

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: T2S CASG	Institute: ECB	Date raised: 10/03/2015
Request title: Add new fields to T2S messages sese.020, sese.024 and sese.025 needed for CA processing		Request ref. no: T2S 0520 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: Medium	
Requestor Category: T2S Sub-group	Status: Allocated to a release	

Reason for change and expected benefits/business motivation:

The main reason for suggesting the changes to T2S messages below is to ensure that the messaging needs of various actors in T2S with regards to corporate action processing, are adequately covered. These changes will require also ISO changes but the T2S community believes that these changes will be also beneficial to the global community as they will cover the business case when different actors are using a single settlement platform to settle corporate actions.

In particular, the suggested changes stem from the following requirements of the T2S CA standards:

According to standard 16 of the T2S CA Market Claim standards:

“Each CSD/CCP will include in the market claim settlement instruction sent to T2S appropriate references so that its participant can identify and process the claim satisfactorily. Background Info: Possible references include: T2S reference of the underlying transaction, and IOC corporate action event reference. From a T2S system specification perspective, these references are only for information purposes (for CSDs participants) as these references do not trigger any specific processes in T2S (other than standard settlement).”

And standard 4 of the T2S CA Transformation standards:

“IOCs/CCPs managing the transformation will use the ISO20022 format as specified in the T2S URD. IOCs/CCPs will include in the transformation settlement instructions the appropriate references so that their own participants can identify and process the transformation satisfactorily in their own books. The minimum references required include: T2S reference of the underlying transaction, the “TRAN” ISO settlement transaction condition code , and CSD corporate action event reference.

From a T2S system specification perspective, these references are only for information purposes (for CSDs/CCPs participants) as these references do not trigger any specific functionality in T2S (other than standard settlement processing).”

The proposed changes to T2S messages are the following:

1) Replicating of the linkage INFO sequence, if present in sese.023, to sese.024 and sese.025

The CASG agreed that as a best practice in T2S, the IOCs and CCP which manage market claims and transformations in T2S, should fill the Market Infrastructure reference (MITI) of the underlying instruction in the linkage sequence (/SciesSttlmTxInstr/Lnkgs/Ref using reason code INFO) in the settlement instructions (sese.023) generated for market claims and transformations by CSDs and CCPs. This reference to the underlying instruction needs to be replicated also in the sese.024 and sese.025 on the transformed/MC instructions to facilitate the processing of these instructions by Directly Connected Participants. Currently, the linkage sequence (/SciesSttlmTxInstr/Lnkgs/Ref) is not replicated in the corresponding sese.024 and sese.025 even if it is present in sese.023. The understanding of the CASG is that the replication of the linkage sequence, if present in sese.023, in sese.024 and sese.025 will require ISO change.

2) Addition in sese.020 of i) reason code for cancelation due to transformation and ii) Corporate Action Event Identifier

The addition of reason code for cancellation in Securities Transaction Cancellation Request (sese.020) is required because currently it is not possible for IOCs and CCPs to specify in a sese.020 that the reason for a cancellation is due to a transformation. It would be needed that the Corporate Action Event Identifier is provided also in sese.020 so that it can be replicated in the respective sese.024. This change will also require ISO changes.

Proposed changes to be made in T2S messages (technical specification):

In blue, highlights where Corp Event Id is currently missing

In yellow, highlights where linkage to the underlying transaction is missing

In green, highlights where reason for the cancellation is missing

SESE.024 – settlement status advice – market claims

/SciesStlmTxStsAdv/TxId/AcctSvcrTxId/XXXXXXXXXXXXCLAI
 /SciesStlmTxStsAdv/TxDtls/CorpActnEvtId
 /SciesStlmTxStsAdv/Lnkgs/
 /SciesStlmTxStsAdv/Lnkgs/PrcgPos/Cd/ INFO
 /SciesStlmTxStsAdv/Lnkgs/SciesStlmTxId/XXXXXXXXXXXXRVP
 /SciesStlmTxStsAdv/TxDtls/StlmParams/SciesTxTp/Cd/CLAI

