



EUROPEAN CENTRAL BANK

EUROSYSTEM

<b>General Information (Origin of Request)</b>		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> 4CB	<b>Institute:</b> 4CB	<b>Date raised:</b> 28/02/2019
<b>Request title:</b> Legal Archiving common component for T2S		<b>Request ref. no:</b> T2S 0700 SYS
<b>Request type:</b> Common	<b>Classification:</b> Maintenance	<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> Medium		<b>2. Market implementation efforts parameter:</b> Low
<b>3. Operational/Technical risk parameter:</b> Medium		<b>4. Financial impact parameter:</b> No financial impact
<b>Requestor Category:</b> Eurosystem		<b>Status:</b> Implemented

This Change Request is one of the T2S Change Requests related to the T2-T2S Consolidation Project. The tentative distribution of these Change Requests per functional area and T2S release is summarised in the table below (as of 2 November 2020):

	R4.0 (Jun 2020)	R4.2 (Nov 2020)	R5.0 (Jun 2021)	R5.2 (Nov 2021)	R6.0 (Jun 2022)	R6.2 (Nov 2022)
					<b>T2S&gt;ESMIG</b>	
ESMIG (Connectivity)					<a href="#">CR-701</a>	
CRDM (Reference data)	<a href="#">CR-719</a>	<a href="#">CR-721</a>	<a href="#">CR-704</a> <a href="#">CR-696</a>		<a href="#">CR-705</a>	
BILL (Billing)				<a href="#">CR-697</a>	<a href="#">CR-706</a>	
BDM (Business day)		<a href="#">CR-698</a>			<a href="#">CR-707</a>	
DWH (Historical data)					<a href="#">CR-699</a>	
LEA (Legal archiving)					<a href="#">CR-700</a>	
T2-T2S communication		<a href="#">CR-702 (ICL)</a> <a href="#">CR-703 (camt.050)</a>	<a href="#">CR-729</a>			<a href="#">CR-734</a>
Liquidity management			<a href="#">CR-708 (Outbound LT)</a> <a href="#">CR-709 (Cash sweep)</a>			
Maintenance window			<a href="#">CR-710</a>			

**Reason for change and expected benefits/business motivation:**

The T2-T2S Consolidation project envisioned a Legal Archiving common component to provide features to gather all information which is subject to legal archiving requirements from all the Eurosystem Market Infrastructure services. This comprises currently all messages from and to counterparties with a legal relevance (signed messages). The information shall be stored and managed in a centralised way.

The Legal Archiving common component shall replace the current T2S legal archiving module providing the same functionalities in a transparent way for the T2S customers. Details about the current features of T2S Legal Archiving module can be found in the T2S General Functional Specifications (v6.0 pp.566-ff)

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**Description of requested change:**

The new Legal Archiving (LeA) common component shall archive messages (i.e. single messages, multi-messages and U2A signed requests) processed in the Eurosystem Single Market Infrastructure Gateway (ESMIG). Additionally, as agreed in the T2S Legal Archiving workshop which was held on 19 September 2019, the following messages exchanged between T2S and other TARGET Services shall also be archived:

- Case 1 - Collateral Settlement Instructions related messages exchanged between ECMS and T2S: sese.023, while sese.024, sese.025 and sese.032 will be sent by ECMS and included in ECMS CR-0027
- Case 1 - Postings on a DCA related to the settlement of a Corporate Action sent from T2S to ECMS: camt.054 will be sent by ECMS and included in ECMS CR-0027
- Case 2 - Relocation notifications sent from T2S to ECMS: This includes the following messages: sese.032 and sese.025 will be sent by ECMS and included in ECMS CR-0027
- Case 3 - Cancellation of collateral Settlement Instructions exchanged between ECMS and T2S: sese.020, while sese.027 will be sent by ECMS and included in ECMS CR-0027
- Case 4 - Flat file reports sent exchanged between T2S and ECMS: Flat files holdings, transactions and pending instructions and related responses will be sent to LeA by T2S while related responses will be sent by ECMS and included in ECMS CR-0027
- Case 5 - Reference data messages related to auto-collateralisation exchanged between ECMS and T2S: flat file for reda.024/CollateralValueCreationRequest, reda.025, reda.027, reda.075 and reda.077, while reda.028 and SecuritiesValuationBulkFileResponse will be sent by ECMS and included in ECMS CR-0027
- Liquidity Transfers messages exchanged between T2S, CLM, RTGS and TIPs: camt.050 and camt.025

The messages exchanged between T2S and the other TARGET Services will not be signed. In case a settlement or any other aspect of the operations of T2S is challenged by an external third part, LeA should support the reconstruction of the activities performed by T2S in order to prove, from a legal stand-point, that that functioning of the platform was correct, i.e. according to the requirements and contract clauses. For this, an operational procedure, supported by the information archived in LeA and allowing to reference between messages exchanged between TARGET services and underlying user actions (A2A and U2A) with digital signature, shall be developed.

