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## Outcome of the T2S Project Managers Group (PMG) Meeting

2 June 2022 (09:30-12:30 & 14:00 – 17:00)

WebEx

### 1. APPROVAL OF THE AGENDA AND INTRODUCTORY REMARKS

#### **Outcome**

*The PMG chairperson welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures. The PMG requested updates on the deployment of CR-722. The 4CB explained that due to the ongoing work related to release 6.0, the work on earlier installation of CR-722 into the production environment has been put on hold on 4CB side.*

*The PMG chairperson clarified that the SKDD migration strategy will be discussed by the technical groups following a first introduction of SKDD to the CSG in its meeting in June.*

*No additional items were proposed for inclusion on the agenda of the meeting. The PMG members approved the agenda.*

*The PMG was updated on the authorisations and approvals from CSG/NECSG/MIB since the last PMG meeting on 9 March 2022:*

- *Since the last PMG meeting of 9 March 2022, the following CRs were authorised by the T2S Steering level:*
  - T2S-0525-SYS (Provide Restriction Type name and description in reason code due to Market Specific Restriction Types)
  - T2S-0623-SYS (Standing rebalancing of securities positions)
  - T2S-0782-URD (Adaptations due to the decommissioning of Kronos2 and migration to T2)
  - T2S-0783-URD (RTS Improvement of the optimisation process dedicated to Corporate Action high volume)
  - T2S-0541-URD (Bulk-release functionality (U2A) for settlement instructions)

- T2S-0634-SYS (New code to report that settlement information is not available in T2S during the start of day)

*Since the last PMG meeting of 9 March 2022, the following CRs were approved for implementation by the T2S Steering level:*

- T2S-0551-SYS (Reporting of Restriction References for COSD blocked positions in the Statement of Holdings (semt.002))
- T2S-0740-SYS (No check of the Minimum Settlement Unit upon revalidation of partially settled instructions and partially settled settlement restrictions)
- T2S-0762-URD (New option for opening T2S during the week-end)
- T2S-0763-SYS (T2S Multi-Criteria Settlement Optimisation)
- T2S-0764-SYS (No intraday update of the Negative Position flag)
- T2S-0777-SYS (Unprune elements of the semt.002 message to allow their use by ECMS)
- T2S-0781-SYS (Allowing Security Intraday Restriction maintenance on or after Maturity Date)

## 2. OUTCOME OF THE PREVIOUS MEETING

### Background documentation

- Outcome of the PMG meeting on 9 March 2022

### **Outcome**

*The PMG members approved the outcome of the PMG meeting that took place on 9 March 2022. The final outcome will be published on the ECB Website.*

## 3. UPDATE ON CRG ACTIVITIES

### Background documentation

- Briefing of the CRG meeting of 30 May 2022

### **Outcome**

*The PMG took note of the CRG updates following their meeting on 30 May 2022. 4CB clarified that CR-766 falls outside a T2S Release deployment date and the new report envisaged by this CR would be provided in January 2023.*

## 4. RELEASE SCOPING

### Background documentation:

- A. Ranked List of Change Requests as of 17 May 2022 ([Website](#))
- B. 4CB Detailed Assessment of T2S-0638-SYS (T2S should allow and process already matched instructions which include the counterparty's securities sub-position to be used for settlement purposes) [sent on xx/05/2022]
- C. 4CB Detailed Assessment of T2S-0756-SYS (If an instruction is cancelled than T2S should no longer consider it to be part of a Pool) [sent on xx/05/2022]
- D. 4CB Detailed Assessment of T2S-0766-SYS (T2S Settlement Optimisation Analysis) [sent on xx/05/2022]
- E. 4CB Detailed Assessment of T2S-0779-SYS (Optimise processing of CORP transactions during Real Time Settlement: grouping in collections and modified sorting method) [sent on 24/05/2022]
- F. 4CB CR capacity consumption update

## **Outcome**

### **A. Ranked List of Change Requests as of 17 May 2022**

*The PMG took note of the updated ranking of Change Requests, available in the ECB Website, as of 17 May 2022.*

