

Ioana Alexopoulou
+4915222546097

Outcome of the T2S Project Managers Group (PMG) Meeting

31 August 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.

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 2 June 2022:

Since the last PMG meeting of 2 June 2022, the following CRs were **authorised** by the T2S Steering level:

- T2S-0785-SYS (Multiplex Editorial Change Request (for R6.2))
- T2S-0786-SYS (Counterparty leg of a failing instruction due to reason code "LINK" should not be penalised)
- T2S-0788-SYS (Multiplex Second Editorial Change Request (for R6.2))

Since the last PMG meeting of 2 June 2022, the following CRs were **approved** for implementation by the T2S Steering level:

- 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)
- T2S-0769-BFD (Add MS Edge to the list of supported browsers for U2A interaction)
- T2S-0782-SYS (Adaptations due to the decommissioning of Kronos2 and migration to T2)
- T2S-0783-SYS (RTS Improvement of the optimisation process dedicated to Corporate Action high volume)
- T2S-0785-SYS (Multiplex Editorial Change Request (for R6.2))
- T2S-0788-SYS (Multiplex Second Editorial Change Request (for R6.2))

2. OUTCOME OF THE PREVIOUS MEETING

Background documentation

- Outcome of the PMG meeting on 2 June 2022

Outcome

The PMG members approved the outcome of the PMG meeting that took place on 2 June 2022. The final outcome will be published on the ECB Website.

3. UPDATE ON CRG ACTIVITIES

Background documentation

- Briefing of the CRG meeting of 29 August 2022

Outcome

The PMG took note of the CRG updates following their meeting on 29 August 2022. More specifically:

- *T2S-0782-SYS – Adaptations due to the decommissioning of Kronos2 and migration to T2: The PMG took note of the editorial updates.*
- *T2S-0720-URD – Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off: The PMG took note that the DA will be received on 1 December 2022.*
- *T2S-762-URD – New option for opening T2S during the weekend: The scope of this CR was extended in order to cover a missing impact in Business Day Management (BDM) common component. It was clarified that for the existing scope, release allocation to R2023.JUN was ensured while the detailed re-assessment might result in a revised deployment path. The PMG agreed to request a detailed re-assessment of CR-0762 in view of R2023.JUN and took note that it was foreseen to be delivered in less than 8 weeks. It was acknowledged that this change request was necessary for the migration of Euroclear Finland in September 2023 and thus, its implementation in R2023.JUN shouldn't be jeopardised. The PMG took note that the CSG will be informed accordingly.*

Following a question from a PMG member on the codes foreseen to be included in the T2S INTF camt.019 'ReturnBusinessDayInformation' message, it was agreed to deliver this information soon after the meeting. (new AP-41). It was also acknowledged that the detailed reassessment of CR-762 would include these new codes for camt.019 'ReturnBusinessDayInformation'.

- *T2S-0735-SYS - T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account: It was acknowledged that the foreseen delivery date of the new preliminary assessment would become available soon and shared with CRG and PMG.*
- *T2S-0787-SYS – Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty: The PMG took note that the CRG agreed to share the outcome of this assessment with the CSG and acknowledged that a CSG resolution on who should bear the cost of CR-787 would be sought in the following meeting on 7 September 2022.*
- *T2S-0790-SYS – Implementation of a new test environment to support internal and external testing activities for the T2S Recovery solutions: the PMG took note that for the detailed assessment for the new recovery solution related CR would be provided soon after the meeting and that a CSG resolution on CR-790 together with CR-774, CR-775 and CR-776 would be sought in the following CSG meeting on 7 September 2022.*

4. RELEASE SCOPING

Background documentation:

- A. Ranked List of Change Requests as of August 2022 (Website)
- B. 4CB CR capacity consumption update (table document)
- C. Status Update on T2S Data Warehouse [WITHDRAWN]
- D. De-scoping and new release allocation proposal for:
 - o 'T2S-0699-SYS Decommissioning LTSL, scope and definition of queries and reports and access specifications to Data Warehouse functionalities'
 - o 'T2S-0733-SYS- Definition of a classification of transactions for CB T2S data'
- E. T2S-0790-SYS 'Recovery solution CR to cover the costs of the new test environment'
- F. T2S-0786-SYS 'Counterparty leg of a failing instruction due to reason code "LINK" should not be penalised'
- G. T2S-0787-SYS 'Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty'
- H. T2S-0762-URD 'New option for opening T2S during the week-end'

Outcome

Ranked List of Change Requests as of August 2022

The PMG took note of the updated ranking of Change Requests, available in the ECB Website, as of 23 August 2022.

