

T2S CHANGE REVIEW GROUP

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Final
24 March 2021

Outcome

Meeting of the T2S Change Review Group (CRG)

24 February 2021, from 10:00 to 12:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG took note of the de-scoping of CR-722 (Upgrade of non-repudiation for U2A) from R5.0 and its allocation to R5.2 instead. The CRG was informed of the approval by the T2S Steering Level of editorial CR-754 and the corresponding wording updates in the documentation for R5.0. In addition, the CRG members were updated on the status of the market review for the Scope Defining Documents for R5.0, for which the final version will be published on 5 March 2021.

CRG members took note that, going forward, the questions and feedback provided by CRG members during written consultations would be made available to other CRG members systematically (unless the feedback is a straight agreement/non-objection).

The CRG members approved the agenda of the meeting.

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 19 January 2021

Outcome

The CRG members approved the outcome of the CRG meeting on 19 January 2021.

3. Analysis of change requests

3.1 Change requests already authorised at T2S Steering Level (not yet under implementation)

Background documentation

- 4CB Detailed Assessment of Change Requests T2S-0726-SYS, T2S-0741-SYS, T2S-0742-SYS and T2S-0748-URD
- T2S-0726-SYS, T2S-0741-SYS, T2S-0742-SYS, T2S-0748-URD – Summary of detailed assessment
- T2S-0726-SYS (No redundant status update on instructions pending due to counterparty hold)
- T2S-0741-SYS (Enable settlement of custody-related settlement restrictions in NTS Sequence 1)

- T2S-0742-SYS (Enable PFOD for external CSD settlement)
- T2S-0748-URD (Dedicated list of Central Counterparties (CCPs) to identify and flag CCPs in the penalty reports generated by T2S)

Outcome

T2S-0726-SYS (No redundant status update on instructions pending due to counterparty hold)

The CRG members took note of the results of the detailed assessment of CR-726. The 4CB confirmed that the reference to the business rule SPST002 is not needed to identify whether a status update with the reason code 'PRCY' is redundant with the previous status update sent by T2S. The CRG had no outstanding questions and recommended to the PMG the implementation of CR-726 in T2S release 6.0 (June 2022).

Follow-up actions:

- ECB team to inform the PMG of the CRG recommendation [26 February 2021]

T2S-0741-SYS (Enable settlement of custody-related settlement restriction in NTS Sequence 1)

The CRG members took note of the results of the detailed assessment of CR-741.. 4CB informed that the outstanding SDD wording proposals would be provided by the end of May 2021. The CRG had no outstanding questions and recommended to the PMG the implementation of CR-741 in T2S release 6.0 (June 2022).

Follow-up actions:

- ECB team to inform the PMG of the CRG recommendation [26 February 2021]

T2S-0742-SYS (Enable PFOD for external CSD settlement)

The CRG members took note of the results of the detailed assessment of CR-742 and had no outstanding questions. Subject to the inclusion of an additional sentence in the UDFS updates, stating that a settlement instruction including a cash leg with an external CSD would be cancelled by T2S if no DCA was linked to the Inter-CSD account, the CRG recommended to the PMG the implementation of CR-742 in T2S release 6.0 (June 2022).

Follow-up actions:

- ECB team to distribute an updated CR-742 to other technical groups [24 February 2021]
- ECB team to inform the PMG of the CRG recommendation [26 February 2021]

T2S-0748-URD (Dedicated list of Central Counterparties (CCPs) to identify and flag CCPs in the penalty reports generated by T2S)

The CRG members took note of the results of the detailed assessment of CR-748 and had no outstanding questions. The CRG took note that the feedback of CSDR Task Force, as initiator of the CR-748, was expected until 26 February 2021. The CRG recommended to the PMG the implementation of CR-748 in T2S release 5.2 (November 2021).

