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T2S CHANGE REVIEW GROUP**ECB-PUBLIC**

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Outcome**Meeting of the T2S Change Review Group (CRG)**

3 September 2024 from 09:30 to 15:00 CET (held remotely via Microsoft Teams)

1. Introductory remarks and approval of the agendaBackground documentation

- Recent resolutions on CRs since last meeting.

Outcome**Recent resolutions on CRs since last meeting**

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely via Microsoft Teams. The CRG Chairperson announced that the CRG representative from Deutsche Bundesbank, Tim Paulowitz, would be substituted by his colleague Kristof Weber. The CRG members approved the agenda of the CRG Meeting on 3 September 2024.

The CRG took note of the updated status of the following change requests:

- The following CRs were approved for implementation:
 - T2S-0823-SYS – “Add Partial release new reason code “PREL” in sese.024 and semt.018”. The T2S Steering Level approved the implementation of CR-0823 within R2026.JUN on 16 July 2024.
 - T2S-0824-SYS – “Add new Market Infrastructure Transaction Identification of Counterparty Reference”. The T2S Steering Level approved the implementation of CR-0824 within R2026.JUN on 16 July 2024.
 - T2S-0833-SYS – “Multiplex editorial CR for R2024.NOV”. The CRG authorised and approved the implementation of CR-0833 within R2024.NOV on 29 July 2024.
 - T2S-0827-SYS – “T2S should submit partially released instruction to settlement independent from T2S partial settlement windows”. The T2S Steering Level approved the inclusion in the scope of R2025.NOV on 6 September 2024.
- The following CRs were already authorised / under detailed assessment:
 - T2S-0784-SYS – “Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model”. The PMG requested the Detailed Assessment in view of R2026.JUN on 8 July 2024. The delivery date would be provided in the PMG meeting on 12 September 2024.
 - T2S-0793-URD – “Introduce party type Ancillary System in T2S”. The T2S Steering Level authorised CR-0793 on 31 July 2024 and the PMG requested the detailed assessment in view of R2025.NOV.
 - T2S-0806-URD – “Removal of T2S functionality for the identification of penalties related to a CCP”. The PMG requested the Detailed Assessment in view of R2025.JUN on 8 July 2024. The detailed assessment delivery would be expected on 19 September 2024.



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- T2S-0813-URD – “Cash Sweep for closed accounts with remaining Liquidity”. The T2S Steering Level authorised CR-0813 on 31 July 2024 and the PMG requested the detailed assessment in view of R2027.JUN.
 - T2S-0821-SYS – “Add new attributes for secured groups in CRDM screens”. The PMG requested the Detailed Assessment in view of R2025.JUN on 8 July 2024 and it was delivered on 2 September 2024.
- The following CR was withdrawn:
- T2S-0768-SYS – “T2S message customization should be reduced for sese.024 messages”. No CRG member agreed to take full ownership of CR-0768 and the CR was withdrawn on 17 July 2024.

2. T2S Strategic Evolution

Background documentation: None.

Outcome

T2S Strategic Evolution

The CRG members took note of the recent updates stemming from the T2S Strategic Evolution workstream and the dedicated CRG workshop held on 28 August 2024. The CRG members were informed that the ECB team and 4CB are working on date proposals for October 2024 for the next T2S Strategic Evolution session. One CRG member proposed to discuss the T2S Strategic Evolution in the next CRG meeting on 16 October 2024 and the CRG agreed to include it in the October CRG meeting and to schedule a discussion on partial settlement, which should also be informed to the OMG and brought under the attention of the CSG since it might be relevant to other groups. A CRG member proposed to change the name from “T2S Strategic Evolution” to “T2S Tactical Evolution” since the workstream was deemed by them of a more tactical nature than strategic, and it was mentioned that the MIB would be the relevant governance body to have the final decision on a potential renaming of the T2S Strategic Evolution. Additionally, he proposed to schedule these discussions within the regular CRG agenda and not to have separate ad-hoc meetings.