The 4CB have set up back tracing procedures for all internal messages described above. This back tracing enables the 4CB to retrieve all internal messages that were triggered by an external signed trigger (U2A/A2A), whenever it is executed.

Internal messages to be archived should be sent to the legal archiving common component by the receiving service, except for flat files sent by T2S. All internal messages received by T2S will be forwarded to LeA by T2S, all messages received by CRDM (reda.025, reda.027, reda.075, reda.077 & flat file CollateralValueCreationRequest) are forwarded to LeA by CRDM.

Legally archived messages will be retained for a predefined period of 10 years, including the data generated before the CSLD go-live.

Only the Service Desk of the Operator will have read access to data in the legal archive. The Service Desk receives requests from entitled Actors and extracts the needed data. These requests shall refer to the retrieval of legally archived information within an acceptable retention period (currently 10 years before the date of the request).

From a pure user experience, the introduction of the new Legal Archiving common component will not impact the T2S customers.

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**Submitted annexes / related documents:**

Clarification Note on Legal Archiving and Internal Messages

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**Proposed wording for the Change request:****T2S UDFS**

## T2S UDFS v5.0 1.1.5.5 Archiving management

The archiving management application process copies inbound and outbound messages from the operational data base and specific Internal messages and store them, for a harmonised 10 years period, in their original format into a centralised archive for audit and regulatory purposes.

## T2S UDFS v5.0 1.5.5 Archiving management

As described in section Operations and Support [□ 805], the archiving management supports the fulfilment of audit and regulatory needs through a central repository where the inbound and outbound messages and specific internal messages in their original format are copied from the operational databases and are stored for a harmonised period of 10 years.

## T2S UDFS v5.0 1.6.5.5 Archiving management

The archiving management application process copies inbound and outbound messages and specific internal messages, mentioned hereafter, from the operational data base and store them in their original format into a centralised archive for audit and regulatory purposes. Archiving management is scheduled on daily basis and it archives data for a period of ten years.

Internal messages to be archived should be sent to the legal archiving common component by the receiving service, except for flat files sent by T2S.

The internal Liquidity Transfers messages exchanged between T2S, CLM, RTGS and TIPS: camt.050 and camt.025 are archived in LeA.

Moreover, concerning the Legal assessment on T2S - ECMS interaction and messages exchanged in the internal network (European market infrastructure network), the following list of business cases lead to an additional set of internal messages that are archived in LeA:

- Case 1 – Collateral Settlement Instruction from ECMS to T2S (both for CSDs and NCBs) and related status updates/confirmations
- Case 2 – T2S relocation notification to ECMS (both for CSDs and NCBs) – these messages will be sent from ECMS to LeA
- Case 3 – Cancellation collateral Settlement Instruction from ECMS to T2S (both for CSDs and NCBs)
- Case 4 – Flat files report exchanged between T2S and ECMS (only for NCBs)
- Case 5 – Referenced data related to auto-col from ECMS to T2S (only for NCBs) - these messages will be sent from CRDM for T2S to LeA

<u>Message</u>	<u>Inbound/Outbound (from T2S perspective)</u>	<u>Service sending to LeA</u>	<u>Business Case</u>
<u>SecuritiesSettlementTransactionInstruction (sese.023)</u>	<u>Inbound</u>	<u>T2S</u>	<u>Case 1</u>
<u>SecuritiesTransactionCancellationRequest (sese.020)</u>	<u>Inbound</u>	<u>T2S</u>	<u>Case 3</u>
<u>Flat files holdings, transactions and pending instructions and related response</u>	<u>Outbound</u>	<u>T2S</u>	<u>Case 4</u>
<u>Flat file instead of CollateralValueCreationRequest (reda.024)</u>	<u>Inbound</u>	<u>T2S (CRDM)</u>	<u>Case 5</u>
<u>EligibleSecuritiesCreationRequest (reda.025)</u>	<u>Inbound</u>	<u>T2S (CRDM)</u>	<u>Case 5</u>
<u>CloseLinkCreationRequest (reda.027)</u>	<u>Inbound</u>	<u>T2S (CRDM)</u>	<u>Case 5</u>
<u>EligibleSecuritiesDeletionRequest (reda.075)</u>	<u>Inbound</u>	<u>T2S (CRDM)</u>	<u>Case 5</u>
<u>CloseLinkDeletionRequest (reda.077)</u>	<u>Inbound</u>	<u>T2S (CRDM)</u>	<u>Case 5</u>

## CRDM UDFS

### 1.6.4. Archiving management

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Moreover, internal messages received by CRDM for T2S, better specified hereafter, are subjected to legal archiving and sent to LeA by CRDM for T2S.

