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Outcome

Meeting of the T2S Change Review Group (CRG)

28 February 2024 from 09:30 to 13:00 CET (held remotely via Microsoft Teams)

1. Introductory remarks and approval of the agenda

Background 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 members approved the agenda of the meeting on 28 February 2024 and no additional items were proposed.

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

- The following CRs were approved for implementation:
 - T2S-0720-URD – “Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off”. The T2S Steering Level approved the implementation within R2025.NOV on 28 February.
 - T2S-0753-SYS – “Export of T2S cash transactional data from the Data Warehouse to a Eurosystem’s analytical platform”. The T2S Steering Level approved the rescoping to R2024.JUN on 28 February.
- The following CRs were already authorised / under detailed assessment:
 - T2S-0809-SYS – “Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024”. The Detailed re-assessment, including the ISO Maintenance Release 2024 was delivered on 23 February 2024.
 - T2S-0810-SYS – “T2S should verify whether the certificate used to sign NRO is linked to the user initiating the signature”. The new delivery date of the detailed assessment would be confirmed.
 - T2S-0823-SYS – “Add Partial release new reason code “PREL” in sese.024 and semt.018”. The T2S Steering Level authorised CR-823, following a fast-track approach, on 28 February.
 - T2S-0824-SYS – “Add Market Infrastructure Transaction Identification of Counterparty Reference”. The T2S Steering Level authorised CR-824, following a fast-track approach, on 28 February.
 - T2S-0825-SYS – “Uprunning and formatting of Collateral References”. The T2S Steering Level authorised CR-825, following a fast-track approach, on 28 February.
 - T2S-0826-SYS – “T2S should use Pending Processing status to report hold on unmatched instructions”. The T2S Steering Level authorised CR-826, following a fast-track approach, on 28 February.



- *Final version of T2S SDDs for R2024.JUN.*
 - *The Final version of the T2S Scope Defining Documents for R2024.JUN had been published to the ECB Website.*

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 30 January 2024

Outcome

Outcome of the CRG meeting on 30 January 2024

The CRG members took note that during the written procedure to review the outcome of the CRG meeting on 30 January 2024 the CRG secretariat had received feedback on several points from Clearstream.

First, it was proposed to add the clarification that despite the feasibility of the implementation of T2S-0809-SYS “Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024” in view of R2025.JUN, the deployment of the CR within this release would be unlikely due to the infeasibility of the ISO unfreeze strategy.

Next, the technical dependency of T2S-0809-SYS and T2S-0807-SYS “Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator” and that the latter should be implemented together or after CR-809 was introduced under the outcome of CR-807. It was complemented by the CRG agreement to wait for the T2S Steering Level decision on an updated ISO unfreeze strategy.

The CRG members approved the updated outcome of the CRG meeting on 30 January 2024.

Follow-up actions

- *ECB team to publish in the ECB webpage the outcome of the CRG meeting on 30 January 2024. [13 March 2024]*

3. T2S Strategic evolution

Background documentation

- T2S Strategic Evolution introduction and planning
- Final CoG TF report on a T2S strategic evolution roadmap

Outcome

T2S Strategic Evolution introduction and planning

Final CoG TF report on a T2S strategic evolution roadmap

The CRG took note that in February 2022, the MIB had initiated a Eurosystem task force to analyse the strategic evolution of T2S and approved the report of the task force and its proposed measures in September 2023. The T2S Strategic Evolution Task Force had been mandated to explore possible changes and enhancements to T2S to continue delivering core benefits to the European financial industry over a horizon of five to ten years. The CRG was informed that 22 proposals aiming at simplifying T2S design, improving performance, and operational resilience would be assessed by the T2S governance and follow the standard change management process.



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The CRG acknowledged the following planning steps of the T2S Strategic Evolution Task Force: the organisation of two workshops with the CRG with the aim to present these proposals so that they could be ranked in order of interest; a roadmap to discuss proposals in the relevant technical groups and eventually, a CRG decision whether to initiate the CR process. The PMG and OMG views would be sought in case this was needed.