Follow-up actions

- CRG Secretariat to bring to the attention of the CSG that the CRG would discuss on whether a continuous partial settlement throughout the business day would be needed and to report, for information, to the OMG.. [16 October 2024]

3. Outcome of previous meetings

Background documentation:

- Outcome of the CRG meeting on 3 July 2024

Outcome

Outcome of the CRG meeting on 3 July 2024

The CRG members took note that, during the written procedure to review the outcome of the CRG meeting on 3 July 2024 a CRG member had provided some wording proposals for updating the outcome.

The CRG members approved the updated outcome of the CRG meeting on 3 July 2024.

Follow-up actions

- *CRG Secretariat to publish the outcome of the CRG meeting on 3 July 2024 on the ECB website. [16 October 2024]*

4. Analysis of change requests

4.1 Change requests under implementation.

Background documentation: none

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

Background documentation

- CR-0812
 - T2S-0812-SYS Party hold as a new category of restriction type case one rules
 - 4CB detailed assessment on CR-0812
 - Summary of detailed assessment CR-0812 (table document)
- CR-0825
 - T2S-0825-SYS Uprunning and formatting of Collateral References
 - 4CB detailed assessment on CR-0825
 - Summary of detailed assessment CR-0825 (table document)
- CR-0807
 - T2S-0807-SYS Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator
 - 4CB detailed assessment on CR-0807
 - Summary of detailed assessment CR-0807 (table document)
- CR-0809
 - T2S-0809-URD Alignment of T2S Messages with ISO Maintenance Release 2020-2024
 - 4CB detailed assessment on CR-0809
 - T2S_0809_URD_attachement_FAM_cons
 - Summary of detailed assessment CR-0809 (table document)

Outcome

T2S-0812-SYS 'Party hold as a new category of restriction type case one rules'

The CRG members took note of the detailed assessment findings of CR-0812, which was deemed feasible for implementation within R2025.NOV by the 4CB. No project risk had been identified. The CRG was informed that the 4CB did not find a reason why the 'Valid from' date when setting up the new 'Party Hold' restriction type, must be current calendar day + 2 instead of the usual rule for the majority of reference data objects which was 'Valid from equal or greater than Current business day plus 1'. It was acknowledged that the impact of this limitation would be minimum since it would apply to the Restriction type and not to the rule belonging to it. The CRG confirmed that the restriction type was normally set-up for a longer period and that it was unusual to have the need to set-up one with urgency. However, the CRG agreed to raise an action point for 4CB to assess efficiencies to decommission this limitation and make this CRDM functionality more efficient.

The CRG took note of the fact that the 'Market-specific attribute' (MSA) on account level would not be an available parameter for this restriction type rule even though it was stated to be available in the description of the CR.

However, the 4CB did not have any specific reason for this being the case and agreed that in case the CRG needed



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this, 4CB would investigate the feasibility of relaxing this business rule. The CRG agreed to launch a written procedure to review the detailed assessment of CR-0812 once the 4CB had provided clarity on whether MSA on account level would be a possible parameter for the new restriction type rule 'Party-Hold'.

Follow-up action

- CRG Secretariat to launch a written procedure so that the CRG could analyse whether the business rule to set-up the valid from of the new restriction case one 'Party Hold' should be changed to be Valid from equal or greater than 'Business day plus one' instead of 'Calendar day plus 2'.
- The 4CB to provide clarity on whether Market-specific attribute on account level will be a possible parameter for the new Restriction type rule 'Party Hold'. [06 September 2024]
- The CRG Secretariat to launch a written procedure for the CRG review of the detailed assessment of CR-0812 in view of R2025.NOV, once 4CB has provided clarity on the possible parameters. [06 September 2024]
- In case the CRG concluded that a change is needed, the 4CB to assess efficiencies and the possibility to raise a change request to decommission the limitation in CRDM to set-up a Restriction type with Valid from equal or greater than Calendar Day +2. [19 September 2025]

Outcome

T2S-0825-SYS 'Uprunning and formatting of Collateral References'

The CRG members took note of the detailed assessment findings for CR-0825 and that no project risk had been identified. It was informed that the Steering Level approval deadline could be extended from 15 September 2024 to 30 September 2024. During the ECB review, an inconsistency was spotted on the U2A channel.