Follow-up actions:

- ECB team to distribute CR-748 to the CSDR Task Force [24 February 2021]
- ECB team to inform the PMG of the CRG recommendation [26 February 2021]

3.2 Change requests under implementation

Background documentation

- T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions)
- T2S-0383-URD – Availability of Party and Party CSD information

- T2S-0503-SYS, T2S-0556-SYS, T2S-0615-SYS, T2S-0629-SYS, T2S-0688-SYS, T2S-0708-URD, T2S-0709-URD, T2S-0729-SYS, T2S-0744-SYS, T2S-0749-SYS

Outcome

T2S-0383-URD (Possibility of submitting already matched cross-CSD settlement instructions)

The CRG members took note that, with the implementation of CR-383, a cross-CSD instruction sent already matched without own Party information would result in a sese.023 copy sent to the counterparty CSD without Party info either. The ECB team presented several approaches how to deal with this possibility. Several CRG members expressed their preference for a change request. A CRG member announced that they would raise a CR to prevent this possibility, to be allocated to a future release. Until then, it was agreed to inform the CSG to ensure that CSDs carrying out cross-CSD settlement can agree bilaterally, if needed, on a way to handle this aspect of CR-383. The ECB team will also invite the CSG to discuss the opportunity to inform the AMI-SeCo. The CRG members invited the ECB team to share the same information with the OMG.

Follow-up actions:

- ECB team to distribute to OMG members the presentation 'CR-383 Availability of Party and Party CSD information' [25 February 2021]
- Clearstream to raise a CR to prevent the possibility that a cross-CSD SI sent already matched without own party information would result in a sese.023 copy sent to the counterparty CSD without Party info either [24 March 2021]
- ECB team to inform the CSG of the possible need to reach bilateral agreements between CSDs to handle cross-border already matched instructions sent without Party information to T2S [17-18 March 2021]

Change requests updated during the SDD review for R5.0

The CRG members took note that some updates were made to CR-503, -556, -615, -629, -688, -708, -709, -729, -744 and -749 for consistency with the T2S Scope Defining Documents. The CRG members will review the CRs and agree via written procedure to the updates. In addition, the CRG took note that the final SDDs will be published on 5 March 2021 and will include the changes introduced with CR-754, approved by the T2S Steering Level. Also, the CRG took note that the changes introduced with CR-722 will be removed, following the PMG decision and CSG/NECSG approval to de-scope CR-722 from R5.0.

Follow-up actions:

- CRG members to confirm the updates to CR-503, -556, -615, -629, -688, -708, -709, -729, -744 and -749 via written procedure [3 March 2021]

4. Any other business

4.1 Clarification notes

Background documents

- CRG_PBR_0024 (Deletion of daily prices)
- T2S_ICN_0006 (Impact of TIPS_CR_0033,-38 and -39 on T2S)

Outcome

CRG-PBR-0024 (Deletion of daily prices)

The CRG members took note of some concerns, raised by a CRG member, that updating a daily price rather than deleting it as envisaged in CRG-PBR-0024 could introduce operational risk if done manually due to human error. Considering that the solution envisaged in the note is intended to avoid a risk of performance impact on T2S, which is also of an operational nature, the CRG agreed that it should be for the OMG to determine the preferred way forward, following the usual PBI resolution process. The ECB team invited CRG members to provide their final comments on the note via written procedure – these comments will be provided as input to the OMG discussion.

Follow-up actions:

- CRG members to provide their view on the clarification note via written procedure [3 March 2021]
- ECB team to distribute to the OMG the note CRG-PBR-0024 with CRG members' feedback for information and discussion whether a PBI should be raised by 4CB [5 March 2021]

T2S_ICN_0006 (Impact of TIPS_CR_0033, -38 and -39 on T2S)

The CRG took note that it was envisaged to deploy TIPS CR-33, 38 and 39 to the production environments in November 2021, coinciding with T2S R5.2. Based on the information provided in the note, the CRG took note that the impact of TIPS CR-33, 38 and 39 for T2S users would be limited to a minor update of three message specifications (acmt.007, acmt.025, acmt.026) when T2S adopts ESMIG in R6.0, coming in addition to the changes already planned on those messages in R6.0. The CRG agreed to rename the clarification note T2S_ICN_0006 (Impact of TIPS_CR_0033, -38 and -39 on T2S) as this note supports the performance of a cross-service impact by the T2S governance.

The CRG concluded that from a functional perspective, the impact of the deployment of TIPS CR-33, -38 and -39 at the same time as T2S R5.2 was acceptable.

Follow-up actions:

- ECB to inform the PMG of the CRG conclusion on T2S_ICN_0006 [26 February 2021]

4.2 CRG meeting dates

The following CRG meetings are planned in 2021 (to be confirmed at least 4 weeks in advance)

10 March 2021	13:30-15:30	OGPF workshop #2
24 March 2021	10:00-16:00	Webex
25 May 2021	10:00-16:00	Webex
7 July 2021	10:00-16:00	Webex
10 September 2021	10:00-16:00	Webex
9 November 2021	09:30-17:30	ECB Main building