4CB CR capacity consumption update

4CB summarised the T2S CR capacity consumption for the next years. It was acknowledged that the capacity for 2022 was exhausted while for 2023 the consumption had reached 53% and 22% for 2024. In these figures the following CRs were included: CR-782, CR-783 and CR-790. It was clarified that the potential re-scoping on R2023.JUN of the two CRs related to the T2S DWH – CR-699 and CR-733- had no impact on the 2023 costs for the T2S governances. The PMG took note that there was a significant increase in the consumption ratio for 2023 by 75% and almost 40% for 2024.

It was acknowledged that 4CB recommendation was to limit the scope of R2023.JUN and R2023.NOV (i.e. only regulatory CRs and CRs needed for other TS) and R2024.JUN (i.e. only regulatory CRs and ISO MR freeze end). The PMG expressed concerns about the 4CB recommendation on limiting the scope of the next three releases, especially with regards to the prioritisation of "CRs needed for other TS" as it was imperative that T2S continues to evolve to remain a relevant system. The PMG agreed that these slides would be circulated for the upcoming CSG meeting on 7 September 2022.

De-scoping and new release allocation proposal for T2S-0699-SYS and T2S-0733-SYS

The PMG took note that 4CB deemed CR-699 infeasible to be delivered within the current release allocation within R6.2 (November 2022) and acknowledged that the 4CB new release allocation proposal was R2023.JUN. 4CB explained that this new proposal was subject to the successful implementation of T2 DWH within R6.2 and that by mid-September the release allocation proposal would be more concrete. It was also acknowledged that due to a functional dependency between CR-699 and CR-733, the de-scoping of CR-699 from R6.2 implied that CR-733 could not be implemented within the current release allocation in R6.2.

The PMG agreed to de-scope CR-699 and CR-733 from R6.2 and to recommend their inclusion within R2023.JUN. The PMG agreed to request 4CB to provide in the next PMG meeting on 18 October 2022 the necessary reassurances and the updated milestones that no further rescoping would be foreseen (new AP-42).

It was acknowledged that in the event that the CR-699 and CR-733 were again de-scoped from R2023.JUN, it could not be concluded that the capacity for this specific release could accommodate other T2S Datawarehouse resources could not be reallocated.

T2S-0790-SYS 'Recovery solution CR to cover the costs of the new test environment'

The PMG took note that CR-790 was deemed as feasible to be implemented in R2024.NOV but only for user testing activities as the go-live date were not clear yet because the testing phase would last several releases. The PMG agreed to discuss in the future the treatment of CRs that were not formally part of a T2S release and what was needed in terms of OGPF processes. (new AP-43).

The PMG took note that as soon as the detailed assessment of CR-790 was provided, a short written procedure would be launched to review it while taking into account that there was no sufficient time to assess it, together with the related planning elements.

T2S-0786-SYS 'Counterparty leg of a failing instruction due to reason code "LINK" should not be penalised'

The PMG agreed to request the detailed assessment of CR-786 in view of R2023.JUN.

T2S-0787-SYS 'Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty'

The PMG took note that the CSG resolution on who should bear the cost of CR-787 would be sought in the following CSG meeting on 7 September 2022.

T2S-0762-URD 'New option for opening T2S during the week-end'

The PMG agreed to request the detailed re-assessment of CR-0762 in view of R2023.JUN.

5. UPDATE ON T2S BILLING

The PMG expressed low confidence on completing the required testing activities until at least 18 November. The prerequisites that were put forward include: i) quality of software to be delivered by 4CB to resemble production like functioning; ii) 4CB internal testing to be thorough and information on its status to be provided; iii) enough resources to be allocated for support during the testing period, and iv) quick feasibility assessments to be performed by 4CB on open incidents.

The PMG agreed to have a follow-up discussion on this issue on 5 September 2022 in view of preparing for the CSG discussion while at the same time the CSDs to check internally the resources that can be allocate din testing the billing module while at the same the R6.2 UTEST testing would be ongoing. A full list of open billing INC and PBIs to be circulated as background document for the call.

The PMG asked for additional packages to be planned, e.g. one for 10 November and to also plan for HF package for 26 November. 4CB to check the feasibility of additional packages.

