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T2S CHANGE REVIEW GROUP

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Outcome

Meeting of the T2S Change Review Group (CRG)

30 May 2022, from 09:30 to 13:00 CET (held remotely)

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1.   Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG members approved the agenda of the meeting on 30 May 2022.

The CRG members took note that as a follow-up of the last CRG Meeting on 25 April 2022:

- o *CSDL-CR-0105 – 'Adjust maintenance window for T2S NTS': The detailed assessment had already been received and would be approved by end June. 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. This CR has to be deployed together with T2S-0762-URD - "New option for opening T2S during the week-end", which is currently under implementation.*

- o *Following CR have been approved by the T2S Steering level:*
    - ▪ *T2S-0777-SYS 'Unprune elements of the semt.002 message to allow their use by ECMS' and allocated to R6.2.*
    - ▪ *T2S-0781-SYS 'Allowing Security Intraday Restriction maintenance on or after Maturity Date' and allocated to R2023.JUN*

- o *Following CR has been requested by the PMG to be detailed assessed:*
    - ▪ *T2S-0782-URD 'Adaptions due to the decommissioning of Kronos2 and migration to T2' in view of R2023.JUN with an approximately detailed assessment delivery date of 13 July 2022*

- o *Following CRs have been authorised by the T2S Steering level:*
    - ▪ *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'*
- o *SDD Clarification notes SDD-PBR-0082 - 'Penalties with BDs prior CSDR entry into force' was approved on 23 May 2022*

The CRG members took note that the recent discussion from the PMG are related to the R6.0 testing in UTEST. It was acknowledged that the main concerns from the market were related to the CRDM, for which several incidents had been raised. The CRG took note that the CSG agreed that a stable period of two weeks of testing (from 8 June

2022 until 22 June 2022) was required before the go-no-go decision to the PROD deployment, scheduled for 2 July 2022.

As a follow-up of the last meeting related to OMG topics, the CRG members took note that the OMG launched the survey to collect feedback related to the GUI performance. It was acknowledged that some evidences had been provided and would be shared with 4CB. The CRG took note that the CSG would be debriefed on its meeting on 22 June 2022 and a new round of the survey would be needed after the R6.0 deployment in PROD environment.

The CRG members took note about the update from the HSG meeting on 19 May 2022 where a topic related to the customisation of ISO20022 securities messages was presented. The topic at stake related to the fact that some DiCoAs might need fields that are part of the ISO base message but are not currently included in the T2S-customised message specification due to not being used by T2S. As a result, a customer of two DiCoAs might have to follow two different specification for the same end result in T2S. AMI-SeCo supported in principle that a common approach was adopted across AMI-SeCo community so that users have one guideline per one set of standards to follow. Such harmonisation initiative would have to define which messages should be in scope. The CRG took note that HSG discussed the concept and agreed to further assess it and bring it to the next HSG meeting.

2.   Outcome of previous meetings

<u>Background documentation</u>

- Outcome of the CRG meeting on 25 April 2022

Outcome

Outcome of the CRG meeting on 25 April 2022

The CRG members approved the outcome of the CRG meeting on 25 April 2022

The CRG members agreed to publish the outcome of the CRG meeting on 25 April 2022

Follow-up actions:

> *ECB to publish the outcome form the February and April CRG meetings on 28 February 2022 and 25 April 2022 [15 June 2022]*

3.   Analysis of change requests

3.1   Change requests under implementation

<u>Background documentation</u>

   None.

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

<u>Background documentation</u>

- T2S-0769-BFD 'Add MS Edge to the list of supported browsers for U2A interaction'.

- Presentation on CR-769 testing approach.
- Summary of DAs CR-0756, CR-0638, CR-0766 and CR-0779.
- Presentation on CR-0756-SYS and CR-0638-SYS-4CB-detailed-assessment.
- 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-0756-SYS 'If an instruction is cancelled, then T2S should no longer consider it to be part of a Pool'.
- Presentation on CR-0766-SYS-4CB-detailed-assessment.
- T2S-0766-SYS 'T2S Settlement Optimisation Analysis'.
- T2S-0766-SYS 'Annex-Settlement Optimisation Analysis Layout'.
- Presentation on CR-0779-SYS detailed assessment.
- T2S-0779-SYS 'Optimise processing of CORP transactions during Real Time Settlement: grouping in collections and modified sorting method'.

