

Darío García
+49 15 115256814
T2S.CRG@ecb.europa.eu

Outcome

Meeting of the T2S Change Review Group (CRG)

26 October 2022, from 10:00 to 16:00 CET – ECB Main building GMH C2.05

1. Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held in hybrid mode via Webex and in the ECB Main Building.

The CRG members approved the agenda of the meeting on 26 October 2022 and no additional items were proposed. The CRG members took note that as a follow-up of the last CRG meeting on 29 August 2022:

- *Following CR had been approved by the T2S Steering level:*
 - *T2S-0699-SYS 'Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities' and allocated to R2023.JUN*
 - *T2S-0733-SYS 'Definition of a classification of transactions for CB T2S data' and allocated to R2023.JUN*
- *Following CRs had been authorised by the T2S Steering level:*
 - *T2S-0787-URD Instructions released during cut-off with failing reason 'CYCL' must be imposed with a SEFP penalty.*
- *Following SDD clarification notes were approved:*
 - *T2S SDD-PBR-0089 - PBI 223755 - Header of Delta reports erroneously indicating NONE in frequency field L3_UPDATED was approved on 14 October 2022.*
 - *T2S SDD-PBR-0088 - PBI-223418 - Outbound and Inbound message for BDM and BILL v1.0 was approved on 13 September 2022.*
- *Status update from the PMG:*

The main point of discussion was related to the postponement of T2-T2S Consolidation from 21 November 2022 to 20 March 2022 and how to address the impacts stemming from it on R6.2 and on the upcoming releases R6.3 and R2023.JUN.

On Billing, the PMG took note of the progress of the Billing testing which overall picture was good as many of the PBI were either successfully tested or planned to be tested. Related to the showstopper PBI-222519 discussed in the 6 July 2022 CRG meeting, there were some CSDs that had reported it as successfully tested in the reporting provided on 21 October 2022.

2. Outcome of previous meetings

[Background documentation](#)

- Outcome of the CRG meeting on 29 August 2022.

Outcome

The CRG members took note that during the written procedure to review the outcome of the meeting on 29 August 2022, no feedback was received, hence the outcome remained unchanged.

The CRG members approved the outcome of the CRG meeting on 29 August 2022.

Follow-up actions:

- *ECB team to publish in the ECB Webpage the outcome from the CRG meeting on 29 August 2022. [10 November 2022]*

3. CR ranking 2022 update

Background documentation

- Presentation on CR Ranking 2022 update exercise
- Draft CR Ranking 2022

Outcome

The CRG members took note of the launch of the 2022 full review of CRG ranking and of the applicable timeline. It was acknowledged that a first step of this annual ranking exercise was a written procedure to collect all business values for the eligible change requests but there were approximately sixteen institutions that had not yet provided the values during this written procedure. Euroclear representative explained that the business values provided by them, also applied to Euroclear Belgium and Euroclear Netherlands. It was acknowledged that NCDPC should not be on the list of eligible institutions to provide business values as it had left T2S in 2021.

It was agreed to set a final deadline to provide the missing business values by 31 October 2022 and if no business values were provided by them, it would be concluded that they were “Not required” by the institution.

The CRG members took note of the latest updates of the ‘Delivery Plan of change requests’ provided as a table document for each meeting. Euronext Securities Milan representative pointed out that this deliverable was useful and requested to receive it more frequently than only for the CRG meetings. It was agreed that the ECB team would check internally on how this deliverable could be provided more frequently (action point).

NBB NCB representative explained that a new deliverable including an overview of the change requests allocated or proposed for the next three releases would be useful on their side so that they could use it to debrief their NCB participants. It was agreed that the ECB team would check internally on how to provide a table document for every CRG meeting explaining the change requests that were allocated or proposed for any of the next three releases, similar to a new file being circulated to the bi-weekly PMG calls (action point).

Follow-up actions:

- *ECB team to provide a proposal for the next CRG meeting on how to deliver the ‘Delivery plan of change requests’ in a more frequent basis. [12 December 2022]*
- *ECB team to provide a proposal for the next CRG meeting on a new recurrent CRG deliverable that included the CRs either allocated or proposed for the following three releases. [12 December 2022]*

4. Analysis of change requests

4.1 Change requests under implementation

Background documentation

- T2S-0761-SYS Enhance optimisation during RTS to maximise transaction throughput on the same resource

Outcome

T2S-0761-SYS Enhance optimisation during RTS to maximise transaction throughput on the same resource

The CRG took note that as stated in the detailed assessment of CR-0761, during the implementation phase 4CB would provide the frequency to assess whether a transaction is deemed as “useful” or “useless” for settlement optimisation purposes. 4CB explained that this frequency was considered to be for the duration of 10 minutes and that an updated version of the CR would be provided to the CRG for approval. It was also agreed that once the updated version was approved by the CRG, it would be shared with the OMG Secretariat for review.