SESE.025 – settlement confirmation – market claims

/SciesStlmTxConf/TxIdDtls/AcctSvcrTxId/XXXXXXXXXXXXCLAI
 /SciesStlmTxConf/TxIdDtls/CorpActnEvtId
 /SciesStlmTxConf/Lnkgs/
 /SciesStlmTxConf/Lnkgs/PrcgPos/Cd/ INFO
 /SciesStlmTxConf/Lnkgs/SciesStlmTxId/XXXXXXXXXXXXRVP
 /SciesStlmTxConf/StlmParams/SciesTxTp/Cd/CLAI

SESE.020 – Securities Transaction Cancellation Request – (cancellation of underlying instruction due to transformation)

/SciesTxCxlReq/CxlRsn/Cd/Cd/ Reason for cancellation “transformation”
 /SciesTxCxlReq/CxlRsn/CorpActnEvtId

SESE.024 – settlement status advice – transformations (transformed instruction)

/SciesStlmTxStsAdv/TxId/AcctSvcrTxId/XXXXXXXXXXXXTRAN
 /SciesStlmTxStsAdv/TxDtls/CorpActnEvtId
 /SciesStlmTxStsAdv/Lnkgs/
 /SciesStlmTxStsAdv/Lnkgs/PrcgPos/Cd/INFO
 /SciesStlmTxStsAdv/Lnkgs/SciesStlmTxId/XXXXXXXXXXXXRVP
 /SciesStlmTxStsAdv/TxDtls/StlmParams/StlmTxCond/Cd/TRAN

SESE.025 – settlement confirmation– transformations (transformed instruction)

/SciesStlmTxConf/TxIdDtls/AcctSvcrTxId/XXXXXXXXXXXXTRAN
 /SciesStlmTxConf/ TxIdDtls/CorpActnEvtId/
 /SciesStlmTxConf/Lnkgs/
 /SciesStlmTxConf/Lnkgs/PrcgPos/Cd/ INFO
 /SciesStlmTxConf/Lnkgs/SciesStlmTxId/
 XXXXXXXXXXXXXRVP/SciesStlmTxConf/StlmParams/StlmTxCond/Cd/TRAN

Description of requested change

1) If present in sese.023, replicate the linkages sequence (Lnkgs) in sese.024 and sese.025. This shall be applicable for linkage type INFO

2) Add in sese.020 i) a reason code to indicate that the reason for the cancellation request is made for the purpose of transformation and ii) (possibly in the same sequence) the field Corporate Action Event Identification (CorpActnEvtId) to identify for which CA event the cancellation request is being made.

Submitted annexes / related documents:

Proposed wording for the Change request:**UDFS:**

3.3.8.1.2 SecuritiesTransactionCancellationRequestV03 (sese.020.001.03) – The T2S-specific schema. Page 1535.

TransactionDetails

This building block is optional and non-repetitive. It provides the details of the transaction.

CancellationReason

This building block is optional and non-repetitive. It provides the reason of the cancellation.

3.3.8.5.2 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03) – The T2S-specific schema. Page 1478.

TransactionIdentification

This block is mandatory and it provides the transaction type and identification information.

Linkages

This building block is optional and non-repetitive. It provides information about an existing link to another transaction.

ProcessingStatus

This building block is optional and it provides details on the processing status of the transaction.

3.3.8.6.2 SecuritiesSettlementTransactionConfirmationV03 (sese.025.001.03) – The T2S-specific schema. Page 1503.

TransactionIdentificationDetails

This building block is mandatory and it provides transaction type and identification information.

Linkages

This building block is optional and non-repetitive. It provides information about an existing link to another transaction.

AdditionalParameters

This building block is optional and non-repetitive. It provides information of additional parameters to the transaction for example, partial settlement information.

UHB :

2.2.2.6 Cancellation Securities Instruction - New Screen. Page 112 & 115

[...]