### **B. 4CB DA of T2S-0638-SYS**

### **C. 4CB DA of T2S-0756-SYS**

### **D. 4CB DA of T2S-0766-SYS**

### **E. 4CB DA of T2S-0779-SYS**

*The PMG took note of the results of the Detailed Assessment for Change Requests T2S-0638-SYS, T2S-0756-SYS, T2S-0766-SYS and T2S-0779-SYS. The PMG agreed to run a written procedure on the results of the detailed assessments and seek the PMG recommendation to the T2S Steering Level, subject to the CRG recommendation.*

*More specifically on CR-756, in view of the principle of being cautious with the scoped items of minor Releases not to include CRs relating to ISO changes also in view of the major ISO changes to be implemented in R2024.JUN, PMG agreed to re-check if the R2023.NOV deployment path should be maintained or be postponed to a later Release.*

### **4CB CR Capacity consumption update**

*The PMG took note of the 4CB CR capacity consumption update, including the 4 CRs added to the update: CR-638, CR-756, CR-766 and CR-779. The PMG took note of the increases in the consumption for 2023 and 2024. The PMG took note that next CR implementation capacity update will be provided by end of July 2022 which will be significantly revised due to the inclusion of the CRs relating to the T2S Recovery solution.*

*The PMG took note that due to the T2S Recovery, the CR capacity consumption for 2023 has already reached over 50% although neither R2023.JUN nor R2023.NOV releases have been fully scoped yet also in view of the end of the maintenance of the ISO freeze. The PMG agreed to limit the scope of R2023.JUN and 2023.NOV (i.e. only regulatory CRs and CRs needed for other TARGET Services) and JUN.2024 (i.e. only regulatory CRs) to the maximum extent possible.*

## **5. CRs IMPACTING COMMON COMPONENTS**

### **5.1 CRs raised by the T2S community**

Background documentation:

- A. T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off - oral update
  - B. T2S-0762-URD New option for opening T2S during the week-end - oral update
  - C. T2S-0769-BFD 'Add MS Edge to the list of supported browsers for U2A interaction' - testing approach [sent on 25/05/2022]
  - D. T2S-0781- SYS Allowing Security Intraday Restriction maintenance on or after Maturity Date - oral update
  - E. T2S-0784-SYS Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model - oral update
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F. T2S – Recovery CRs - oral update

**Outcome**

The PMG took note of the updates for T2S CR-720, CR-762, CR-781, CR-784 and the recovery CRs.

For CR-720, a new AP (AP-35) to be opened in relation to the incompatibility that has been found between CR-720 and TIPS CR-28, for 4CB to confirm the requirements previously expressed by CRG and PMG.

For CR-762, which is currently under implementation and allocated to R2023.JUN, is also linked with CSDL-0105- 'Adjust maintenance window for T2S NTS' because both of them have to be deployed together due to functional interdependencies. The detailed assessment for CSDL-105 has been completed and is expected to be approved by end June 2022. 4CB had confirmed that it would be allocated to the R2023.JUN although the initial deadline of 10 June 2022 for the Steering Level green light would not be met.

Additionally, the PMG representative of EFi mentioned that there are ongoing discussions on how to test CR-762 correctly in view of a weekend procedure. Further feedback on this point to be shared with PMG in due time.

For CR-769, the PMG was informed of the total costs of the MS Edge CRs and due to the high amount, it was agreed in the CRG that a reduced testing scope could provide sufficient testing coverage and the CRG agreed to provide additional proposals for screens to be added to this scope via a new written procedure with due date 3 June 2022. The PMG took note that after the reduced scope was agreed by the CRG, a new cost re-assessment would be provided by 4CB so that the PMG could assess the recommendation of implementation for R2023.JUN. A new AP (AP-36) to be opened for which the 4CB should provide to the PMG the full list of screens to be tested eliminating the overlapping screens and duplicate screens from the other Target Services.