6. Change Requests impacting common component

6.1 CRs raised by the T2S community

Background documentation:

- A. Presentation covering 6.1 and 6.2

- B. T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off - oral update
- C. T2S-0769-SYS Add MS Edge to the list of supported browsers for U2A interaction
- D. T2S-0782-URD Adaptions due to the decommissioning of Kronos2 and migration to T2
- E. T2S-0762-URD New option for opening T2S during the week-end
- F. T2S – Recovery CRs
- G. Cross-services CR dashboard (sheet 1)

Outcome

The PMG took note of the updates for T2S CR-720, CR-769, CR-782, CR-762 and the recovery CRs.

T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off - oral update

For CR-0720, the detailed assessment would be resumed in parallel to CSLD CR-67 and TIPS CR- 28.

T2S-0769-SYS Add MS Edge to the list of supported browsers for U2A interaction

The cross-service implementation plan foresees that MS Edge will be a supported browser to interact with the GUIs of all TARGET Services and common components:

- T2S: CR-769, planned for R2023.JUN
- TIPS: CR-43¹, planned for R2023.JUN
- T2: CR-83², planned for R2023.JUN

T2S-0782-URD Adaptions due to the decommissioning of Kronos2 and migration to T2

T2S-CR-0782, T2-CR-87³ and TIPS-CR-49⁴ are now approved and allocated to R2023.NOV. These CRs envisage the main adaptations for DKK migration to T2&TIPS.

T2S-0762-URD New option for opening T2S during the weekend

Due to the T2-CR-105 withdrawal by MIB, CR-762 is no longer dependent on T2-CR-0105⁵

Recovery CRs

On T2 side, T2S recovery principles had been shared with the TSWG, and the few questions received were clarified, in particular to confirm that the precise time when the EoD snapshot is taken must be agreed between T2 and T2S. The absence of fundamental questions/disagreements on the T2 principles gives on T2S side more certainty about what the T2 design will be like and reduces the risk of having to adjust the T2S design at a later stage.

6.2CRs not raised by the T2S community

Background documentation:

- A. ECMS CR-0055 – ‘Ascertia solution for TARGET Services’ oral update
- B. T2 CR-88 – oral update “Participants invoice in DKK”.

¹ TIPS-CR-43 Add MS Edge to the list of supported browsers for the U2A interactions

² T2-CR-83 Edge Browser

³ T2-CR-87 DKCB Payment Banks Cut-Off and Balance Snapshot

⁴ TIPS-CR-49 DKK Payment Banks Cut-off and snapshot

⁵ T2-CR-105 MW Impacts from T2S-CR762 Opening T2S during weekends

C. Cross-services CR dashboard (sheet 2)

Outcome

The PMG took note of the updates related to:

ECMS CR-055 Ascertia solution for TARGET Services

The DA is still ongoing and is foreseen that the ECMS at go-live will implement NRO only on some of its screens. This is of relevance to T2S actors because of the back-tracing mechanism, whereby it should be possible to trace an instruction sent by ECMS to T2S back to a signed U2A action of an ECMS user.

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.

ECMS CR-39 Upgrade of Billing report message (camt.77)

The PMG took note that the camt.077 schema would be updated to draft7 in R2023.JUN (P3). As already explained in the clarification note T2S-ICN-15 only the message version will change, with no changes to the actual contents of the camt.077 sent by BILL to T2S actors. Thus, no need to raise a CR in T2S. The PMG agreed to reflect on a proposal on how to reflect in the Annex A that due to a cross service impact clarification note, there could be the need to test a particular message, when its version is to be changed by other service although it does not imply to raise a new change request.

(new AP-44).

7. UPDATE ON USER TESTING

Background documentation

- A. Update on the User Testing activities

Outcome

The PMG took note of the User Testing activities.

8. UPDATE ON MIGRATION ACTIVITIES

Background documentation:

- A. Monthly testing progress report EFi
- B. SKDD onboarding to T2S
- C. User Testing and Migration Strategy for SKDD migration to T2S v0.2
- D. Annex A - SKDD & EB & EFi Calendar of User Testing and Migration Activities v0.6
- E. Annex B - PMS EB_EFi_SKDD_v0.4
- F. Annex C - MWP EB_EFi_SKDD_v0.5
- G. Annex D - Pre-Migration and Migration Weekend activities v0.3

Outcome

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 was informed of the results of the Migration Dress Rehearsal Weekend that took place on 26-28 August 2022 and a lessons learnt report will be prepared accordingly. The next MWDR is planned for 9-11 December 2022.

SKDD onboarding to T2S

The PMG took note of the v0.2 of the User Testing and Migration Strategy which will be finalised thereafter in a written procedure. It was clarified that a joint MWDR with Euroclear Finland is planned for 5-7 May 2023.