Screenshot

Illustration 1: Cancellation securities instruction - new screen – Update Illustration 31

Cancellation Instruction	
Referenced Instruction	
General	
...	...
Already Matched Cancellation	<p>Select the already matched cancellation value to cancel both legs of the settlement instruction.</p> <p>This field is only available if the referenced instruction is a settlement instruction.</p> <p>If the referenced settlement instruction is not an already matched instruction or the actor reference is empty, the field is greyed out.</p> <p>References for error messages [▶ Error! Bookmark not defined.]:</p> <ul style="list-style-type: none"> ▮ MVCP104 ▮ MVCP105
<u>Reason for cancellation</u>	<p><u>Select the applicable reason for the cancellation of the settlement instruction from the possible values:</u></p> <ul style="list-style-type: none"> ▮ <u>Empty (default value)</u> ▮ <u>CANT (Cancelled due to transformation)</u> <p><u>This field is only available if the referenced instruction is a settlement instruction.</u></p>

Cancellation Instruction	
<u>Corporate Action</u>	<u>Enter the identification of the corporate action event.</u>
<u>Event Identifier</u>	<u>Required format is: max. 16 characters (SWIFT-x-red)</u>

High level description of Impact:

Outcome/Decisions:

- * CASG Telco of 17 December 2014: The CASG agreed to submit the Change Request to the CRG.
- * CRG meeting of 6 February 2015: The CRG decided to put the Change Request on hold.
- * CASG on 10 March 2015: The CASG agreed to submit the updated Change Request to the CRG.
- * CRG meeting of 12 March 2015: The CRG put the Change Request on hold and the CRG agreed to check with the CASG to clarify on the exact requirements of the Change Request.
- * CASG on 13 April 2015: The CASG agreed to submit split CR T2S 0496 SYS into two separate CRs: CR T2S 0496 SYS, which does not require ISO changes in T2S messages and CR T2S 0520 SYS, which requires ISO changes in T2S messages.
- * CRG meeting of 28 April 2015: The CRG decided to keep the Change Request on hold. The Change Request is required for T2S Release 2. The CRG decided to re-discuss the Change Request in September 2015 along with the other Change Requests required for T2S Release 2.
- * CRG meeting on 6 September 2016: The CRG recommended to launch the preliminary assessment on the Change Request from 26 September 2016 to 17 October 2016 (batch 1).
- * OMG on 05 October 2016: During a written procedure from 14 September 2016 to 06 October 2016, the Operations Managers Group did not identify any blocking operational impact of the Change Request.
- * CRG meeting on 26 October 2016: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment and that there are synergies with the Change Request T2S-0546-SYS (Indication for time-critical settlements ("settlement till" time-stamp)), therefore a joint implementation is favourable.
- * CRG on 21 December 2017: During a written procedure from 19 to 21 December 2017, the CRG and RMSG agreed to launch the detailed assessment on CR-0520, CR-0590, CR-0587 and CR-0542 in view of the T2S Release 3.0.
- * Advisory Group on 02 January 2018: In a written procedure from 21 December 2017 to 02 January 2018, the Advisory Group was in favour of launching the detailed assessment on the Change Request in view of the T2S release 3.0.
- * CSD Steering Group on 03 January 2018: In a written procedure from 22 December 2017 to 03 January 2018, the CSD Steering Group was in favour of launching the detailed assessment on the Change Request in view of the T2S release 3.0.
- * CRG on 26 March 2018: the CRG agreed to recommend to the T2S Steering Level the approval of these CRs and their inclusion in T2S release 3.0
- * PMG/RMSG on 12 April 2018: the PMG proposed the allocation of the CR to T2S release 3.0
- * OMG written procedure ended 26 April 2018: the OMG did not identify any operational impact in the Service Transition Plan 3.0 because of the inclusion of the CR.
- * Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) on 30 April 2018: Following a written procedure from 23 to 27 April 2018, the AMI-SeCo was in favour of approving the Change Request and its inclusion in T2S Release 3.0
- * CSD Steering Group on 30 April 2018: Following a written procedure from 23 to 27 April 2018, the CSG was in favour of approving the Change Request and its inclusion in T2S Release 3.0
- * CRG on 22 August 2018 (written procedure): following updates on the paths of sese.024 and sese.025 messages and possible values available in the "Reason for cancellation", the CRG agrees to recommend to the T2S Steering Level the approval of the updated change request
- * AMI-SeCo on 8 October 2018: The AMI-SeCo has agreed to the recommendations of the CRG to confirm authorisation of this Change Request detailed assessed in R3.2.
- * CSG meeting on the 10 October 2018: The CSG took note that the CRG reviewed and agreed to the updated version of this Change Request included in the STP for R3.0
- * NECSG on 26 October 2018: The NECSG adopted the resolution to authorise the updated version of CR-520 included in the STP for R3.0.