Follow-up actions:

- *4CB to provide an updated version of CR-0761 including a footnote with the frequency to assess whether a transaction was deemed as “useful” or “useless” for optimization purposed [20 November 2022]*
- *ECB team to provide the new updated version of CR-0761 with the OMG secretariat for review. [25 November 2022]*

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

Background documentation

- T2S-0762-URD New option for opening T2S during the weekend.
- 4CB presentation on T2S-0762-URD.
- Summary of DA CR-0762.
- 4CB assessment on CR-787 additional business cases: UNLINK and UNBLOCK.
- T2S-0720-SYS Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off – oral update.
- T2S-0790-SYS Implementation of a new test environment to support internal and external testing activities for the T2S Recovery solutions.

Outcome

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

The CRG members took note of the results of the detailed re-assessment of CR-0762. It was acknowledged that the scope would be provided with a phased approach and R2023.JUN was still deemed as feasible by 4CB. The CRG acknowledged that the threshold to trigger the assessment whether to activate or not the new operational procedure would be most likely agreed in the November OMG meeting and if that was finally the case, the CRG would be thereafter provided with an updated version of CR-0762.

The CRG agreed to recommend to the PMG the implementation of CR-0762 within release R2023.JUN.

Follow-up actions:

- *4CB to provide an updated version of CR-0762 once the threshold to trigger the assessment on whether to activate the new operational procedure that is foreseen in CR-0762 and if agreed by the OMG. [12 December 2022]*

Outcome

4CB assessment on CR-0787 additional business cases: UNLINK and UNBLOCK.

4CB presented an assessment addressing a question raised by CBF representative on whether additional business cases could also be affected by the issue that CR-0787 was addressing. The CRG members acknowledged that the outcome of this assessment was that in none of the following two business cases, transactions were not having a penalty computed and therefore the CRG agreed that the implementation was in line with the specifications:

- 'LINK' business case: A linked transaction that reached the start of the corresponding cut-off period is unlinked so late in time that a settlement attempt is not performed before the end of the cut-off time.
- 'SBLO' business case: A transaction that reached the start of the corresponding cut-off period and had a securities blocking released so late in time that a settlement attempt is not performed before the end of the cut-off time.

The CRG took note that at the time of the meeting, 4CB was able to inform that CR-0787 was feasible for release R2023.JUN.

Outcome

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

The CRG took note that the detailed assessment of CR-0720 was put on-hold until further notice because there were no 4CB resources to detail assess T2-CR-67 'CLM changes to accommodate T2S rule-based LT' for which CR-0720 had a functional dependency. In addition, T2 CR-67 had a functional dependency with TIPS CR-28 'Rule-based liquidity transfer orders between MCA and TIPS DCA' which would be detailed assessed during the second half of 2023 since there were other TIPS CRs with a higher urgency.

4.3 Change requests not yet authorised at T2S Steering Level

4.3.1 Change requests under preliminary assessment

Background documentation

- T2S-0784-SYS Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model.
- Presentation from 4CB on CR-784.

Outcome

T2S-0784-SYS Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model.

4CB presented the preliminary assessment of CR-0784 with the main outcome being that the impact of this change would be 'High'. It was acknowledged that two questions related to the logic to select the receiving securities account had to be clarified and included in the change request. It was agreed to launch a written procedure to approve the updated version of the CR with these changes and to agree to recommend to the steering level the authorisation of CR-0784. It was acknowledged that in this written procedure the CRG would also have the opportunity to provide the business values and to review and approve the wording proposal for the CR Parameters.

Follow-up actions:

- ECB team to launch a written procedure to agree to recommend CR-0784 for steering level authorisation with an updated version of the CR addressing 4CB questions, providing a proposal for the CR parameters and requesting the business values from the CRG. [20 November 2022]

Outcome

T2S-0789-SYS Handling automatic cancellation for T2S External Transactions – Status update on ECSD Settlement group discussion by ESM.

The CRG was debriefed by Euronext Securities Milan representative on the discussions held with ECSDA Settlement group on the harmonization topic related to the automatic cancellation of settlement transactions with an external CSD scenario. It was acknowledged that the conclusion was that ECSDA Settlement group supported the implementation of CR-0789 and to further discuss the extension of the rule also to non-T2S CSDs.