- Flat file instead of CollateralValueCreationRequest (reda.024)
- EligibleSecuritiesCreationRequest (reda.025)
- CloseLinkCreationRequest (reda.027)
- EligibleSecuritiesDeletionRequest (reda.075)
- CloseLinkDeletionRequest (reda.077)

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## Outcome/Decisions:

\*CRG on the 20 March 2019: The CRG has agreed to launch the preliminary assessment of CR-700.

\*CSG on the 24/25 October 2019: The CSG took note of the list of T2S messages for which archiving must be maintained in the new Legal Archiving Common Component, as agreed in the T2S Legal Archiving workshop on 19 September 2019.

- \* PMG on 27 March 2020: The PMG proposed to allocate this CR to T2S release 6.0, subject to its authorisation by the T2S Steering Level.
- \* CRG on 2 July 2020: the CRG recommended the CR for authorisation at steering level following a fast-track procedure.
- \* CRG on 9 July 2020: Following a clarification of the assumptions to be taken for the detailed assessment of CR-700, the CRG confirmed the recommendation of CR-700 for authorisation by the T2S Steering level.
- \* AMI-SeCo on 16 July 2020: The AMI-SeCo agreed with the recommendation of the CRG to authorise the CR following a fast-track procedure.
- \* CSG on 17 July 2020: The CSG agreed to authorise the CR following a fast-track procedure.
- \* NECSG on 17 July 2020: The NECSG agreed to authorise the CR following a fast-track procedure.
- \* MIB on 29 July 2020: The MIB authorised CR-700
- \* CRG on 20 April 2021: the CRG agreed to recommend to the PMG the inclusion of CR-700 in R6.0
- \* PMG on 20 April 2021: the PMG agreed to include CR-700 in the scope of R6.0.
- \* CSG on 22 June 2021: the CSG approved the inclusion of CR-700 in the scope of R6.0.
- \* NECSG on 23 June 2021: the NECSG approved the inclusion of CR-700 in the scope of R6.0.
- \* MIB on 1 July 2021: the MIB approved the inclusion of CR-700 in the scope of R6.0.
- \* OMG on 28 August 2021: the OMG identified an operational impact from the inclusion of CR-700 in R6.0.

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**Detailed assessment:**

EUROSYSTEM ANALYSIS – GENERAL INFORMATION			
T2S Specific Components		Common Components	
<b>LCMM</b>			
	Instructions validation		
	Status management		
	Instruction matching		
	Instructions maintenance		
	Penalty Mechanism		
<b>Settlement</b>			
	Standardisation and preparation to settlement		
	Night-time Settlement		
	Daytime Recycling and optimisation		
	Daytime Validation, provisioning & booking		
	Auto-collateralisation		
<b>Liquidity Management</b>			
	Outbound Information Management		
	NCB Business Procedures		
	Liquidity Operations		
<b>T2S Interface</b> (as of June 2022 without Static Data Management, Communication for SDMG, Scheduler, Billing)			
	Communication		
	Outbound Processing		
	Inbound Processing		
<b>Static Data Management</b> (until June 2022)		<b>Common Reference Data Management</b> (from R6.0 June 2022)	
	Party data management		Party data management
	Securities data management		Securities data management
	Cash account data management		Cash account data management
	Securities account data management		Securities account data management
	Rules and parameters data management		Rules and parameters data management

Statistics and archive		Statistics and archive	
	Statistical information (until June 2022)		Short term statistical information
X	Legal archiving (until June 2022)	X	Legal archiving (from R6.0)
			Data Warehouse (from R6.0)
Information (until June 2022 containing reference data)		CRDM business interface (from R6.0 June 2022)	
	Report management		Report management
	Query management		Query management
			Communication
			Outbound Processing
			Inbound Processing
Operational Services			
	Data Migration (T2S DMT)		Data Migration (CRDM DMT, from R6.0)
	Scheduling (until June 2022)		Business Day Management (from R6.0)
			Business Day Management business interface (from R6.0)
	Billing (until June 2022)		Billing (from R6.0)
			Billing business interface (from R6.0)
	Operational Monitoring		Operational and Business Monitoring
	OMEGA Templates		

Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter		
Impacted UDFS chapter	T2S UDFS v5.0 1.1.5.5 Archiving management	See above
	T2S UDFS v5.0 1.5.5 Archiving management	See above
	T2S UDFS v5.0 1.6.5.5 Archiving management	See above
	<b>CRDM UDFS</b> 1.6.4 Archiving management	See above
Additional deliveries for Message Specification		
UHB		
Links with other requests: CSLD CR-0046; ECMS CR-0027		
Links	Reference	Title

**OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT**

**Summary of functional, development, infrastructure and migration impacts**

Current Legal Archiving System will be decommissioned therefore the old T2S archived data (and TARGET2 old data too but not relevant for this CR) will be migrated to the new LeA tool, on time for the go live date, and the new data, from the go live on, shall be sent by T2S component to the new LeA component. Moreover, internal messages, listed above, exchanged between T2S and other TARGET Services shall also be archived in LeA. Internal messages to be archived should be sent to the legal archiving common component by the receiving service, except for flat files.