Outcome

Presentation on CR-769 testing approach

The CRG members took note of the new testing approach of CR-0769 and the proposal of the select representative screens to be tested.

The CRG members agreed that a reduced testing scope could provide sufficient functional coverage, and to launch a written procedure to collect additional proposals on the adequate testing scope.

Follow-up actions:

> ➤ *ECB to launch a written procedure to collect additional proposals to include in the reduced testing scope of CR-0769. [3 June 2022].*

Outcome

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).

The CRG agreed to launch a written procedure to agree to recommend to the PMG the implementation of CR-0638 within R2023.JUN.

Follow-up actions:

> ➤ *ECB to launch a written procedure to agree to recommend to the PMG the implementation of CR-0638 within R2023.JUN. [25 June 2022]*

Outcome

T2S-0756-SYS (If an instruction is cancelled, then T2S should no longer consider it to be part of a Pool)

The CRG agreed to launch a written procedure to agree to recommend to the PMG the implementation of CR-0756 within R2023.NOV.

Follow-up actions:

> ➤ *ECB to launch a written procedure to agree to recommend to the PMG the implementation of CR-0756 within R2023.NOV. [10 June 2022]*

Outcome

T2S-0766-SYS (Annex-Settlement Optimisation Analysis Layout)

The CRG agreed to launch a written procedure to agree to recommend to the PMG the implementation of CR-0766 with the first delivery of the report in January 2023.

Follow-up actions:

> ➤ *ECB to launch a written procedure to agree to recommend to the PMG the implementation of CR-0766 within the first delivery on January 2023. [10 June 2022]*

Outcome

T2S-0779-SYS (Optimise processing of CORP transactions during Real Time Settlement: grouping in collections and modified sorting method).

The CRG agreed to launch a written procedure to agree to recommend to the PMG the implementation of CR-0779 within R2023.JUN.

Follow-up actions:

> ➤ *ECB to launch a written procedure to agree to recommend to the PMG the implementation of CR-0779 within R2023.JUN. [10 June 2022]*

3.3   Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

Background documentation

- None.

3.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0784-SYS 'Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model'
- T2S-0784-SYS 'Feedback collected with ECB comments'.
- 4CB assessment on impact related to ISO10962:2021 update on CFI code.
- T2S Issue on Penalty Link - 4CB presentation.
- T2S-0786-SYS 'Counterparty leg of a failing instruction due to reason code "LINK" should not be penalised'
- Changing Automatic Cancellation - CR691
- Issue on penalties on instructions released after cut-off time CYCL.

Outcome

T2S-0784-SYS-Feedback collected with ECB comments
The CRG took note that the outcome of the written procedure launched on CR-0784 concluded that most of the comments provided by the members supported the business case at stake.

The majority of feedback from CRG members indicated the support for this change request. Some member of the CRG stated that several communities had the need of this new functionality during the meeting and that with this change a level playing field would be provided in terms of collateral mobilisation across the Eurosystem.

On the other hand, the CBF representative stated that the drafting of the change request was not clear enough in the way the new functionality was explained. While he agreed with the decision to request a preliminary assessment, from a CBF point of view this change request should be rejected as this business need could already be met via additional configuration of links in the system.

The CRG agreed to request a preliminary assessment of CR-0784 once some additional clarifications were included in the drafting. The 4CB informed that the preliminary assessment could only be started after the R6.0 go-live (i.e. 2 July 2022).

Follow-up actions:

> ➢ *ECB to provide an updated drafting of CR-0784 with additional clarifications on the behaviour of the new functionality. [30 June 2022]*
> ➢ *4CB to provide a preliminary assessment of CR-0784.*

Outcome

4CB assessment on impact related to ISO10962:2021 update on CFI code.

The CRG took note that as an outcome of the impact assessment related to the new standard ISO10962:2021 provided by 4CB, approximately 190 ISINs, which were already set-up in T2S Production environment, were not compliant with the new standard ISO10962:2021.

