



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: Euroclear	Institute: CSD	Date raised: 11/09/2015
Request title: Statement of Transactions and Statement of Settled Intra-Position Movements reporting for Partially Settled transactions to be made SMPG compliant		Request ref. no: T2S 0549 SYS
Request type: Common		Urgency: Normal
1. Legal/business importance parameter: High	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: Medium	
Requestor Category: CSD	Status: Authorised at Steering Level	

Reason for change and expected benefits/business motivation

The aim of the change request is to address current discrepancy between:

- The way T2S reports the Partial settlement in Statement of Transaction reporting (semt.017) and Statement of Settled Intra-Position Movements (semt.016) and
- The SMPG guidelines on Partial Settlement reporting (Last updated in April 2015)

SMPG

According to SMPG Guidelines, the Statement of Transactions should report the settlement information only for the current business day, i.e.:

- Settled Quantity during the current business day
- Settled Amount during the current business day

If a transaction was partialled multiple times across several business days, the statement of transaction should report each day only the amount/quantity of what settled during that business day.

T2S

T2S reports in the Statement of Transactions (semt.017) and statement of settled intra-position movements (semt.016) the following information (UDFS v2.0, Page 636, lines 16 to 23)

- Settled Quantity which is settled up to now
- Settled Amount which is settled up to now

If a transaction was partialled multiple times during several business days, the T2S statement of transaction (semt.017) and statement of settled intra-position movements (semt.016) reports the cumulative amount/quantity of what settled up to now.

Example

Example of a partial settlement over two business days

Instructed Quantity: 10,000 units – 25,000 EUR
 Settled Day 1 4,000 units – 10,000 EUR (Partially)
 Settled Day 2 6,000 units – 15,000 EUR

	Settlement Date S	Settlement Date S+1
SMPG Guidelines	Settled Quantity : 4,000 EUR Settled Amount : 10,000 EUR	Settled Quantity : 6,000 units Settled Amount : 15,000 EUR
T2S Reporting	Settled Quantity : 4,000 EUR Settled Amount : 10,000 EUR	Settled Quantity : 10,000 units Settled Amount : 25,000 EUR

Benefits

The change request will help harmonize market practices and reduce system developments for participants. T2S reporting will be aligned with standards and participants will not need to develop a specific solution for T2S.

Description of requested change:

For transactions undergoing partial settlement in multiple partial windows across several business days, T2S must report in the statement of transaction (semt017) and in statement of settled intra-position movements (semt.016) the Cumulative Amount/Quantity over ONE business day only.

For a transaction partially settled multiple times during the same business day, the statement of transaction and statement of settled intra-position movements should report the cumulative amount/quantity during that given business day.

For a transaction partially settled multiple times across several business days, the statement of transaction and statement of settled intra-position movements should report each day only the cumulative amount/quantity of what settled during the current business day.

The delta version of the statement of transaction (semt.017) and statement of settled intra-position movements (semt.016) should report the cumulative quantity/amount that settled during the reporting period of the delta report only.

The flat file versions of statement of transaction and statement of settled intra-position movements should also report the Cumulative Amount/Quantity over ONE business day only, following a like-for-like approach regarding the report content.

Submitted annexes / related documents:

- SMPG Partial Settlement guidelines

http://smpg.info/fileadmin/documents/3_Settlement%20and%20Reconciliation%20WG/A_Final%20Global%20Market%20Practices/PARTIAL_SETTLEMENT_4_7.pdf

- T2S_0549_SYS_attachment – Flat file for Statement of settled intra-position movements
- T2S_0549_SYS_attachment - Flat file for Statement of transactions

Proposed wording for the Change request:

Statement of Transaction and Statement of Settled Intra-Position Movements in Case of Partial Settlement made SMPG compliant (Cumulative amount/quantity over one business day).

High level description of Impact:**UDFS:**

1.6.4.2.3 Report generation process , p.694 :

Statement of Transactions

This report is available in both versions – complete and delta versions. The complete version informs the T2S Actor about those Settlement Instructions that reached "settled" status or "partially settled" status (that means the quantity and amount that settled (so far) on the current business day are returned) since the SoD of the current settlement day. It provides information on their latest status and current attribute values at the time of the report generation.

1.6.4.2.3 Report generation process , p.699-700 :

Statement of Settled Intra-Position Movements

This report is available in both versions – complete and delta versions. The complete report informs the T2S Actor about those intra-position movements that reached "settled status" or "partially settled" status during the reporting period between the SoD of the current business day and the moment of report creation. The cumulative quantity which was settled on the current business day/during the reporting period will be reported.