This change request foresees to un-prune some collateral references in some of the outbound A2A messages in T2S.

In addition to the A2A channel, the detailed assessment showed an impact in the U2A channel, in particular, it envisaged to update the semt.017 'Statement of transactions' and semt.018 'Statement of pending instructions' reports screens to show these new fields. However, the detailed assessment did not foresee to also update the 'Settlement instruction - Details screen'. In addition, the CRG acknowledged that these collateral references fields were not part of the fields available to input via the Settlement Instruction – New Screen and this was being assessed with the recent incident INC000000422045. The CRG members agreed that in order to remove the inconsistency that will be created if these fields were provided in the reports screens and not in the settlement instruction detail screen, the detailed assessment should be provided removing the impacts for the semt.017 and semt.018 details screens. The 4CB informed the CRG members that such a change would require a detailed re-assessment and while the one-off detailed assessment cost would apply, a decrease in the implementation costs would be expected. The CRG members agreed to request the detailed re-assessment of CR-0825 to remove the impacts on semt.017 and semt.018 details screen.

Finally, the CRG acknowledged that the 4CB would assess via INC000000422045 why it was not possible to input these collateral references within the Additional information section of the Settlement Instruction – New Screen.

Follow-up action

- The 4CB to provide a detailed re-assessment of CR-0825 removing any impact in the semt.017 and semt.018 details screens. [10 October 2024]



Outcome

T2S-0807-SYS Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator

T2S-0809-URD Alignment of T2S Messages with ISO Maintenance Release 2020-2024

The CRG members took note of the detailed re-assessment findings for CR-0807 and CR-0809 and that no risk had been identified. Both CRs were feasible for implementation within R2026.JUN. The CRG members agreed to launch a written procedure for the review of the detailed re-assessment of CR-0807 and CR-0809 in view of R2026.JUN.

Follow-up action

- The CRG Secretariat to launch a written procedure for the CRG to review of the detailed re-assessment of CR-0807 and CR-0809. [06 September 2024]

4.3 Change requests not yet authorised at T2S Steering Level

4.3.1 Change requests under preliminary assessment

Background documentation: none

4.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0834-SYS Un-prune additional attributes in T2S settlement messages to enhance STP processing
- T2S-0835-SYS T2S should streamline business validations for intended settlement date in the past
- T2S-0837-URD New Mechanism for handling queries and access rights management for Direct Holding Markets
- T2S-0838-SYS Technical upgrade of the PROD environment to support increase in the number of Securities Accounts

Outcome

T2S-0834-SYS Un-prune additional attributes in T2S settlement messages to enhance STP processing

The CRG was presented with the new change request CR-0834 raised by the TFOS and took note that the TFOS would assess the updated scope of the CR in the next TFOS meeting on 10 September 2024. It was acknowledged that the CRG will discuss the CR in the CRG Meeting on 16 October 2024 to decide the way forward.

Follow-up action

- The CRG to re-discuss the CR-0834 in the next CRG meeting on 16 October 2024, after the TFOS has approved the updated scope of T2S-0834 in the next TFOS meeting on 10 September 2024. [16 October 2024]

Outcome



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T2S-0835-SYS T2S should streamline business validations for intended settlement date in the past

The CRG was informed about the new CR-0835, which aims to stop performing all business validations on the intended settlement date (ISD) when it was in the past, and only check the business validations on the current business day to achieve savings in terms of CPU consumption for T2S and undesired rejections of instructions due to incorrect static data set-up. The CRG agreed to launch a written procedure of three weeks to review the scope of T2S-0835-SYS to confirm that the validations for reference data values applicable on an intended settlement date in the past are redundant and should therefore be dropped since they do not add any business or legal value. In particular, the NCBs should assess the impact of removing these validations for cash restrictions and the CSDs the impact on the securities. The CRG agreed to discuss comments and next steps in the next CRG meeting on 16 October 2024.

