



07 December 2016

## SUMMARY OF THE 17<sup>th</sup> MEETING OF THE T2S DCP GROUP

*Held at the European Central Bank, meeting room C2.03, Sonnemannstraße 20,  
60314 Frankfurt am Main on the 29 November 2016*

### 0. Welcome and approval of the agenda

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting.

### 1. Review and update of recent issues

#### 1.1 DCP consolidated list

The members of the DCPG were informed that the DCP's consolidated list had not been updated since the last meeting, as there have not been any new A2A DCP declarations. Furthermore, they were informed that the next and last deadline to provide a list of U2A DCP declarations for the Final Wave is 13 December 2016.

#### 1.2 CRG update

Ms Birkel (ECB CRG) debriefed the DCPG members of the outcome of the CRG discussions and gave a presentation regarding Change Requests in the deployed release 1.2 (last 26/27 November), in release 1.3 and in future releases. She provided information on CRs that are currently under discussion in the CRG, such as:

- Release 2.0 – According to PMG advice, priority would be given to T2S operational stability CRs. However during the DCPG meeting some CSDs reiterated that it is important to also look at other aspects beyond the operational stability, such as any significant new features and services that have had to be postponed in legacy settlement platforms to make room for the migration to T2S.
- The implications of only having one leg of a transaction with ADEA to settle BATM transactions after the DVP deadline (i.e. without bilateral acknowledgement or matching of this specific transaction

condition code). This CR is considered to be of high priority by the German market. The CRG has triggered a consultation to the DCPG on this topic with a deadline of 2 December.

- The CRG is discussing an upcoming change request about the correct functioning of the events of the T2S daily schedule which some CRG members have indicated that the DVP cut-off should not be different for different currencies. Discussions will continue in the CRG on 12/13 December 2016.
- Bundling of outbound messages during real-time settlement to which CSDs/NCBs and DCPs could subscribe too. There was a discrepancy of understanding regarding the need of these files: The CRG has identified some issues with the CR 613 which deals with the topic, i.e. technical complexity and an increase of “overtaker scenarios” (messages not being sent in the same order as they were generated by T2S). Some members of DCPGs however suggested that it would be interesting to receive bundled files containing messages. The DCPG took note that the CRG will discuss the matter on 12/13 December 2016.

**Follow-up:** *The Chairperson of the DCPG requests the CRG to provide further information on the bundling of outbound messages after the CRG meeting in December 2016.*

- CRs with impact on T2S schema (CR496, CR549 and CR576). CRG was asked to check the possibility for T2S Actors to receive updated XSD files related to CRs for R1.3 at an earlier stage. The DCPs were asked by a CSD (Mr Dimitri Pattyn from ESES) on their expectations for receiving the draft/final versions of the XSD files.

### **1.3 Simulation of 3 Business days testing after wave 4 go-live**

Ms Sinha (ECB UTSG) informed the DCPG members that the T2S User Testing team has invited the DCPs to actively participate in a 3 business day simulation test after the wave 4 migration weekend dress rehearsal. This simulation is scheduled to take place on the 19, 20 and 21 December 2016 and the deadline for the DCPs to confirm their participation is 7 December 2016. She also presented the details and schedule of the proposed testing in the T2S pre-PROD environment. The objective of the test is to identify the constraints of the platform and the platform’s performance with volumes similar to production. Questions raised by the DCPs concerning the schedule, value dates of the transactions to test and others were not completely answered during the meeting.

The Chairperson of the DCPG requested the UTSG representative that further detailed information be provided to the DCPG after the UTSG meeting held on the 30 November 2016. Additional information was sent to the members of the DCPG via e-mail on the 5 December 2016.

## **2. Information from other T2S groups, CBs and CSDs**

The DCPG members are invited to take note of the information provided in this section, originating from other T2S groups, CBs and CSDs activities on items that are also relevant for the DCPs.

### **2.1 Information from the Harmonisation Steering Group**

The DCPG members were debriefed by Mr Al Sbinati (ECB XMAP) on the current status of the HSG/XMAP, especially, on the new version of the catalogue of the restriction rules including some of the Final Wave CSDs – Iberclear, Baltic CSDs. Euroclear Finland is still under internal assessment.

Proposals for adapting the T2S market practice regarding the identification of the client of the CSD participant was submitted to the AG for approval, one for the medium term (T2S Change), one for the long term (ISO and T2S Change). Note that the AG did approve the proposal in its meeting of the 30 November 2016.

