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| General Information (Origin of Request) | | |
| <input checked="" type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS) <i>(to be filled in by ECB)</i> | | |
| Request raised by: Banque de France | Institute: Central Bank | Date raised: 29/09/2015 |
| Request title: Introduction of two new partial settlement windows during the Real Time Settlement period (at 10 am and at 12 noon) | | Request ref. no: T2S 0550 URD |
| Request type: Common | | Urgency: Normal |
| 1. Legal/business importance parameter: High | 2. Market implementation efforts parameter: Low | |
| 3. Operational/Technical risk parameter: Low | 4. Financial impact parameter: | |
| Requestor Category: Central Bank | Status: Authorised at Steering Level | |

Reason for change and expected benefits/business motivation:

As of the migration of CCPs, T2S had to manage specific settlement behaviour.

Although T2S worked as foreseen in the UDFS, the auto-collateralisation on flows and the real-time settlement (RTS) did not perform as CCPs were expecting and resulted in pending partially settled instructions (due to a lack of cash).

The introduction of 2 new partial settlement windows during the RTS (at 10 am and at 12 noon) allows T2S to settle these instructions.

Description of requested change:

Introduction of 2 new partial settlement windows at 10 am and at 12 noon during the real-time settlement (RTS).

Submitted annexes / related documents:

Proposed wording for the Change request:

1. [URD v5.04, section 3.1.2.6, page 58, line 15](#)

Partial settlement during daytime settlement

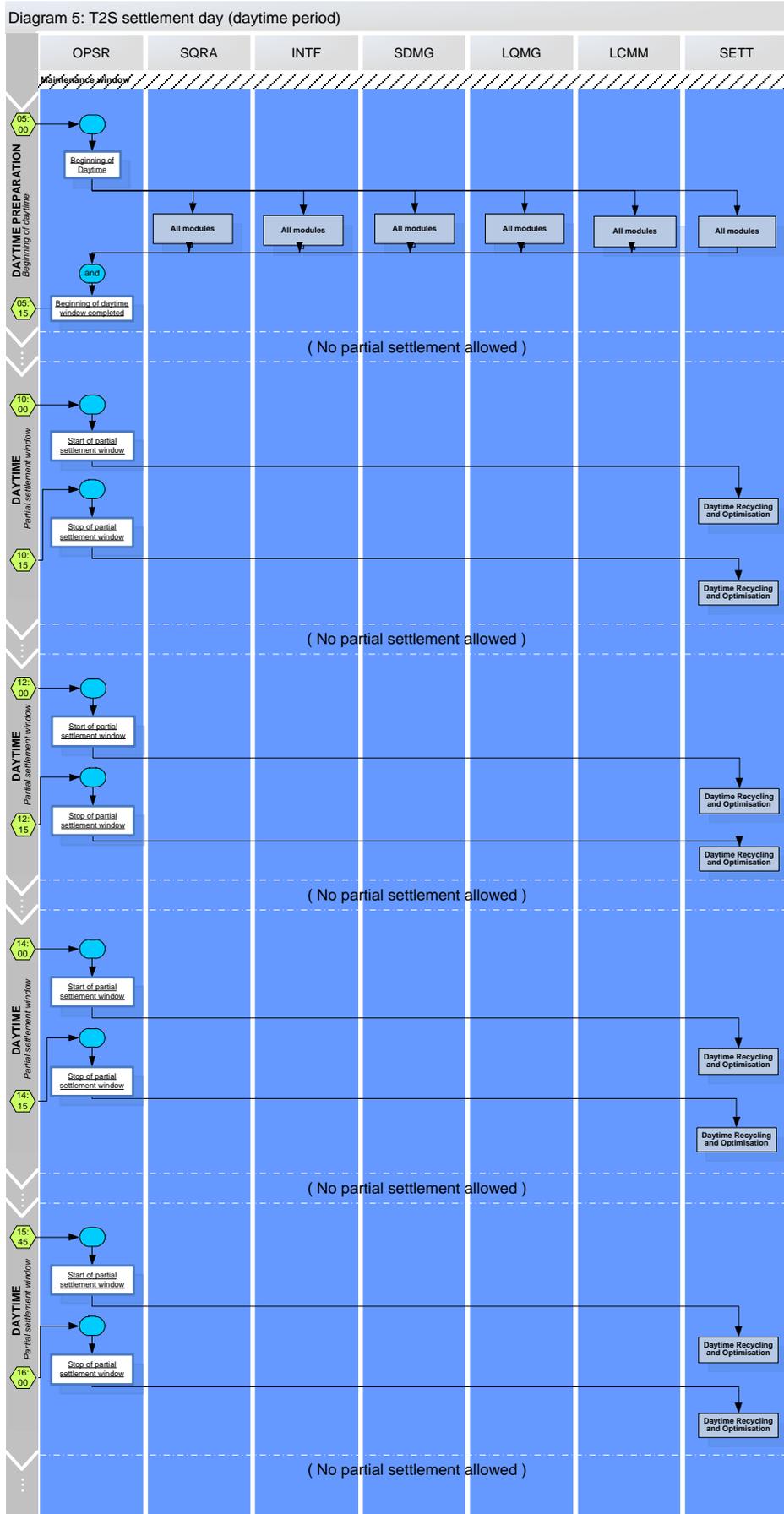
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|---------------------|------------|
| Reference ID | T2S.03.165 |
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T2S shall activate partial settlement procedure