For CR-0781-BFD 'Allowing Security Intraday Restriction maintenance on or after Maturity Date' which foresees a change in CRDM, has been approved on 18 May 2022 by the MIB and it is now allocated to R2023.JUN.

For CR-0784, which foresees a change in CRDM, has been requested to be preliminary assessed. 4CB has stated that this preliminary assessment can only be started after R6.0 go live on 2 July 2022. For the CRs on recovery (CR-774, CR-775, CR-776), the ECB team informed the PMG that approval of these CRs would be sought in the CSG meeting of 22 June 2022, provided that the next discussions of the CSG Task Force on recovery result in stable CR contents and after informing the T2S technical groups. The ECB team further highlighted that approval by the T2S steering level would be sought despite the unavailability of a cross-service impact assessment by the other TARGET Services, as the work of the T2 governance on recovery being on hold until 2023. PMG members proposed that the ECB should raise a risk to track and manage the possible scenario that the future work of the T2 governance on recovery could require some adjustments to the design of the T2S recovery CRs, for consistency. The ECB team agreed that raising such a risk would be meaningful (AP – 37)

**5.2 CRs not raised by the T2S community**

Background documentation:

- A. ECMS CR-39 (Upgrade of Billing Report message) - oral update
- B. T2 CR-52 ("Any to Any" U2A Liquidity Transfers via CLM GUI) - oral update
- C. T2 CR-88 (Participant invoices in DKK) – oral update
- D. T2 CR-97 (BIC in Settlement Bank Account Group) – oral update

**Outcome**

**A. ECMS CR-39 (Upgrade of Billing Report message)**

The PMG was informed that the detailed assessment of ECMS CR-0039 (Upgrade of Billing Report message (camt.077) was under discussion in the ECMS governance. ECMS CR-0039 foresees

changes to the camt.076 and camt.077 message versions used by the BILL interface, which are relevant for T2S users. The PMG was informed that bilateral work between ECB and 4CB is ongoing to clarify with which release the impacts for T2S users would materialise. Once clarified, the effect of ECMS CR-39 for T2S users will be communicated to the PMG for an impact assessment, through a Clarification Note.

**B. T2 CR-52 (“Any to Any” U2A Liquidity Transfers via CLM GUI)**

The PMG was informed that T2 CR-52 (“Any to Any” U2A Liquidity Transfers via CLM GUI), currently under detailed assessment, aims at making it possible, out of the CLM interface, to instruct liquidity transfers between two non-CLM accounts, for instance between a T2S DCA and a cash account in TIPS or T2-RTGS. Whether the T2 CR-52 has an impact for T2S users or not will be determined by the detailed assessment of the CR and communicated accordingly to the PMG.

**C. T2 CR-88 (Participant invoices in DKK)**

The PMG was informed that T2 CR-88 (Participant invoices in DKK), currently under detailed assessment, envisages using the exchange rates stored in CRDM for T2S purposes (i.e. for the calculation of settlement penalties) to perform currency conversions when generating invoices for participants of the Danish Central Bank, when DKK migrates to T2. Whether this solution is pursued or not will be determined by the detailed assessment of the CR and communicated accordingly to the PMG for an impact assessment.

**D. T2 CR-97 (BIC in Settlement Bank Account Group)**

The PMG was informed that the detailed assessment of T2 CR-97 (BIC in Settlement Bank Account Group) had been completed, and that the solution involves changes to CRDM interfaces (screens and queries) that are not used by T2S, hence no impact assessment by the PMG is required.

## 6. UPDATE ON USER TESTING

### Background documentation

- A. Update on the User Testing activities
- C. ESMIG DiCoAs connectivity report

### **Outcome**

- A. Update on the User Testing activities**
- B. ESMIG DiCoAs connectivity report**

The PMG took note of R6.0 testing reporting activities, including R6.0 weekly testing report, ESMIG Connectivity for DiCoAs report, ESMIG Connectivity for CSDs and CBs reports and the testing reports for CR-705 and CR-722. The PMG was informed that they should liaise with their DiCoAs to reassure their ESMIG Connectivity, in the case where DiCoAs are not yet connected as per ESMIG DiCoAs connectivity report with cut-off 1 June 2022. The PMG agreed to raise this issue to the CSG in view of sharing a message through the DCPG to its members in alerting the DiCoAs in testing their connectivity asap.

