Status update on T2S Change and Release management activities

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1.   Introduction

This note provides a status update from the ECB team to the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) on topics related to T2S Change and Release Management process.

Following the entry into force of updates to Schedule 9 of the T2S Framework Agreement and to the Operational Governance Processes Framework on 19 June 2018, this status update is organised in two main sections.

The first section covers the Release Management process, whereby Change Requests (CRs) are proposed for allocation to a T2S release by the T2S Project Managers Group (PMG) and, after the detailed assessment of these CRs, the resulting baseline scope of a release is subject to approval by the T2S Steering Level.

The second section covers the Change Management process, whereby CRs are analysed by the T2S Change Review Group (CRG). The Change Management process may result in a recommendation of the CRG to the T2S Steering Level to authorise a CR. In this case, authorised CRs become eligible for ranking by the CRG, and can enter the Release Management Process described above.

A third section covers other topics related to the Change and Release Management process that are not covered in the first two sections of the note.

2.   Release management process

2.1 T2S release 3.0

The approved baseline scope for R3.0 (June 2019) includes 11 CRs, unchanged from the last reporting to the AMI-SeCo.

In addition to the 11 approved CRs, the PMG proposed to add CR-686 (see Table 1) to the baseline scope for R3.0. Following the PMG proposal, the detailed assessment of CR-686 is ongoing.

In the summary table below, changes over the last reporting period are highlighted in bold.

Table 1: Approved and Proposed CRs for R3.0

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0520-SYS	Add new fields to T2S messages sese.020, sese.024 and sese.025 needed for CA processing	R3.0	Approved
T2S-0542-SYS	Enrich the Bank To Customer Debit/Credit Notification (camt.054) with data elements securities account Owner Parent BIC and securities account Owner Party BIC	R3.0	Approved
T2S-0543-URD	Minimum amount for auto-collateralisation transactions	R3.0	Approved
T2S-0587-SYS	Alignment of ISO transaction codes across various T2S ISO messages	R3.0	Approved

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0590-SYS	Include information from the underlying settlement instruction in the T2S 'Bank to customer statement (camt.053)' and in the T2S 'Bank to customer debit credit notification (camt.054) messages for Settlement, Custody/Asset servicing and Reconciliation	R3.0	Approved
T2S-0600-SYS	T2S reporting functionality must be enhanced to allow the retrieval of the settlement instructions and their related SF1 (accepted) /SF2 (matched) timestamps via A2A/U2A in an efficient and standard way	R3.0	Approved
T2S-0612-SYS	Alignment of T2S Messages with ISO Maintenance Releases 2013 – 2017	R3.0	Approved
T2S-0646-SYS	Pre-formatted operational reports	R3.0	Approved
T2S-0607-SYS	T2S must be able to identify, store, and report settlement information related to buy-in transactions consistently across T2S messages	R3.0	Approved
T2S-0652-SYS	Increase the limit of distinct values for the parameters relating to message subscriptions	R3.0	Approved
T2S-0670-SYS	Logical deletion and purge of matured ISINs together with their related links	R3.0	Approved
T2S-0686-SYS	**Enhanced reporting for market claims and transformations**	**R3.0**	**Proposed**

2.2 T2S release 3.2

The approved baseline scope for R3.2 (November 2019) includes 5 CRs, of which three CRs (CR-606, CR-609 and CR-614) were added since the last reporting to the AMI-SeCo.

In the summary table below, changes over the last reporting period are highlighted in bold.