- [at 10:00 CET, with deactivation at 10:15 CET](#)
- [at 12:00 CET, with deactivation at 12:15 CET](#)
- at 14:00 CET, with deactivation at 14:15 CET
- at 15:45 (15 minutes before the DVP cut-off time), with deactivation at the closure of the same day T2S DVP settlement.

2. [GFS v5.0, section 2.1.1.2, page 20, diagram "Daytime period"](#)

The diagram is to be updated by introducing additional "Daytime – Partial settlement window" segments in line with the existing ones, between 10:00 and 10:15 and between 12:00 and 12:15.



3. UDFS v2.0, section 1.4.3.2, page 206, table 88

| T2S TIMELINE | T2S PERIODS | HIGH LEVEL DESCRIPTION |
|---|----------------------------|--|
| ... | ... | ... |
| 5:00 a.m. (or after NTS if NTS ends before 3:00 a.m.) – 6:00 p.m. | Real-time settlement (RTS) | The real-time settlement period including: <ul style="list-style-type: none"> The real-time settlement preparation; The real-time settlement with 2<u>4</u> partial settlement windows; The real-time settlement closure |
| ... | ... | ... |

UDFS v2.0, section 1.4.4.4, page 229, lines 9-15:

The real-time settlement period includes:

- The real-time settlement preparation;
- The real-time settlement with the ~~two~~four partial settlement windows to optimise maximum value and volumes of settlement transactions, which are unsettled because of lack of securities:
 - ~~The first~~ The first partial settlement window between 10:00 a.m. and 10:15 a.m.;
 - ~~The second~~ The second partial settlement window between 12:00 p.m. and 12:15 p.m.;
 - ~~The first~~Third partial settlement window between 2:00 p.m. and 2:15 p.m.;
 - ~~The second~~fourth partial settlement window is 15 minutes before the beginning of the DVP cut-off time, then between ~~3:~~3:45 p.m. and ~~4:~~4:00 p.m.

4. UDFS v2.0, section 1.4.4.4.2, page 230 diagram 63

The diagram is to be updated by introducing new blocks for the two new partial settlement windows and re-labeling the existing ones to “third” and “fourth” partial settlement window.

5. UDFS v2.0, section 1.4.4.4.3, page 231, diagram 64

The diagram is to be updated by introducing new blocks for the two new partial settlement windows and re-labeling the existing ones to “third” and “fourth” partial settlement window.