Flat File Format Specifications

The specifications of the statement of transactions and settled intra position movements need to be updated as follows:

Statement of Settled Intra-position Movements flat file - File format specifications

Record Type	Field Number	Field Name	Data Format	Length	Description	Field Type	Additional Information
Body	9	Settled Quantity	NUMERIC(p)	14	Quantity of financial instrument effectively settled in Unit or Face Amount	M	Integer Part of the Settled Quantity <u>The settled quantity will be the quantity settled during the business day which the information contained in the report refers to.</u>
Body	10	Number of decimal digits For Settled Quantity	NUMERIC(p)	2	Number of decimal digits for the Settled Quantity	M	Number of decimals for the Settled Quantity. <u>The settled quantity will be the quantity settled during the business day which the information contained in the report refers to.</u>
Body	11	Previous Settled Quantity	NUMERIC(p)	14	Quantity of financial instrument previously settled in Unit or Face Amount	O	Integer Part of the Previous Settled Quantity. <u>The previous settled quantity will be calculated as the Original Quantity minus Settled Quantity (of the reporting period) minus Remaining to be Settled Quantity</u>
Body	12	Number of decimal digits For Previous Settled Quantity	NUMERIC(p)	2	Number of decimal digits for the Settled Quantity	O	Number of decimals for the Previous Settled Quantity. <u>The previous settled quantity will be calculated as the Original quantity minus Settled quantity (of the reporting period) minus Remaining to be Settled Quantity</u>
Body	13	Remaining to be Settled Quantity	NUMERIC(p)	14	Quantity of financial instrument Remaining to be settled	O	Integer Part of the Remaining to be Settled Quantity
Body	14	Number of decimal digits for remaining to be Settled Quantity	DECIMAL(n)	2	Number of decimal digits for remaining to settled Quantity	O	Number of decimals for the Remaining to be Settled Quantity

Statement of Transactions flat file - File format specifications

Record Type	Field Number	Field Name	Data Format	Length	Description	Field Type	Additional Information
Body	18	Posting Quantity integer part	NUMERIC(p)	14	Quantity of financial instrument (to be) posted to the safekeeping account. Expressed as units or face amount	M	<u>The posting quantity will be the quantity settled during the business day which the information contained in the report refers to.</u>
Body	19	Number of decimals for Posting Quantity	NUMERIC(p)	2	Quantity of financial instrument (to be) posted to the safekeeping account. Expressed as units or face amount	M	<u>The posting quantity will be the quantity settled during the business day which the information contained in the report refers to.</u>
Body	20	Posting Amount Currency	CHAR(n)	3	Currency of the amount of money that is to be/was posted to the account: (active or historic currency code)	O*	* If Posting Amount is present, both Currency and Credit/Debit Indicator must be present.
Body	21	Posting Amount integer part	NUMERIC(p)	14	Cash entry (amount)	O	<u>The posting amount will be the amount settled during the business day which the information contained in the report refers to.</u>
Body	22	Number of decimals for Posting Amount	NUMERIC(p)	2	Number of decimals for the cash entry (amount)	O	<u>The posting amount will be the amount settled during the business day which the information contained in the report refers to.</u>

UHB:

2.4.1.21 Available Report - Statement of Transactions - Details Screen, p. 490-491

Settled Settlement Quantity	Shows the so far settled settlement quantity <u>which was settled on the current business day/during the reporting period.</u>
...	...
Settled Settlement Amount	Shows the so far settled settlement amount <u>which was settled on the current business day/during the reporting period.</u>

2.4.1.18 Statement of Settled Intra-Position Movements - Details Screen, p. 469

Settled Settlement Quantity	Shows the number of already settled securities <u>which was settled on the current business day/during the reporting period.</u>
-----------------------------	---

Outcome/Decisions:

*CRG meeting of 17-18 September 2015: The CRG agreed to put the Change Request on hold and exclude it from Release 1.2. The ECB will seek the SMPG guidance to check whether the Change Request is implementing the Statement of Transactions in line with the SMPG standards, in particular, whether the standards also apply to the delta version of the Statement of Transactions. The ECB will also ask the SPMG for clarifications regarding some contradictory statements in the SPMG standards (e.g. "that the partial settlements must be immediately reported"; however, the Statement of Transactions is not a real-time report).

*CRG meeting of 28 October 2015: The CRG acknowledged that the scope of the Change Request will be updated for including Statement of Settled Intra-Position Movements (semt.016) to align it with the SMPG standards. The CRG also acknowledged informal feedback from SMPG that the CR-549 is implementing the Statement of Transactions in line with the SMPG standards.

* CRG meeting on 8-9 February 2016: The CRG identified the Change Request as a candidate for the Release 1.3. The CRG agreed to re-discuss the Change Request in the next CRG teleconference on 24 February 2016 when deciding on the list of Change Request for Release 1.3.

* CRG teleconference of 24 February 2016: The CRG decided to put the Change Request on hold and identified as candidate for Release 1.3.

* CRG meeting of 10 March 2016: The CRG decided to put the Change Request on hold.

* CRG teleconference of 24 March 2016: The CRG recommended the Change Request for detailed assessment.

* Advisory Group on 06 April 2016: In a written procedure from 31 March 2016 to 06 April 2016, the Advisory Group was in favour of launching the detailed assessment on the Change Request.