Follow-up action

- The CRG Secretariat to launch a written procedure for 3 weeks for the NCB members in the CRG to confirm that it is acceptable to cover business rules related to settlement restrictions on cash (only relevant for NCB and payment banks) and for the CSDs to confirm that the business rules related to securities can also be included in the scope of the CR, as currently foreseen. [9 September 2024]

Outcome

T2S-0837-URD New Mechanism for handling queries and access rights management for Direct Holding Markets

The CRG was presented with the new CR-0837, which aimed to start an investigation process to conclude which enhancement could be implemented to make possible that T2S managed an increased number of securities accounts without a negative performance impact. In particular, one of the services that was considered to potentially suffer due to the increase of securities accounts was the ARM¹ process and securities accounts queries. The CR presents three options that needs to be further investigated during the preliminary assessment and the best solution may be one of the described ones or a combination of them. This requires further analysis by the 4CB during the preliminary assessment. The CRG agreed to request the preliminary assessment of CR-0837.

Follow-up action

- 4CB to perform the preliminary assessment for CR-0837 and provide further information on the three options to optimise ARM process including pros and cons for the different solutions and the best solution from a functional/performance perspective. [15 November 2024]

Outcome

T2S-0838-SYS Technical upgrade of the PROD environment to support increase in the number of Securities Accounts

The CRG was presented with the new change request CR-0838 raised by 4CB and discussed previously in the OMG in the context of the Long-Term Capacity Planning and the steady increase of securities accounts. 4CB informed that the scope of this CR was to document the increase in CPU capacity plus some optimisations implemented with R2024.JUN that have made possible to increase the ceiling of securities accounts (SAC) from 2.7 million to 2.8 million. In addition, part of this change request would cover an optimisation during the partial settlement windows, where the recycling and optimisation processes would be delayed for 10 minutes.

In this context, the CRG agreed to discuss in the next meeting whether T2S should have a continuous partial settlement window during RTS.

¹ Access Right Management



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The CRG chairperson proposed that the 4CB presented to the CSG and the MIB this change request explaining that now 4CB could guarantee the new ceiling for securities accounts was 2.8 million.

Some CRG members questioned whether a retrofit CR was the correct way to document such changes and it was agreed to raise an action point so that the OGPF-DG could discuss it.

The CRG agreed to launch a written procedure to recommend CR-0838 for Steering level authorisation, following a fast-track approach.

Follow-up action

- The CRG Secretariat to launch a written procedure for the CRG recommendation to Steering level for the authorisation of CR-0838 following a fast-track approach. [9 September 2024]
- The CRG Secretariat to request the OGPF-DG to discuss whether a retrofit CR is the correct way for such CRs. [16 October 2024]

4.3.3 Change requests raised in other TARGET Services

Background documentation:

- T2-0135-SYS Intraday update of routing configuration in CLM-RTGS due to NSP failure – presentation

Outcome

T2-0135-SYS 'Intraday update of routing configuration in CLM-RTGS due to NSP failure'

The CRG took note of the newly raised T2 CR-0135, which was raised to accommodate an intraday routing configuration update for NCBs and T2 critical participants with dual A2A connectivity in the case of a failure of their primary NSP. The CRG were informed that the scope of the draft change request was still being discussed at T2-WG level and that no T2S impact would be expected in the detailed assessment. The rationale was that the functionality to update intraday the routing configuration was already possible in T2S.

4.4 Editorial CRs

Background documentation: none.

5. Clarification notes

Background documentation:

- T2S-CRG-Oversight request for clarification on cross-CSD settlement issue

Outcome

T2S-CRG-Oversight request for clarification on cross-CSD settlement issue

The CRG took note of a topic discussed in the OMG and related to a cross-CSD settlement issue. In particular, it related to a set-up with two Issuer CSDs in T2S and a cross-csd settlement between participants of both CSDs that resulted in the unexpected booking in both issuance account of each CSD.

