



EUROPEAN CENTRAL BANK

EUROSYSTEM

T2S CHANGE REQUEST FORM		
<b>General Information (Origin of Request)</b> <input type="checkbox"/> User Requirements (URD) or GUI Business Functionality Document (BFD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> Clearstream	<b>Institute:</b> CSD	<b>Date raised:</b> 20/11/2019
<b>Request title:</b> Next Settlement Day Cash Forecast should report cash demand for the next possible cash settlement day		<b>Request No.:</b> T2S 0725 SYS
<b>Request type:</b> Common	<b>Classification:</b> Scope Enhancement	<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> High	<b>2. Market implementation efforts parameter:</b> Low	
<b>3. Operational/Technical risk parameter:</b> Low	<b>4. Financial impact parameter:</b> (provided by 4CB)	
<b>Requestor Category:</b> CSD	<b>Status:</b> Withdrawn	

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

T2S Cash forecast exists in two variations:

- Current Settlement Day Cash Forecast
- Next Settlement Day Cash Forecast

The Current Settlement Day Cash Forecast provides a cash forecast reflecting current cash balances, all valid and eligible instructions that have entered the system but have not yet settled as well as the amount of outstanding intraday credit from auto-collateralisation. The calculation is based on the instructions/LTO for which the intended settlement date is the current date or earlier.

The Next Settlement Day Cash Forecast provides the same information for the next settlement day. In this case, the calculation is based on instructions/LTO for which the intended settlement day is the next settlement day.

In case the next settlement day is a T2S working day but a cash holiday for the currency in scope, then there are no instructions/LTO that are eligible for settlement on this day, and therefore the Next Settlement Day Cash Forecast reports only zero results. Obviously, in such a situation the Next Settlement Day Cash Forecast is of limited value.

On the other hand, there is a reporting gap: if payment banks want to set up the Inbound Liquidity Transfers into T2S for the first Cash Settlement Day after the cash holiday, they have to do this on the last day prior to the cash holiday. However, at this time there is no cash forecast information available about the cash demand for the first cash settlement day after the holiday.

To solve the issue, the Next Settlement Day Cash Forecast should be changed into a Next Cash Settlement Day Cash Forecast. The calculation shall be based on instructions/LTO for which the intended settlement day is the next possible cash settlement day for the currency in scope. In case the next T2S business day is a cash holiday, this would be the first cash settlement day after the cash holiday.

**Description of requested change:**

Definitions of the "Following Settlement Day Cash Forecast Report" must be updated to clarify that the "Following Settlement Day Cash Forecast" will report the cash demand for the next possible cash settlement day in the affected currency, i.e. for the next business day where the currency is again eligible for cash settlement. E.g.:

Section 1.6.2.7.3 "Liquidity monitoring process", UDFS v4.2, page 646:

Following Settlement Day Cash Forecast Report

This report provides a forecast of the cash needs for the following cash settlement day, i.e. for the next business day where the currency is again eligible for cash settlement. It provides information on the same fields as the above mentioned Current Settlement Day Cash Information Report, in order to enable the T2S Actor to prepare and dedicate in advance sufficient cash on the T2S Dedicated Cash Account for the following night-time settlement period, or in case the next settlement day is a cash holiday for the currency in scope, for the night time settlement period of the first settlement day on which the currency is again eligible for cash settlement.

Section 1.6.4.2.3 "Report generation process", UDFS page 728:

Following Settlement Day Cash Forecast Report

This report is available in complete version only and provides T2S Actors the same information as the Current Settlement Day Cash Report just only for the following cash settlement day, i.e. for the next T2S settlement day where cash settlement in the affected currency is possible again. In case the next T2S settlement day is a cash holiday, this is the first settlement day after the cash holiday.

**Submitted annexes / related documents:**

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**Outcome/Decisions:**

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\* CRG on 27 November 2019: The CRG agreed to launch the preliminary assessment of CR-725.

\* CRG on 22 January 2020: The CR was withdrawn by the initiator

**Documentation to be updated:**

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**Preliminary assessment:**

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**Detailed assessment:**

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