The CRG agreed that 4CB raised two new change requests. The first one with the aim of enabling T2S to accept the new CFI codes and a second one to reject the obsolete CFI codes after the transition period had ended.

Follow-up actions:

> ➢ *4CB to provide two new change requests to make T2S compliant with ISO10962:2021. [6 July 2022]*

Outcome

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

The CRG took note of the presentation from 4CB on CR-0785 and acknowledged the possible options to address the issue.

It was acknowledged that the options proposed by 4CB covered the 80%-90% of the possible cases.

The CRG agreed to launch a new written procedure to agree on the preferred option for the CRG members to address this issue. Within this procedure, additional information from a reporting perspective should be included so that a more informed decision could be taken.

Follow-up actions:

> ➢ *4CB to provide additional information for the reporting of the use cases explained in the three options to elaborate on this issue [8 June 2022].*
> ➢ *ECB team to launch a written procedure to agree on the preferred option on CR-0785. [10 June 2022]*

Outcome

Changing Automatic Cancellation - CR691

The CRG agreed that a written procedure should be launched to collect views from the CRG members and to discuss the topic in the next CRG meeting on 6 July 2022.

Follow-up actions:

➢ *ECB Team to launch a written procedure to collect feedback on the topic at stake and bring the feedback to the next CRG meeting. [10 June 2022]*

Outcome

Issue on penalties on instructions released after cut-off time 'CYCL'.

The CRG took note of a presentation from 4CB where an issue related to penalties not being computed for instructions released at cut-off time was explained. It was acknowledged that a workaround needs to be established by the OMG as a short-term solution.

The CRG took note of the two following options presented by 4CB to provide a long-term solution:

Option 1: "Adapt FUTU/CYCL reporting".

Option 2: "Change cut-off processings".

The CRG agreed that option number one "Adapt FUTU/CYCL reporting" was the preferred to address this issue and that a new change request should be raised by 4CB.

Follow-up actions:

➢ *4CB to provide a new change request for the next CRG meeting [6 July 2022].*

3.4   Editorial CRs

Background documentation

- T2S-0785-SYS Multiplex Editorial Change Request (for R6.2)

Outcome

T2S-0785-SYS Multiplex Editorial Change Request (for R6.2).

The CRG agreed to launch a new written procedure to agree to authorise CR-0785 and approve the inclusion of the related updates in the T2S documentation for Release 6.2.

4.   Clarification notes

Background documentation

- CRG_PBR_0029.ESMIG and new GUIs - T2S SDD adjustments

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Outcome

CRG_PBR_0029.ESMIG and new GUIs - T2S SDD adjustments

The CRG took note of the presentation related to the ESMIG Qualified Configuration Document.

The CRG agreed, subject that no objection was received by 3 June 2022, to raise a new editorial for R6.2 (November 2022) for the references to the ESMIG QCD in the T2S UHB to cover both the interfaces of common components and

of T2S. Furthermore, the CRG took note that the ESMIG QCD would be annexed to the ESMIG UDFS as of November 2022, and of an ongoing update to the Framework Agreement to list the ESMIG UDFS explicitly as a T2S SDD.

The CRG also agreed that the review period of the ESMIG QCD would be done together with the common review of SDD (March and September).

Follow-up actions:

> ➢ *4CB to provide an editorial change request to move the references of the ESMIG QCD within the UHB [6 July 2022]*

5. CRG action points

<u>Background documentation</u>

- List of CRG action points

Outcome

List of CRG action points

The CRG agreed to launch a written procedure to agree on the way-forward on the action points.

Follow-up actions:

> ➢ *ECB team to launch a new written procedure to agree on the way forward for the action points [6 July 2022]*

6. Any other business

<u>Background documentation</u>

- CR Ranking excel file (table document)
- Delivery plan of change requests (table document)
- The following CRG meetings are planned in 2022 (to be confirmed at least 4 weeks in advance)

6 July 2022	09:30-13:00	Webex
29 August 2022	09:30-13:00	Webex
26 October 2022	10:00-16:00	ECB Main building
12 December 2022	09:30-13:00	Webex