* MIB on 5 November 2018: The MIB authorised the updated version of CR-520 included in the STP for R3.0.

Preliminary assessment:

- Impacted functionality/module: A2A, U2A, LCMM
- **Findings:**
 - Synergies with the CR-0546 to be considered for detailed assessment/ implementation
- **Following issues have to be clarified before the start of detailed assessment:**
 - Current CR only refers to the addition in the sese.024 and sese.025 of the "INFO" links related to the CA processing. Therefore the messages have been updated to include the links attributes. Our working assumption is that ALL links applicable to an instruction will be reported in subsequent sese.024 and sese.025 (not just the INFO links)
 - Upload the paths described in the CR for sese.024 and sese.025 to align them with the sese.023 structure:
/SctiesSttlmTxStsAdvC/Lnkgs/PrcgPos/Cd/INFO instead of /SctiesSttlmTxStsAdvC/Lnkgs/PrcgPos/Cd/Cd/INFO
/SctiesSttlmTxConf/Lnkgs/PrcgPos/Cd/INFO instead of /SctiesSttlmTxConf/Lnkgs/PrcgPos/Cd/Cd/INFO

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

Impact On T2S	Static data management		Interface	
		Party data management		Communication
		Securities data management	X	Outbound processing
		T2S Dedicated Cash account data management	X	Inbound processing
		Securities account data management		
		Rules and parameters data management		
	Settlement		Liquidity management	
		Standardisation and preparation to settlement		Outbound Information Management
		Night-time Settlement		NCB Business Procedures
		Daytime Recycling and optimisation		Liquidity Operations
		Daytime Validation, provisioning & booking	LCMM	
		Auto-collateralisation	X	Instructions validation
			X	Status management
	Operational services			Instruction matching
	X	Data Migration		Instructions maintenance
		Scheduling	Statistics, queries reports and archive	
		Billing		Report management
		Operational monitoring		Query management
				Statistical information
				Legal archiving
		All modules (Infrastructure request)		
		No modules (infrastructure request)		
		Business operational activities		
	Technical operational activities			

Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter		
Impacted UDFS chapter	3.3.8.1.2 SecuritiesTransactionCancellationReques tV03 (sese.020.001.03) – The T2S- specific schema	Add the new “Cancellation Reason sequence” to the T2S-specific schema as a building block.
	3.3.8.5.2 SecuritiesSettlementTransactionStatusAd viceV03 (sese.024.001.03) – The T2S- specific schema	Add the new “Linkages sequence” to the T2S-specific schema as a building block.
	3.3.8.6.2 SecuritiesSettlementTransactionConfirma tionV03 (sese.025.001.03) – The T2S- specific schema	Add the new “Linkages sequence” to the T2S-specific schema as a building block.
Additional deliveries for Message Specification	SecuritiesTransactionCancellationReques tV03 (sese.020.001.03)	Un-prune the new “Cancellation Reason sequence”. Prune out all reason codes except CANT from the datatype CancelledStatusReason13Code.
	SecuritiesSettlementTransactionStatusAd viceV03 (sese.024.001.03)	Un-prune the new “Linkages sequence”.
	SecuritiesSettlementTransactionConfirma	Un-prune the new “Linkages sequence”.