Following a question from a PMG member a new AP (AP-38) is opened in view of 4CB providing information if the new GSD version is to be installed. Additionally, in one of the forthcoming PMG meeting it will be discussed the management of the GSD and Swift Connector deployments in forthcoming T2S Releases (AP-39).

## 7. T2S RELEASE 6.0

### Background documentation:

- A. PMG information on T2S release status as of 1 June (table document)
- B. List of R6.0 Blocking Issues (table document)
- C. T2S EAC and UTEST R6.0 Incidents as of 1 June 2022 (table document)
- D. T2S EAC R6.0 Release Defects as of 1 June 2022 (table document)

### **Outcome**

*The PMG took note of the ongoing scoping and testing activities as of 1 June 2022. Additionally, the PMG agreed to close the scoping of Production Problems in release 6.0, in view of the CSG decision to have a period of 2 weeks of stability in the testing environments before the decision to deploy the release to the Production environment. Any urgent scoping should be assessed on a case by case scenario. Finally, the PMG was invited to discuss the progress in the R6.0 blocking items and took note of the total number of Incidents and open Release Defects.*

## 8. UPDATE ON MIGRATION ACTIVITIES

### Background documentation:

- A. Monthly testing progress report EFi – May 2022
- B. Euroclear Bank onboarding to T2S
- C. User testing and migration strategy for Euroclear Bank migration to T2S v0.3
- D. Strategy for Euroclear Bank and Euroclear Finland – Annex A – EB and EFi Calendar of User Testing and Migration Activities v0.4
- E. Migration Rehearsal Report – Euroclear Finland v1.0 (table document)

### **Outcome**

#### **A. Monthly testing progress report EFi – May 2022**

*The PMG took note the testing progress report of the Euroclear Finland on-boarding in T2S. The PMG took note that the status of Internal Acceptance Tests of Euroclear Finland remains yellow.*

#### **B. Euroclear Bank onboarding to T2S**

#### **C. User testing and migration strategy for Euroclear Bank migration to T2S v0.3**

#### **D. Strategy for Euroclear Bank and Euroclear Finland – Annex A – EB and EFi Calendar of User Testing and Migration Activities v0.4**

#### **E. Migration Rehearsal Report – Euroclear Finland v1.0 (table document)**

*The PMG took note of the OMG meeting outcome on the Euroclear Bank documentation shared for their review. The PMG agreed to launch a written procedure to seek recommendation on baseline version of the documentation and approval of the PMG recommendation letter to the CSG for its meeting on 22 and 23 June 2022.*

## 9. PLANNING AND MONITORING OF T2S RELEASES

### Background documentation:

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- A. Service Transition Plans for R6.0, R6.1, R6.2 and R2023.JUN
- B. SDD planning for R6.2
- C. Quality Indicators Methodology

**Outcome**

**A. Service Transition Plans for R6.0, R6.1, R6.2 and R2023.JUN**

*The PMG was informed about the updated Service Transition Plans (STPs) for R6.0, R6.1, R6.2 and R2023.JUN. The PMG agreed to run the related written procedures to approve the STPs.*

**B. SDD planning for R6.2**

*The PMG took note of the Scope Defining Documents planning for T2S release 6.2.*

**C. Quality Indicators Methodology**

*The PMG was invited to discuss the methodology in use for the quality indicators exercise. The Release Quality Indicators 2 and 3 (Quality of software and Quality of Release Defect handling, respectively) are computed based on a release defect table which provides all information related to the RDs found, including RDs converted to Production Problems and RDs fixed as a Minor Change. As Minor Changes are not a change in the T2S Software, the PMG was asked to validate the need to have RDs fixed as Minor Changes within the computation of Quality Indicator 2, or if these should be removed.*