Table 2: Approved and Proposed CRs for R3.2

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0606-SYS	**T2S should maintain and report information related to 'Place of Trade' and 'Place of Clearing' of a settlement instruction consistently across T2S messages**	**R3.2**	**Approved**
T2S-0609-SYS	**T2S must be able to report settlement status 'Failing' for settlement instructions for which settlement at the Intended Settlement Date (ISD) is no longer possible**	**R3.2**	**Approved**
T2S-0614-SYS	**Matching status should be included in sese.024 status messages for unmatched instructions when a pending reason is reported**	**R3.2**	**Approved**
T2S-0613-URD	T2S should give the possibility to receive outbound T2S messages bundled in files	R3.2	Approved

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0653-URD	Partial release functionality	R3.2	Approved

2.3 T2S release 4.2

The RMSG/PMG proposed to add two CRs (CR-654 and CR-685) to the baseline scope for R4.2. Following the RMSG/PMG proposal, the detailed assessment of these CRs is ongoing.

In the summary table below, changes over the last reporting period are highlighted in bold.

Table 3: Approved and Proposed CRs for R4.2

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0654-URD	**T2S Penalty Mechanism**	**R4.2**	**Proposed**
T2S-0685-URD	**T2S Penalty Mechanism for non-T2S settlement flows**	**R4.2**	**Proposed**

2.4 T2S release 5.2

The RMSG/PMG proposed to add five CRs (CR-384, CR-436, CR-530, CR-572 and CR-574) to the baseline scope for R5.2. Following the RMSG/PMG proposal, the detailed assessment of these CRs is ongoing.

In the summary table below, changes over the last reporting period are highlighted in bold.

Table 4: Approved and Proposed CRs for R5.2

CR ID	CR Title	T2S Release	Status (Approved/Proposed)
T2S-0384-SYS	**A2A message to make securities ineligible for auto-collateralisation**	**R5.2**	**Proposed**
T2S-0436-URD	**Client-collateralisation: allow payment banks to set up their own list of close links**	**R5.2**	**Proposed**
T2S-0530-URD	**One close link database for Eurosystem NCBs and separate database per non-EUR currency**	**R5.2**	**Proposed**
T2S-0572-SYS	**A2A message to remove close links**	**R5.2**	**Proposed**
T2S-0574-URD	**Applying additional haircuts to own-used assets in T2S auto-collateralisation**	**R5.2**	**Proposed**

3. Change management process

This section includes CRs which have not yet been allocated or proposed for allocation to the baseline scope of a T2S release, if their status has changed (e.g. preliminary assessment completed, authorisation by the T2S Steering level) since the last update to the AMI-SeCo.

3.1 CRs authorised at T2S Steering Level

Since the last reporting to AMI-SeCo, three CRs (CR-668, CR-677 and CR-679) were authorised at T2S Steering level and thus became eligible to ranking by the CRG and to the Release Management Process. These CRs will be included in the next ranking exercise of the CRG scheduled to be discussed on 28 November 2018.

CR ID	**T2S-0668-SYS**
CR Title	Provide the T2S reference of the linked instructions preventing settlement
CR Description	The CR foresees that when an instruction cannot settle because of the non-settlement of a linked instruction, T2S shall provide the T2S reference of that linked instruction. The purpose is to facilitate the analysis and resolution of settlement failures.
CR Initiator	Euroclear
CR Ranking	N/A
CR Classification	N/A
Status	Authorised at Steering Level
Cost	Financial impact parameter: High (EUR 400,000 to EUR 700,000)

CR ID	**T2S-0677-SYS**
CR Title	During partial settlement windows, recycling should only be triggered after an optimization attempt
CR Description	The CR foresees an adjustment of the T2S recycling logic, to give precedence to the optimization of the unsettled portion of the partially settled transaction. The purpose of the CR is to avoid unnecessary numerous partial settlements.
CR Initiator	Clearstream
CR Ranking	N/A
CR Classification	N/A
Status	Authorised at Steering Level
Cost	Financial impact parameter: Low-Medium (EUR 100,000 to EUR 200,000)

CR ID	**T2S-0679-SYS**
CR Title	Implementation of thresholds in Standing Liquidity Transfer Orders
CR Description	The CR foresees that participants can set minimum amounts below which Liquidity Transfers Orders would not be executed. The purpose is to avoid a high number of low-value liquidity transfers.
CR Initiator	Banque de France
CR Ranking	N/A
CR Classification	Scope enhancement
Status	Authorised at Steering Level
Cost	Financial impact parameter: High (EUR 400,000 to EUR 700,000)

3.2 CRs preliminary assessed

Since the last reporting to AMI-SeCo, three CRs (CR-681, CR-682 and CR-684) were preliminary assessed. The CRG will be invited to consider a recommendation to the T2S Steering Level on these CRs in future meetings.