4.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0793-URD Introduce party type Ancillary System in T2S
- MIB Note on MPEC One Party Model related to CR-793
- T2S Penalty Mechanism – use & purge of historical data
- SDD-PBR-0077 - PBI-218927 FI T2S penalty mechanism - New behaviour of auto purge for penalty mechanism related data v2.0

Outcome

T2S-0793-URD Introduce party type Ancillary System in T2S

MIB Note on MPEC One Party Model related to CR-793

The CRG took note of change request CR-0793 that was raised by the Eurosystem and foresaw the creation of a new party type in T2S named “Ancillary System”. This change stemmed from the MIB note on the Automatic Marginal Lending process performed in CLM for Monetary Policy Eligible Counterparts and the strategic solution proposed to address the business case where one Legal entity was set-up in T2 as “Ancillary System” but in T2S as a “Payment Bank”. The CRG acknowledged that the cost of CR-0793 would not be borne by the CSDs since the benefit of this change would be mainly to have a consistency between T2S and CLM and not a concrete benefit for the CSDs.

One CRG member asked how the CSDs would be impacted by this change and another member asked how was possible that the same Legal Entity was set-up as a “Ancillary System” in T2 but as a “Payment Bank” in T2S. The CRG took note that in the detailed assessment the first question would be clarified while the second would be tackled as a follow-up of the meeting (action point).

It was agreed to launch a written procedure to collect feedback from the CRG and agree to request the preliminary assessment of CR-0793.

Follow-up actions:

- ECB team to launch a written procedure to collect feedback on CR-0793 and to agree to request the preliminary assessment [20 November 2022]
- ECB team to provide an explanation to the question raised by a CRG member on the rationale behind the same Legal Entity being set-up in T2 as a “Ancillary System” but as a “Payment Bank” in T2S. [20 November 2022]

Outcome

T2S Penalty Mechanism – use & purge of historical data

SDD-PBR-0077 - PBI-218927 FI T2S penalty mechanism - New behaviour of auto purge for penalty mechanism related data v2.0

As a follow up analysis of the OMG discussions related to the T2S penalty mechanism performance enhancements, the ECB team provided a presentation to the CRG where it was concluded that T2S does not compute Late Matching Fail Penalties in a consistent way for days more than 40 business days in the past.

The CRG members acknowledged that a potential CR to tackle this issue could be raised once the guidance of the Regulators was received.

Follow-up actions:

- ECB team to follow-up on the topic related to T2S not computing Late Matching Fail Penalties in a consistent way for days more than 40 business days in the past and to report to the CRG about the outcome from the Regulators. [12 December 2022]

4.4 Editorial CRs

Background documentation

- Editorial CR planning for R2023.JUN

Outcome

Editorial CR planning for R2023.JUN

The CRG took note of the planning for the editorial CR of release R2023.JUN.

5. Clarification notes

Background documentation

- ESES incidents discussed in July CRG Meeting.
- T2S-ICN-0015 - ECMS-0039
- ECMS-0039-UDFS - Upgrade of Billing Report message (camt.077) L2_v1.0
- SDD-PBR-0088 - PBI-223418 - Outbound and Inbound message for BDM and BILL
- T2S-ICN-0016 - SDD-PBR-0090 - PBI-224137 - "CRDM A2A - camt.025 containing error UNABLE TO LOOKUP BACKEND ERROR CODE: 9999 DCC4901"

Outcome

ESES incidents discussed in July CRG Meeting.

The CRG took note of the status of the incidents discussed in the 6 July 2022 CRG meeting. Particularly, it was acknowledged that:

- PBI-224015 was raised and allocated to R2023.JUN and the corresponding INC000000332472 was closed.
- PBI-224001 was raised and allocated to R6.3 and the corresponding INC000000332739 was closed.

Outcome

T2S-ICN-0015 - ECMS-0039

ECMS-0039-UDFS - Upgrade of Billing Report message (camt.077) L2_v1.0

The CRG took note of the updated ICN-0015 'Upgrade of Billing Report message (camt.077)' provided by 4CB which foresaw to deliver the new draft7 version of camt.077 in EAC and UTEST on 19 May 2023 and to PROD on 10 June 2023. The timeline for testing seemed very short and it was agreed that the updated note would also be shared with the PMG members for verification of the new planning.

Outcome

SDD-PBR-0088 - PBI-223418 - Outbound and Inbound message for BDM and BILL

The CRG took note of the presentation provided by 4CB on SDD-PBR-0088 which was approved by the CRG on 21 September 2022. It was acknowledged that as explained by 4CB the scope of the note should be reduced to cover only the Outbound message screen for BILL. The CRG took note that an updated note would be provided in a written procedure to seek CRG approval.