* CSD Steering Group on 07 April 2016: In a written procedure from 31 March 2016 to 07 April 2016, the CSD Steering Group was in favour of launching the detailed assessment on the Change Request.

* OMG on 8 April 2016: During a written procedure from 31 March 2016 to 8 April 2016, the Operations Managers Group did not identify any operational impact.

* CRG meeting on 6/7 July 2016: The CRG recommended the approval of Change Request and its inclusion in the T2S Release 1.3, in principle subject to feasibility of delivery for Release 1.3.

* OMG on 6 July 2016: During a written procedure from 30 June 2016 to 06 July 2016, the Operations Managers Group did not identify any operational impact.

* CRG teleconference on 29 July 2016: The CRG was informed about the potential performance impact of the Change Request and the need of having a dedicated performance testing campaign to identify any potential performance impact. In case of performance impact, the 4CB will also provide mitigation measures that could potentially result in an increase of the Change Request cost. The CRG also took note that the planning of this campaign will be provided around mid-August 2016.

* OMG in a written procedure from 5 to 12 August 2016: The OMG was in favour of adding the Change Request to the T2S Release 1.3.

* Advisory Group on 18 August 2016: Following a written procedure from 12 to 18 August 2016, the AG was in favour of approving the Change Request.

* CSD Steering Group on 19 August 2016: Following a written procedure from 12 to 19 August 2016, the CSG adopted the resolution to approve the Change Request.

* Advisory Group on 20 September 2016: Following a written procedure from 14 to 20 September 2016, the AG was in favour of inclusion of Change Request in T2S Release 1.3.

* CSD Steering Group on 21 September 2016: During the CSG meeting on 21 September 2016, the CSG adopted the resolution to include the Change Request in T2S Release 1.3.

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

Impact On T2S	Static data management		Interface	
		Party data management		Communication
		Securities data management		Outbound processing
		T2S Dedicated Cash account data management		Inbound processing
		Securities account data management		
		Rules and parameters data management		
		Settlement		Liquidity management
	x	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		Instructions validation
			x	Status management
		Operational services		Instruction matching
		Data Migration		Instructions maintenance
		Scheduling		Statistics, queries reports and archive
		Billing	x	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	1.6.4.2.3 Report generation process	Add the information that the cumulative amount or quantity which settled on the current business day/during the reporting period will be reported.
	Statement of Settled Intra-position Movements flat file - File format specifications Statement of Transactions flat file - File format specifications	Add the information as regards how the quantities / amounts reported in the flat file are calculated
Additional deliveries for Message Specification	3.3.7.5 IntraPositionMovementPostingReportV03 (semt.016.001.03) 3.3.7.6 SecuritiesTransactionPostingReportV03 (semt.017.001.03)	To update the message documentation
UHB	2.4.2.21 Available Report - Statement of Transactions - Details Screen 2.4.1.18 Available Report - Statement of Settled Intra- Position Movements - Details Screen	Update of field descriptions: Settled Settlement Quantity and Settled Settlement Amount Update of field description: Settled Settlement Quantity
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>Update of documentation for Statement of Transactions and Statement of Settled Intra-Position Movements both for ISO reports and for the flat file format. The reports will report the quantity and amount which have settled on the current business day/during the reporting period. In case partial settlement occurred on previous business day(s), the formerly settled quantity/amount will not be taken into account. Therefore, the respective A2A documentation has to be updated. As these reports can also be viewed via GUI, additionally the respective U2A specification has to be corrected.</p> <p>The correct behaviour has to be tested.</p> <p>As regards of the flat file reports, the way T2S calculates the following fields should be changed: For Statement of Transactions:</p> <p>Posting Quantity and Posting Amount: The settled quantity would be the quantity settled during the business day to which the information contained in the report refers.</p> <p>For Statement of Settled Intra-position Movements:</p> <p>Settled Quantity: The settled quantity would be the quantity settled during the business day to which the information contained in the report refers.</p> <p>Previously Settled Quantity: It will be calculated as Original Quantity minus Settled quantity (of the reporting period) minus Remaining quantity</p> <p>Remaining to be Settled Quantity: the description and calculation of this field does not change but it is included here for comprehensive reasons.</p>			
Summary of project risk			
--			
Security analysis			
No potentially adverse effect was identified during the security assessment.			

DG - MARKET INFRASTRUCTURE & PAYMENTS
 MARKET INFRASTRUCTURE MANAGEMENT

ECB-PUBLIC



30 June 2016

Cost assessment on Change Requests

T2S-549-SYS – Statement of Transactions and Statement of Settled Intra-Position Movements reporting for Partially Settled transactions to be made SMPG compliant			
One-off	Assessment cost*		
	- Preliminary	2,000.00	Euro
	- Detailed	10,000.00	Euro
One-off	Project phase costs	203,558.70	Euro
Annual	Running costs	15,880.34	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).