*The PMG agreed to discuss further proposals in Q3 2022 (AP-40), based on more concrete examples.*

## 10. T2S STATUS UPDATE ON PLAN AND RISKS

Background documentation:

- A. T2S Risk Responses – update
- B. T2S Summary Plan, T2S Release & Migration Calendar – for information

**Outcome:**

**A. T2S Risk Responses – update**

*The PMG took note of the Risk Responses with due date in the next months. The PMG agreed to declare as completed the risk responses 454, 464 and 465.*

**B. T2S Summary Plan, T2S Release & Migration Calendar – for information**

*The PMG took note that the T2S Summary Plan, T2S Release & Migration Calendar was shared for information.*

## 11. UPDATE ON OTHER GROUPS ACTIVITIES

### 11.1 Operational Management Group – OMG

Background documentation:

- Update on the OMG activities

**Outcome:**

*The PMG took note of the OMG activities.*

### 11.2 Security Managers Group – SMG

Background documentation:

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- Update on the SMG activities

**Outcome:**

*The PMG took note of the SMG activities.*

### **11.3 Trilateral Group – TG**

Background documentation:

- Update on the TG activities

**Outcome:**

*The PMG took note that no update on TG activities would be provided.*

## **12. REVIEW OF ACTION POINTS**

Background documentation:

- List of action points – June 2022

**Outcome**

*The PMG took note of the updated Action Points. Action point 34 was agreed to be closed, following 4CB update on the CPU upgrade as per CR-778. The PMG was informed that the technical upgrade of the production environment on the remaining T2S region would be activated as one step with the rotation planned for 26 June 2022.*

*The PMG agreed to update the Action Points with the following APs opened during the meeting:*

## **13. ANY OTHER BUSINESS**

Background documentation:

- A. 2020 External Examination – oral update
- B. T2S 2022 meetings calendar

**Outcome**

**A. 2020 External Examination – oral update**

*The PMG was informed about the OMG discussion (AP XX) on the Deloitte finding and remark on creating rollback or fallback procedures as part of the change process. The OMG discussed, already in December 2020, the feasibility of the roll-back procedure as a follow-up of the deployment of the T2S release 4.2 (R4.2). When deploying R4.2 in the Production environment, due to an ongoing problem affecting the deployment activities, the T2S Operator proposed to the T2S Settlement and Crisis Managers to activate the roll-back procedure as envisaged in the deployment contingency plan and accordingly reflected (at that time) in the respective T2S MOP version (v4.2). More precisely, the procedure would envisage the roll-back to the previous software version in order to unblock the situation. At that time, the T2S Crisis Managers rejected the proposal as being too complex and risky for their communities (please refer to the 81st OMG meeting outcome for details). The OMG assessed the issue again in January 2021 and concluded that, in the event of a long-lasting incident impacting the deployment in Production environment of a T2S release, the only feasible measure to be applied by the T2S Operator is to resolve the underlying issue and, once resolved, continue with the deployment activities (please refer to the 82nd OMG meeting outcome for details). In case of delays with the reopening of the system on*

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*Monday morning, the relevant contingency procedures would be applied. The OMG decision was accordingly documented in the T2S MOP v.5.0 approved by the OMG and the T2S Steering level (the MIB and the CSG/NECSG) in April 2021.*

*Following the remark issued by Deloitte, as part of the 2020 External Examination, the OMG re-discussed and assessed, in March 2022, the possibility to re-introduce the roll-back in the operational procedures. The conclusion reached by the OMG confirmed the decision made in January 2021 i.e. the roll-back of T2S to a previous software version is too complex and risky to be put in place as it could have wider market implications (please refer to the 96th OMG meeting outcome). The OMG therefore took note of the remark issued by the External Examiner and that no further changes to the deployment strategy should be implemented.*

#### **B. T2S 2022 meetings calendar**

*The PMG was informed that the T2S meetings calendar for 2022 was shared for information. An updated version would be circulated to the PMG with two updates on the September bi-weekly calls and meetings, specifically cancelling the calls of 2 September 2022 and 16 September 2022.*