CR ID	**T2S-0681-SYS**
CR Title	T2S should allow updates of securities data with an issue date lower than current date
CR Description	The CR foresees that T2S allows changing the issue date of a security to a date lower than the current date (i.e. in the past). The purpose is to avoid the need for a last-level intervention when this business scenario occurs.
CR Initiator	Euroclear
CR Ranking	N/A
CR Classification	Scope enhancement
Status	Preliminary assessed
Cost	Financial impact parameter: Low (Less than EUR 100,000)

CR ID	**T2S-0682-SYS**
CR Title	Transaction ages up to 15 days should be differentiated by the settlement optimisation process
CR Description	The CR foresees that for settlement optimisation purposes, T2S will differentiate each transaction age up to 15 days. The purpose is to reduce the risk that younger transactions would settle before older ones.
CR Initiator	CSD Steering Group (CSDR Task Force)
CR Ranking	N/A
CR Classification	Maintenance
Status	Preliminary assessed
Cost	Financial impact parameter: High (EUR 400,000 to EUR 700,000)

CR ID	**T2S-0684-SYS**
CR Title	Handling for outbound messages with amounts exceeding 15 digits
CR Description	The CR foresees a rule to prevent that T2S could create schema incompliant messages, in case an amount exceeding 15 digits has to be reported in an outbound message
CR Initiator	4CB
CR Ranking	N/A
CR Classification	Maintenance
Status	Preliminary assessed
Cost	Financial impact parameter: Low-Medium (EUR 100,000 to EUR 200,000)

3.3 CRs newly registered

During the last reporting period, one CR (CR-680) was raised to the CRG by the Eurosystem. The preliminary assessment is still ongoing in the CRG.

CR ID	**T2S-0680-SYS**
CR Title	T2S should allow ECMS to receive flat file statement of holdings, transactions and pending instructions at the level of securities accounts
CR Description	The CR foresees that T2S should be able to generate reports at account level, rather than at party level, for specifically identified accounts. The purpose is to report only relevant Central Bank accounts' data to the European Collateral Management System.
CR Initiator	Eurosystem
CR Ranking	N/A
CR Classification	Scope enhancement
Status	Registered
Cost	N/A

4. Other topics related to T2S Change and Release Management

4.1 Schedule for ISO20022 updates

Based on a proposal by the ECB Team, the CSG on 10 October 2018 acknowledged that an ISO freeze period would take place between 2020 and 2023 in order to accommodate the T2/T2S consolidation and ECMS projects. In addition, the CSG invited the Eurosystem to provide special attention to the possibilities of implementing T2S changes without ISO updates, if the need arises during the freeze period. Furthermore, the CSG also acknowledged that 4CB will raise the T2S CR on the implementation of ISO Maintenance Release 2019 for Release 4.2 (November 2020) around mid-2019.

4.2 Reintegration of RMSG activities into the PMG

The CSG on 10 October 2018 recognised that the RMSG had been successful since its creation in 2016, to set up the release management and monitoring procedures in T2S. However and in order to streamline the change and release management process, and also to achieve synergies in the consultation and review processes, the CSG agreed to merge RMSG into the PMG. Accordingly, the PMG will take over the activities of the RMSG, including those related to the T2S Change and Release Management process. The role and activities of the CRG remain unchanged, although synergies in terms of managing the administration of the two groups, i.e. PMG and CRG will be further explored, e.g. single chairperson and combined secretariat.