6. UDFS v2.0, page 231, section 1.4.4.4.3, table 96

| T2S DETAILED PROCESSES | DEPENDENCIES | |
|---|--------------------|--|
| | TYPE OF DEPENDENCY | DESCRIPTION |
| ... | ... | ... |
| <u>First partial settlement window</u> | Time: 10:00 a.m. | <u>This process does not start before 10:00 a.m.</u> |
| <u>Second partial settlement window</u> | Time: 12:00 p.m. | <u>This process does not start before 12:00 p.m.</u> |
| First <u>Third</u> partial settlement window | Time: 2:00 p.m. | This process does not start before 2:00 p.m. |
| Second <u>Fourth</u> partial settlement window | Time: 3:45 p.m. | This process does not start before 3:45 p.m. |

7. UDFS v2.0, section 1.4.4.4.4, page 232, table 97

| T2S PROCESSES | DESCRIPTION OF THE PROCESSES |
|--|--|
| ... | ... |
| <u>First partial settlement window</u> | All the processes available during the real-time settlement period are also available. Additionally: <ul style="list-style-type: none"> Partial settlement of new Settlement Instructions arriving into T2S in this period |

| | |
|---|---|
| | <p><u>and eligible to partial settlement:</u></p> <ul style="list-style-type: none"> • <u>Settlement of previous unsettled or partially settled Settlement Instructions which are eligible to partial settlement.</u> |
| <u>Second partial settlement window</u> | <p>All the processes available during the real-time settlement period are also available. <u>Additionally:</u></p> <ul style="list-style-type: none"> • <u>Partial settlement of new Settlement Instructions arriving into T2S in this period and eligible to partial settlement;</u> • <u>Settlement of previous unsettled or partially settled Settlement Instructions which are eligible to partial settlement.</u> |
| <u>FirstThird</u> partial settlement window | <p>All the processes available during the real-time settlement period are also available. <u>Additionally:</u></p> <ul style="list-style-type: none"> • Partial settlement of new Settlement Instructions arriving into T2S in this period and eligible to partial settlement; • Settlement of previous unsettled or partially settled Settlement Instructions which are eligible to partial settlement. |
| <u>SecondFourth</u> partial settlement window | <p>All the processes available during the real-time settlement period are also available. <u>Additionally:</u></p> <ul style="list-style-type: none"> • Partial settlement of new Settlement Instructions arriving into T2S in this period and eligible to partial settlement; • Settlement of previous unsettled or partially settled Settlement Instructions which are eligible to partial settlement. |

8. UDFS v2.0, section 1.4.4.4.6, page 234, diagram 64
 The top block should be relabelled to “End of ~~second~~fourth partial settlement window”

9. UDFS v2.0, section 1.4.4.4.6, page 235, table 98

| T2S DETAILED PROCESSES | DEPENDENCIES | |
|---|---|---|
| | TYPE OF DEPENDENCY | DESCRIPTION |
| Execute DVP cut-off procedure | End of second <u>fourth</u> partial settlement window and Time: 4:00 p.m. | This process starts after the completion of the second <u>fourth</u> partial settlement window. In addition this process does not start before 4:00 p.m. In case of emergency situations a change of DVP cut-off is only possible according to a process to be defined in the T2S MOP. |
| Execute cash Settlement Restriction cut-off procedure | Partial settlement window completed and Time: 4:00 p.m. | This process starts after the completion of the second <u>fourth</u> partial settlement window. In addition this process does not start before 4:00 p.m. In case of emergency situations a change of cash Settlement Restriction cut-off is only possible according to a process to be defined in the T2S MOP. |

High level description of Impact:

Outcome/Decisions:

* CRG meeting of 28 October 2015: The Change Review Group recommended to approve the Change Request.

* OMG on 5 November 2015: During a written procedure from 29 October to 5 November 2015, the Operations Managers Group did not identify any operational impact.

* Advisory Group's advice on 7 January 2016: The AG was in favour of approving the Change Request.

* CSD Steering Group's resolution on 8 January 2016: The CSG took the resolution to approve the Change Request.

* 11 January 2016: Following the feedback during written procedure with the AG and CSG until 7 and 8 January 2016, a typo was corrected since the CR 550 indicated "12 am" instead of "12 pm" for the second partial settlement window once. The CR was updated to indicate "12 noon" everywhere to avoid any misunderstanding.