## **2.2 Information from Central banks**

The Central Bank representatives had no comments to share with the DCPG members.

## **2.3 Information from CSDs**

### **2.3.1 DCPs behaviour during End-of-Day processing in T2S**

Ms Amend (Clearstream) and Mr Pattyn (ESES) informed the DCPG members that there was a slowdown at the End-of-Day of the T2S platform, which was due amongst other reasons also to the fact that messages are sent in a different way than expected (and for which the platform was designed) during that specific time. Due to this slow down, a task has been given to the OMG to assess which are the impacted CSDs and, consequently, their DCPs on those given delays. Subsequently, the OMG will have a dedicated meeting, including DCPs, to provide the results of the assessment on the stabilisation of the platform. It was clearly indicated that the platform should satisfy the business needs and not the contrary and that the specific market behaviour should not be used as an excuse for the instability. Furthermore, it was stated that business needs should not be altered due to instability of the T2S platform and that the T2S platform should not be the cause of any change to business needs of the T2S Actors.

Mr Benito, acting as the Chairperson of the CSG, informed the DCPG members that the CSG had agreed on a respective resolution mandating the OMG to follow up on the matter and to report back to the CSG by 22 December. He further stressed that the word "misbehaviour" of T2S Actors should not be used and that the CSDs will be working with the DCPs to find the optimum solution on this topic.

## **3. Information from DCPs**

The DCPG members are invited to take note of the information provided in this section, originating from other DCPs activities on items that are also relevant for all DCPs.

Mr Pattyn informed that due to the late OMG decision on the release of 1.2 the CSDs were not able to provide the data on the release earlier.

A DCPG member opened the discussion on the consultation requested by ABN AMRO on the DTCC BIC, which was not part of the agenda; it was decided to take the topic out of the meeting and the DCPG members will receive the outcome/replies from the different DCPs on ABN's request.

### **3.1 T2S support for DCPs**

Mr Topa reminded the DCPG members that in case of connectivity issues they (DCPs) can directly call the Hotline of the T2S Service Desk in order to get immediate assistance.

BNP Paribas (BP2S) informed the DCPG members concerning the incident produced on the 7 November 2016 regarding a technical rejection of inbound/outbound messages and no information was received nor communicated by the CSD, NCB or T2S.

Mr Topa informed the DCPG members that the T2S release 1.2 was deployed with success on the weekend of 26/27 November 2016 and without any impact on the operational day.

Mr Pattyn reiterated that the DCPs should contact the T2S Service Desk should they experience connectivity issues with the T2S platform, however if the issues faced are functional, the DCPs should contact the CSDs or NCBs. He further informed the DCPG members of the procedures concerning issues with the T2S value added network service providers (VANSP). If a VANSP should suffer a problem they would contact the T2S Service Desk and the latter will contact the T2S Coordination Desk, who will inform the CSD and NCB of the connectivity issue.

Mr Benito informed that the CSDs were not timely informed about the incidents on 7<sup>th</sup> November. DCPs may want to contact their CSDs on the incident who will then bring it again to the OMG. Ms Amend informed the DCPG that Clearstream would request this topic to be included in the next OMG agenda.

#### **4. Open Issues Register**

The rest of the open issues are on-going and no new issues were reported by the DCPG members.

Mr Topa informed and reminded the DCPG members and CSDs, especially the Final Wave CSDs, of the following open issues:

- A.2 CSD Authorisation – whereby the CSDs should publish authorisation criteria and test cases within six months before the start of community testing.
- B.1 Settlement Finality and Insolvency Procedures – the CSDs should provide the relevant T2S Manual of Operational Procedures sections to their Community, especially the DCPs.
- B.2 Settlement Discipline – the CSDR Standard has been published as a technical standard excluding the settlement discipline standards.
- B.8 Timing for the opening of new accounts - the CSDs of Wave 4 and Final Wave should communicate to their community, especially to the DCPs, in case there are specific requirements in relation to new securities account numbers and should there be a freeze period date for static data management before their respective migration weekends.

The register will be updated and published on the ECB website.

#### **5. Miscellaneous**

##### **5.1 Any Other Business**

Members of the DCPG did not raise any further topics.

##### **5.2 Future DCPG meetings (suggested dates with CSG)**

The next physical meeting of the DCPG will take place in the margins of the first day of the CSG meeting to be held on 28 February and 01 March.

- 25 April (CSG - ECB)
- 13-14 June (CSG - ECB)
- 20-21 September / 10-11 October (CSG - tbc)
- 22-23 November (CSG - ECB)