EUROPEAN CENTRAL BANK

EUROSYSTEM

TARGET2-SECURITIES

General Information (Origin of Request)		
☐ User Requirements (URD) or GUI Business Functionality Document (BFD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Advisory Group	**Institute:** Advisory Group	**Date raised:** 21/10/2011
Request title: T2S billing functionality to support different types of account allocation		**Request ref. no:** T2S 0306 SYS
Request type: Common	**Requestor Category:** User	
Status: Approved by the AG	**Request Classification:** Modification	
Criticality (S,H,M,L): H	**Cost/Resource impact Indicator (+/-H, +/-M, +/-L)** *TBD*	
Business risk indicator (H, M, L): *TBD*	**Technical risk indicator (H, M, L):** *TBD*	

Description of Request:

Change request T2S_0285_URD (New attribute at securities account level to identify account allocation instructions) approved by the June/July 2011 Advisory Group meeting aimed at adapting T2S to identify account allocations using an attribute at securities account level.

This change request addresses the necessary adaptations in the billing module to ensure that the billing process can provide the necessary data to comply with the T2S pricing model as it was agreed in the Programme Board meeting on 28 October 2011.

The Business Process Description related to account allocation will be enhanced to define how a manual plausibility check on the set-up of the End Investor Account Flag can be introduced as part of the invoice validation process.

Reason for change / expected benefits / business case:

Ensure that the specifications of the billing functionality are in line with the need to differentiate different types of account allocations and ensure appropriate billing of these account allocations.

Proposed wording for the SYS Change request:

In addition to the change request T2S_0285_URD (New attribute at securities account level to identify account allocation instructions) the 4CB are requested to implement the following changes:

- The possible values for the End Investor Account Flag should be configured in an Attribute Domain. Currently three values are needed to represent the following cases: “no account allocations”, “FOP account allocations” and “DVP/FOP account allocations”.
- The billing functionality should aggregate transactions based on the values of the End Investor Account Flag[1]:
    - “FOP account allocations”: All FOP transactions that are booked on an account with this flag value are counted as account allocations. DVP transactions are treated as normal DVPs.
    - “DVP/FOP account allocations”: All DVP and FOP transactions that are booked on an account with this flag value are counted as account allocations.
- The billing functionality should ensure that both instructions belonging to a transaction are selected for the same category and will therefore be charged the same base price related to allocation, even if the transaction is booked on two accounts of which only one is flagged as eligible for the account allocation fee. Transactions involving one account flagged as “FOP account allocations” and one account flagged as “DVP/FOP account allocations”, both instructions should be charged the price of “DVP/FOP account allocations”.
- Any individual surcharges related to any of the two instructions that are identified as account allocation, e.g. for sending the instruction with high priority or during the congestion period, apply normally.

[1] For the time being the flag needs to support three different values, where two of them are relevant for the identification of account allocations in the billing functionality. (The third value indicates that this account is not eligible for account allocations.) However, in the future additional change requests to this functionality including the definition of new service items based on additional values for this flag are likely.

- The billing functionality use two different service items to report the two different types of account allocations, i.e. “FOP account allocations” and “DVP/FOP account allocations”, on the invoice.
- The billing functionality should support the definition of individual prices for the two service items.
- The billing functionality does not need to perform any business validation concerning the flagging of the accounts.

Submitted annexes / related documents:

High level description of Impact:

Outcome/Decisions:

* Interim-CRG meeting on 26 Jan 2012

Recommendation for approval

* Advisory Group meeting on 27 March 2012:

Approval of change request