply for reda.006 as well, but was overlooked in CR475 description.

The Data Type Code value related to the tag Document/SctyCreReq/Scty/FinInstrmAttrbts/SttlmInf/MinMltpIQty/Unit shall be changed from FinancialInstrumentQuantity1Choice into a new Data Type / Code, customized in a way to limit the maximum number of decimal positions to 9.

8 [500_008] EUROSISTEM UPDATE Page 1350 and ff, (Section 4.1 Index of Business Rules and Error Codes: Correction of typos in error texts and/or Business Rules descriptions

Correction of various typos in Index of Business Rules..

BR NAME	DESCRIPTION	INBOUND MESSAGE	REPLY MESSAGE	CODE USE	REASON CODE	ERROR TEXT
DSC5003	When performing an Auto-Collateralisation Eligibility Link create request, the Securities Mnemonic must not be already assigned to another <u>active existing link for the same Party with the same Currency Code.</u>	reda.025	reda.028		REJT	Securities Mnemonic already assigned
LLCI009	Any Liquidity Transfer arriving in T2S after the Business date change and prior to the Liquidity Transfer cut-off is processed, otherwise the incoming Liquidity Transfer will be rejected.	camt.050	camt.025		L013	LT sent between Liquidity Transfer cut off and Business Date Change

Outcome/Decisions:

- * CRG meeting of 6 February 2015: The CRG put the Change Request on hold.
- * CRG on 27 February 2015: The CRG recommended the approval of the Change Request via a written procedure from 25 to 27 February 2015.
- * OMG on 17 March 2015: During a written procedure from 10 March 2015 to 17 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.