

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	Institute: 4CB	Date raised: 12/03/2015
Request title: Floor and ceiling notification when threshold is zero		Request ref. no: T2S 0509 SYS
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: Low	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: No cost impact	
Requestor Category: 4CB	Status: Authorised at Steering level	

Description of Requested Change:

The requested change is to modify the T2S application so that it shall not send any floor and ceiling notification in case the relevant threshold is equal to zero.

Reason for change / expected benefits / business case:

Within the current software implementation, T2S always tries to send floor and ceiling notifications, also in cases where the relevant T2S Actor did not set up any floor and ceiling notification threshold (because in this case a default value of zero is stored in the data base).

As floor and ceiling notifications are not subject to message subscription (i.e. they are sent anyway by T2S to the relevant interested party), it is not possible using message subscription not to receive these notifications.

Consequently, T2S dedicated cash account owners are forced to receive floor and ceiling notifications, even if they did not set up any floor or ceiling notification threshold.

The solution of the above described issue consists in modifying the software in order to not send any floor and ceiling notification in case the relevant threshold is equal to zero (this may happen either because the T2S Actor set it intentionally to zero or because the T2S Actor did not enter any specific threshold and the application stored zero as a default value).

From a T2S Actor perspective, this software change will imply that it would not be possible specifying a floor threshold that triggers a notification when a balance becomes negative and it would not be possible specifying a ceiling threshold that triggers a notification when a balance becomes positive. Such scenarios may only be configured by approximation, i.e. by specifying threshold equal to 0.01 euro (instead of zero).

Proposed wording for the SYS Change request:

UDFS, section 1.2.6.3 "T2S dedicated cash account in T2S", pages 88-89:

Furthermore, the central bank can also specify the closing date of the account, if already known, and a floor notification amount and a ceiling notification amount, i.e. the lower and upper thresholds for triggering a notification to the cash manager of the account. These optional amounts may be not applicable for transit

accounts; however it is up to the Central Bank who owns the transit account to define the appropriate values. In case these amounts are not specified or they are set to zero, T2S will not trigger any notification¹.

UDFS, section 1.6.1.8.5 "Booking process", page 329:

Add the following footnote at the end of the table about Irrevocable settlement: "The floor and ceiling notification functionality is ignored by settlement when the corresponding value is equal to 0. In case a customer would like to receive a floor/ceiling notification for amounts that are slightly below/above zero the T2S Actor has to define a value of 0.01 € instead."

UDFS, section 1.6.2.7.3 "Liquidity monitoring process", page 563:

Add the following footnote at the end of the bullet point Floor/Ceiling notification: "The floor and ceiling notification functionality is ignored by settlement when the corresponding value is equal to 0. In case a customer would like to receive a floor/ceiling notification for amounts that are slightly below/above zero the T2S Actor has to define a value of 0.01 € instead."

UHB, section 2.5.4.17 "T2S Dedicated Cash Account – New/Edit Screen", pages 904-905:

The description of the Floor Notification Amount shall be updated as follows: "Enter the lower threshold for notifying the cash manager. Required format is: max. 24 digits incl. comma (max. 18 digits before comma, max. 5 digits after comma). In case this amount is not specified or it is set to zero, T2S will not trigger any floor notification. In order to configure a floor threshold that triggers a notification when a balance becomes negative, the threshold value should be set to 0.01."

The description of the Ceiling Notification Amount shall be updated as follows: "Enter the upper threshold for notifying the cash manager. Required format is: max. 24 digits incl. comma (max. 18 digits before comma, max. 5 digits after comma). In case this amount is not specified or it is set to zero, T2S will not trigger any ceiling notification. In order to configure a ceiling threshold that triggers a notification when a balance becomes positive, the threshold value should be set to 0.01."

Outcome/Decisions:

- * CRG meeting of 12 March 2015: The CRG recommended the approval of the Change Request.
- * OMG on 27 March 2015: During a written procedure from 16 March 2015 to 27 March 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
- * Advisory Group's advice on 20 April 2015: Following a written procedure, the AG was in favour of the Change Request.
- * CSG resolution on 21 April 2015: The CSG adopted the resolution to approve the Change Request via written procedure.

¹ In order to configure a floor threshold that triggers a notification when a balance becomes negative, or a ceiling threshold that triggers a notification when a balance becomes positive, the relevant threshold value should be set to 0.01.