Follow-up actions:

- ECB team to launch a written procedure with the updated note from 4CB to seek CRG approval to reduce the scope as proposed by 4CB. [30 November 2022]

Outcome

T2S-ICN-0016 - SDD-PBR-0090 - PBI-224137 - "CRDM A2A - camt.025 containing error UNABLE TO LOOKUP BACKEND ERROR CODE: 9999 DCC4901"

The CRG approved ICN-0016- "CRDM A2A - camt.025 containing error UNABLE TO LOOKUP BACKEND ERROR CODE: 9999 DCC4901" and agreed to the underlying SDD updates, to be formalised in an editorial CR. The CRG took note that the ECB team would inform the OMG accordingly.

Follow-up actions:

- ECB team to inform the OMG that T2S-ICN-0016 was approved by the CRG [30 October 2022]

6. Delay of T2-T2S Consolidation go-live: impacts in T2S

Background documentation

- Presentation on T2S impacts stemming from T2-T2S go-live postponement.

Outcome

Presentation on T2S impacts stemming from T2-T2S go-live postponement.

The CRG members took note of the presentation provided by 4CB on T2-T2S Consolidation go-live date and the impacts foreseen in T2S.

7. CRG action points

Background documentation

- List of CRG action points

Outcome

List of CRG action points

The CRG members took note of the updates and proposed resolutions outlined on the following action points:

AP-4062 (ECB team to inform the OMG colleagues once the two new change requests (to make T2S compliant with ISO10962:2021.) are raised.) The CRG took note that the CRs were received, and the OMG was informed. The CRG agreed to close AP-4062.

AP-4072 (ESM to liaise with ECSDA Settlement group and to seek their guidance on the harmonisation rules that would simplify this situation). The CRG took note that a status update on these discussions had been provided by ESM representative and the CR-789 was already raised. The CRG agreed to close AP-4072.

AP-4073 (ECB to launch a written procedure to collect proposals on which value the currency field should take instead of '000' to avoid a potential misleading in the CRDM screen.) The CRG took note that a written procedure was launched, that it was agreed to use '-' instead of '000' and agreed to close AP-4073.

AP-4074 (ECB team to follow-up with 4CB on INC000000330544, INC000000329087, INC000000332739 and provide a proposal for resolution for the next CRG Meeting). The CRG took note that a written procedure was launched and that the proposal was agreed on 19/09/2022. The CRG agreed to close AP-4074.

AP-4075 (4CB to provide a new version of the detailed assessment of CR-0775 with the cost updated). The CRG took note that 4CB provided an updated version of CR-775 on 02 September 2022 and the MIB approved the Recovery CRs in its September meeting. The CRG agreed to close AP-4075.

AP-4077 (ECB to launch a written procedure with the updated version of CR-0789 including the requirement that the external CSD must be the Issuer of the security to avoid the automatic cancellation). The CRG took note that the written procedure was launched and closed on 22 of September 2022 and agreed to close AP-4077.

AP-4079 (ECB team to launch a written procedure for the CRG to agree to request a preliminary assessment of CR-0791 and CR-0792). The CRG took note that the written procedure was closed on 21 September 2022 and agreed to close AP-4079.

8. Any other business

Background documentation

- Set-of detailed assessments updated with the GDPR Compliance check.
- SDD for R2023.NOV planning
- SDD for R2023.JUN planning
- CRG Meeting dates for 2023

Outcome

Set-of detailed assessments updated with the GDPR Compliance check.

The CRG took note of the updates to the CRs either allocated or proposed for R2023.JUN and R2023.NOV including the GDPR compliance check. It was acknowledged that 4CB did not identify any impact in these CRs from a GDPR compliance point of view. 4CB will provide this assessment for each detailed assessment provided.

Outcome

SDD for R2023.NOV planning

The CRG agreed on the planning to provide the updated Scope Defining Documents (SDD) for release R2023.NOV.

Outcome

SDD for R2023.JUN planning

The CRG took note of the planning to provide the updated Scope Defining Documents (SDD) for release R2023.JUN.

Outcome

CRG Meeting dates for 2023

The CRG agreed to move the CRG meeting date of 29 August 2023 to 6 September 2023.

- Delivery plan of change requests (table document)

- Dashboard on cross-service impact of CRs (table document)
- *The following CRG meetings are planned in 2022 (to be confirmed at least 4 weeks in advance)*

12 December 2022

09:30-13:00

Webex