The CRG confirmed that T2S was working as designed. It was also confirmed that the mitigation measure to set-up a restriction type case one rule to reject any settlement instruction on the issuance account was the appropriate one.

The CRG agreed that no T2S functional enhancement would be required for this specific case.



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The CRG agreed to report to the CSG that in this type of T2S set-up and cross-CSD settlement, there was a risk that the issuance account could be impacted but the mitigation measure was deemed appropriated.

The CRG also agreed to ask the CSG whether there was the need to perform a legal or risk analysis.

The CRG agreed to launch a written procedure to ask the CRG whether the multi-issuance scenario was needed in T2S and to review the presentation on cross-CSD settlement with some amendments, and the proposed way forward to advise the CSG with further considerations.

Follow-up action

- The CRG Secretariat to launch a written procedure for the CRG review of the presentation on the cross-CSD settlement issue and the proposed way forward. [09 September 2024]

6. Proposal on yearly upgrade of ISO-20022 Maintenance releases

Background documentation:

- Proposal to organise the ISO-20022 yearly upgrade.

Outcome

Proposal on yearly upgrade of ISO-20022 Maintenance releases

The CRG agreed to review, in the next CRG meeting, the proposal on how to organise the yearly upgrade of the ISO-20022 messages used by T2S after the ISO unfreeze CRs are implemented, which is expected to be part of T2S R2026.JUN.

Follow-up action

- The CRG Secretariat to schedule a discussion, in the next CRG meeting, on how to organise the yearly upgrade of the ISO-20022 messages used by T2S after the ISO unfreeze CRs are implemented.
[16 October 2024]

7. CRG action points

Background documentation

- List of CRG Action Points

Outcome

List of CRG action points

The CRG agreed to review the list of CRG Action Points via a written procedure.

Follow-up action

- The CRG secretariat to initiate a written procedure to review the list of CRG Action Points. [04 September 2024]

8. Any other business

Background documentation



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- Change Request Prioritisation_4CB proposal
- Delivery plan of change requests (table document)
- Upcoming releases and change requests (table document)
- Dashboard on cross-service impact of CRs (table document)
- The following CRG meetings are planned in 2024 and 2025 (to be confirmed at least 4 weeks in advance):

Outcome

Change Requests Prioritisation

The CRG took note of a presentation from 4CB with a proposal to plan the detailed assessments of the on-going change requests. It was acknowledged that there were a high number of change requests with a critical business need and that it was necessary to plan the order of the detailed assessments.

The CRG agreed with the 4CB proposal to start the detailed assessment of CR-0826 and the preliminary assessment of CR-0837 by mid of September. After these two, a second package should follow including CR-0832.

In order to better prioritise all the CRs and initiatives the upcoming yearly CRG ranking exercise will be extended this year to include T2S change requests that have not been authorised yet and change requests for ongoing initiatives such as, new functionalities in the context of T+1 settlement, onboarding of direct holding markets, ISO Maintenance release 2025 and 2026 and new T2S functionalities to implement in the context of the ISO Maintenance release 2025, etc. For this, the CRG agreed to launch a written procedure to collect the business values of all the CRs and initiatives that were to come.

Follow-up action

- *The CRG secretariat to launch a three-week written procedure to collect business values from CRG members for the extended yearly CRG ranking exercise. [19 September 2024]*

16 October 2024	09:30-16:00	ECB Main Building
3 December 2024	09:30-15:00	Teams
22 January 2025	09:30-15:00	Teams
25 February 2025	09:30-15:00	Teams
8 April 2025	09:30-15:00	Teams
20 May 2025	09:30-15:00	Teams
1 July 2025	09:30-15:00	Teams
9 September 2025	09:30-15:00	Teams
16 October 2025	09:30-16:00	ECB Main Building
2 December 2025	09:30-15:00	Teams