A2A traffic will be sent to LeA from ESMIG  
 U2A traffic, subject to NRO, will be sent to LeA from the different Services according to a common interface.

The Liquidity Transfers messages exchanged between T2S, CLM, RTGS and TIPS: camt.050 and camt.025 are archived in LeA.

Moreover, concerning the Legal assessment on T2S - ECMS interaction and messages exchanged in the internal network (European market infrastructure network), the following list of business cases lead to an additional set of internal messages that are archived in LeA:

- Case 1 – Collateral Settlement Instruction from ECMS to T2S (both for CSDs and NCBs) and related status updates/confirmations
- Case 2 – T2S relocation notification to ECMS (both for CSDs and NCBs) – these messages will be sent from ECMS to LeA
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**Trace back procedure:**

Only signed external A2A/U2A input triggering internal messages is subject to trace back procedure. According to the level 2 clarification, back-tracing is considered as a procedure to be established, not a software functionality. The back-tracing procedure should be established as part of the CR assessment, in order to ensure that all necessary data needed to link an archived internal message to an archived external message is archived too. This leads to more data to be archived than initially listed in the CR.

The description of the back tracing procedures for the business cases listed in the clarification note provided as annex to this CR will be provided by end of April 2021.

As mentioned above, in the Clarification Note and in the T2S CR-700 the following internal messages received by CRDM for T2S will be sent to LeA by CRDM for T2S:

- Flat file instead of CollateralValueCreationRequest (reda.024)
- EligibleSecuritiesCreationRequest (reda.025)
- CloseLinkCreationRequest (reda.027)
- EligibleSecuritiesDeletionRequest (reda.075)
- CloseLinkDeletionRequest (reda.077)

**LeA:**

According to the list of messages to be archived for each Service the following Common Selection Criteria can be applied by the Operator in order to retrieve A2A inbound and outbound traffic:

1. Message Identifier (Selection Type: Single Value) - Included in the BAH
2. Message Type (Selection Type: Multiple Values) - 'ALL' value allowed; included inside the payload from the involved application/service
3. Sender (Selection Type: Single Value) - Inbound DN from ESMIG
4. Receiving Timestamp (Selection Type: Range) – Inbound Date and Time from ESMIG
5. Receiver (Selection Type: Single Value) - Outbound DN from the involved application/service
6. Sending Timestamp (Selection Type: Range) - Outbound Date and Time from the involved application/service.

For the retrieval of U2A requests related to any given service, the Operator shall opt for at least one of the following selection criteria:

1. Application (Selection Type: Single Value)
2. Request Type (Selection Type: Multiple Values) – "ALL" value allowed
3. Sender - User DN (Selection Type: Single Value)
4. Request Timestamp (Selection Type: Range) – Date and Time of the U2A request

For the retrieval of A2A internal messages related to any given service, the Operator shall opt for at least one of the following selection criteria:

1. Message Identifier (Selection Type: Single Value) - Message Id
2. Message Type (Selection Type: Multiple Values) – "ALL" value allowed
3. Sender Component (Selection Type: Single Value)
4. Receiving Component (Selection Type: Single Value)
5. Sending/Receiving Timestamp (Selection Type: Range) - Date and Time

<b>Main cost driver:</b> <ul style="list-style-type: none"><li>- New requirement for establishment of Back tracing Procedures</li><li>- Archiving of additional set of internal messages that are externally triggered</li></ul>
<b>Impact on other TARGET Services and projects</b> <p>All the TARGET Services will adapt/implement and agree their interface with LeA (CLM, RTGS, ECONS II, TIPS, Common Component (ESMIG, CRDM, BILL), ECMS); CSLD CR-0046; ECMS CR-0027 TARGET2 old data will be migrated to the new LeA tool. This info it is not relevant for this CR but it is reported because the current tool manage both TARGET2 and T2S data.</p>
<b>Summary of project risk</b>
N.A.
<b>Security analysis</b>
No adverse effect has been identified during security assessment.



## Cost assessment on Change Requests

T2S-700-SYS – Legal Archiving common component for T2S			
One-off	Assessment costs*		
	- Preliminary	0.00	Euro
	- Detailed	0.00	Euro
One-off	Development costs	0.00 <sup>1</sup>	Euro
Annual	Operational costs		
	- Maintenance costs	0.00	Euro
	- Running costs	14,391.23	Euro

\*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).

<sup>1</sup> The development costs of CR-700 are covered by the T2-T2S Consolidation project