9. PLANNING AND MONITORING OF T2S RELEASES

Background documentation:

- A. Service Transition Plans for R6.1, R6.2 and R2023.JUN, R2023.NOV
- B. SDD planning
- C. T2S Release 6.0 closure report – introductory presentation
- D. Release status table as of 29 August
- E. Consolidated List of Problem as of 26 August
- F. File proposal for release monitoring
- G. CR-709 functionalities in November 2022

Outcome

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

The PMG was informed about the updated Service Transition Plans (STPs) for R6.1, R6.2 and R2023.JUN.

The PMG agreed to run the related written procedures to approve the STPs.

SDD planning for R6.2

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

T2S Release 6.0 Closure report

The PMG was invited to provide feedback on possible lessons learnt following R6.0 into production for the closure report. The PMG noted the until-now unknown reasons behind the delay in the starting of 4CB testing and the restrictions that were applied in the start of the EAC testing namely the sequence between T2 and T2S that was decided in May 2021 and the impact from Covid-19 to the recruitment of 4CB experts. The PMG requested that it is important to point out in the closure report the root causes of the unacceptable quality of software that was delivered and identify in the report also actions/follow-ups for future cases. During the discussion it was acknowledged that the great efforts done for the ESMIG connectivity monitoring of DiCoAs yielded a positive outcome as no major issues were encountered after the deployment of the release into production with the ESMIG connectivity. The PMG remarked that it is imperative for all T2S actors to receive accurate information and a more detailed scope of the 4CB testing as such feedback will provide quality reassurances to the market. The PMG identified a great need for the 4CB testing to simulate the actions of a CSD/CB in order to provide realistic results.

The PMG also acknowledged the great efforts for the turnaround of the blocking release defects with shortened feasibility assessment even if their numbers was large. Such experience provides needed reflections on OGPf processes that may work (or not) well when in contingency mode (new AP-45). The 4CB saw a great need to reflect on the need of clear criteria of needed in terms of describing the stability of the environment that the CSG had requested for the last weeks of UTEST for R6.0. In such reflections, the CSG may also want to provide views on the processes followed and work done in terms of defining possible Plan B during March 2022.

In addition, the tool used for the recording of incidents (TMS) should be revisited and the PMG may discuss in the future possible enhancements so that the information flow on open incidents can be quicker and more transparent.

Finally, the PMG noted that the issues with billing will be included in an Annex of the closure report.

CR-709 functionalities in November 2022

The PMG was presented with a summary of dormant functionalities, implemented with CR-709 in R 5.0, which will be activated with the deployment of R6.2 and the go-live of the T2-T2S Consolidation project. These functionalities are the production of a T2S general ledger file, to be sent by T2S to T2-CLM each end of day, and the deactivation of the mandatory automatic end of day cash sweep for T2S accounts in EUR. PMG participants noted that, should the end of day balance of T2S EUR account still need to be transferred to a T2 account at end-of-day, the account owner or its central bank needs to set up a standing liquidity transfer order triggered by the event OCS2, for the full balance of the account.

Following a question from a participant, the ECB team will clarify whether such standing liquidity transfer orders can be set up in advance of the go-live of the T2-T2S Consolidation project and the OMG to be informed accordingly (new AP-46).

Finally, the PMG took note that the OMG had planned that the links between T2S EUR accounts and RTGS accounts would be updated in the week following the go-live of the T2-T2S Consolidation project, i.e. the T2S EUR accounts will be linked to T2-CLM Main Cash Accounts (or CLM Central Bank accounts, for T2S CB accounts), instead of TARGET2 RTGS accounts.

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:

T2S Risk Responses – update

The PMG took note of the Risk Responses with due date in the next months. The PMG agreed to set the RRs 509 and 512 with Target date of 1 December. For RRs 510 the release mentioned should be corrected to R6.2. And for RRs 511 the target date to be set to 17 September 2022.

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:

- Update on the SMG activities

Outcome:

The PMG took note that no update on of the SMG activities would be provided.

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 – 31 August 2022

Outcome

The PMG agreed to update the Action Points with the new APs decided in some of the agenda items and finalise this agenda item via a written procedure.

13. ANY OTHER BUSINESS

Background documentation:

- A. T2S 2022 meetings calendar – for information
- B. T2S 2023 meetings calendar – for information

Outcome

The PMG was informed that the T2S meetings calendars for 2022 and 2023 were shared for information.