	tionV03 (sese.025.001.03)		
UHB	2.2.2.6 Cancellation Securities Instruction – New Screen		Add the two new input fields (Reason for cancellation and Corporate Action Event Identifier) to the screen layout. Update the screen illustration.
External training materials			
Other documentations			
Links with other requests			
Links	Reference		Title
OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT			
Summary of functional, development, infrastructure and migration impacts			
<p>LCMM:</p> <p>As the ISO CR 511 was issued BEFORE the CR 520 Preliminary Assessment – carried out in the CR Backlog exercise during 2016 summer – only the original CR requirements issued by the CASG can be taken on board in this detailed assessment:</p> <ul style="list-style-type: none"> a) Replicate, if present, the sese.023 linkage sequence in sese.024 and sese.025 for Transformations and Market Claims when the link type is INFO; and b) Addition in sese.020 of i) reason code for cancellation due to transformation and ii) Corporate Action Event Identifier. <p>Therefore, the replication of the linkage sequence is not possible for linkage types BEFR, AFTR and WITH due to ISO message specification constraints.</p> <p>Also, from a functional point of view our general assumption for this CR is that the replication of the linkage sequence in the sese.024 should only be valid for ‘acceptance’ sese.024. Other usages of the sese.024 as, for instance ‘matching’ or ‘cancellation’, shall not replicate the linkage sequence.</p> <p>Additionally, the general assumption for the foreseen solution of the CR is that no specific privilege is required to send cancellation instructions with the new reason code CANT.</p> <p>The LCMM status management module needs to be enhanced to include the new attributes in the affected messages.</p> <ul style="list-style-type: none"> - For Transformations and Market Claims, whenever a linkage sequence with link type INFO is specified by the T2S Actors in a sese.023, it will be returned back upon acceptance (sese.024) and settlement (sese.025) of the instruction, together with the T2S reference of the underlying instruction affected by the link INFO. - Whenever the reason code ‘Cancellation due to Transformation’ (CANT) and/or the Corporate Action Event Identifier are informed by the T2S Actors in a sese.020, they will be replicated in the corresponding ‘cancellation’ sese.024. <p>Communication processes between LCMM and INTF need to be as well enhanced to include the new “Linkage sequence” in the above-mentioned cases.</p> <p>Messages:</p> <p>The sese.024 and sese.025 message documentation needs to be updated to allow the reporting of the new “Linkage sequence”.</p> <ul style="list-style-type: none"> • sese.024: <ul style="list-style-type: none"> - Linkages block has to be un-pruned - Element SctiesStlmTxStsAdvc /Lnkgs/PrcgPos/Prtry has to be pruned - Data type of the element SctiesStlmTxStsAdvc /Lnkgs/SctiesStlmTxId has to be modified from ‘Max35Text’ to ‘RestrictedFINXMax16Text’. - T2S use and T2S mapping has to be created • sese.025: <ul style="list-style-type: none"> - Linkages block has to be un-pruned - Element SctiesStlmTxConf/Lnkgs/PrcgPos/Prtry has to be pruned - Data type of the element SctiesStlmTxConf/Lnkgs/SctiesStlmTxId has to be modified from ‘Max35Text’ to ‘RestrictedFINXMax16Text’. - T2S use and T2S mapping has to be created 			

The sese.020 message documentation needs to be updated to allow the T2S Actors to inform the new "Cancellation reason sequence" and prune out all reason codes except CANT from the datatype CancelledStatusReason13Code.

- sese.020:
 - Cancellation Reason block has to be un-pruned
 - All reason codes except CANT have to be pruned.
 - Element SctiesTxCxlReq/CxlRsn/Cd/Prtry has to be pruned
 - Data type of the element SctiesTxCxlReq/CxlRsn/CorpActnEvtId has to be modified from 'Max35Text' to 'RestrictedFINXMax16Text'.
 - T2S use and T2S mapping has to be created

Screens:

The 'New Cancellation Instruction Screen' needs to be updated to include as input fields the Reason for cancellation and the Corporate Action Event Identifier.

The SDD (UDFS and UHB) shall be updated as well to include the necessary precisions.

Main cost drivers:

Update of the status management module in order to include the linkage sequence in the affected messages and the information provided by cancelation messages in the sese.024. As the communication process between LCMM and INTF is affected by these changes, it has to be updated.

Testing will ensure that the sese.024 reports the information included in the sese.020 and also the correct display in the impacted messages when a sese.023 inform the ISO Transaction code "CLAI" and "TRAN" with a link "INFO". It also considers regression testing to ensure a high-quality delivery in all ways.

To test the changes in Interface it is necessary to draft and execute test cases for both U2A and A2A. The test cases will check the correct implementation of the three changed messages and the changed screen. Existing regression test cases need to be updated to incorporate the changes resulting from the implementation of the CR.

Summary of project risk

None

Security analysis

No potentially adverse effect was identified during the security assessment.



16 March 2018

Cost assessment on Change Requests

T2S-520-SYS – Add new fields to T2S messages sese.020, sese.024 and sese.025 needed for CA processing			
One-off	Assessment costs*		
	- Preliminary	2,000.00	Euro
	- Detailed	10,000.00	Euro
One-off	Development costs	267,877.78	Euro
Annual	Operational costs		
	- Maintenance costs	22,062.28	Euro
	- Running costs	0.00	Euro

*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).