The CRG members appreciated this initiative and requested that other challenges like the settlement efficiency or T+1 should be factored in this exercise.

Follow-up actions

- ECB team to invite the CRG for two workshops regarding the T2S Strategic Evolution. [31 March 2024]

4. Analysis of change requests

4.1 Change requests under implementation.

Background documentation

- T2S-0800-URD Harmonisation of floor/ceiling notifications with T2
- T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links

Outcome

T2S-0800-URD Harmonisation of floor/ceiling notifications with T2

The CRG took note that CR-0800 was allocated to R2025.NOV but the 4CB highlighted the possibility to implement it, with no cost impact, within R2025.JUN due to the capacity freed in 2025 and the “lift and shift” of the ISO unfreeze strategy from 2025 to 2026. The CRG appreciated the proactiveness from the 4CB and acknowledged that the raiser of CR-0800 (Deutsche Bundesbank) had supported the approach.

The CRG agreed with this approach to anticipate the implementation of CR-0800 from R2025.NOV to R2025.JUN, acknowledging that 4CB will provide the feasibility assessment in the PMG Meeting on 12 March 2024. Thereafter, the PMG resolution to request the detailed re-assessment in view of R2025.JUN will be sought.

Outcome

T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links

The CRG took note that during the implementation of CR-0797 (Allocated to R2025.JUN) 4CB had identified changes which had been included in an updated version of the detailed assessment. They relate to unexpected additional changes of base ISO20022 `reda.045` ‘SecurityCSDLinkCreationRequest’ and `reda.046`

‘SecurityCSDLinkMaintenanceRequest’ draft base messages, for example on the path and the datatype for the identification of parties and on the datatype of the Security Maintenance flag.

Euroclear raised the question on whether new technical amendments to the XSD schemas would be required by the CSDs and 4CB confirmed that the CSDs will have to use the new XSDs schema versions to use these messages.

Euroclear pointed out that this impact was not in line with the description of the Operational/Technical CR parameter that had value ‘Low’ because ‘...the change was optional for CSDs’.

Clearstream representative considered it as a standard potential activity for every change request to be implemented, even if the new functionality was not going to be used by a CSD/NCB.

The CRG agreed to review view written procedure the updated detailed assessment of CR-0797 which should include a new proposal for the Operational/Technical CR parameter with a description that recognised the fact that even if the functionality was expected to be optional, all the community will need to upgrade some XSD schema messages if they were impacted.

Follow-up actions

- *The CRG Secretariat to provide a proposal for new Operational/Technical risk parameter wording in CR-797 and provide the updated version to the CRG for review via a written procedure. [12 March 2024]*

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

Background documentation

- CR-0809
 - T2S-0809-SYS Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024
 - 4CB presentation on CR-0809.
 - Summary of DA of CR-0809.
- CR-0792
 - T2S-0792-SYS- T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes – Detailed re-assessment
 - 4CB presentation on detailed re-assessment CR-0792
 - Summary of DrA of CR-0792
- CR-0820
 - 4CB presentation: Certificate DN migration
- CR-0794
 - T2S-0794-SYS T2S settlement day processes for DKK open issue

Outcome

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

4CB presentation on CR-0809.

Summary of DA of CR-0809.

The CRG took note that the detailed reassessment of CR-0809, which included the impact of ISO MR-2024, had been deemed feasible for R2025.JUN and that no risk had been identified. However, it was acknowledged that in the context of the ISO unfreeze strategy a detailed reassessment in view of R2026.JUN might be needed, since R2025.JUN had been deemed as not feasible to start with the unfreeze strategy.

The CRG members took note that during the Trilateral Group meeting, it was acknowledged that the CRG should review the content of the batches to provide the non-binding XSDs. The rationale behind was that those messages with higher changes to implement should be allocated to the first batches, so that the implementation on the CSDs side could start earlier.

The CRG acknowledged that the provided development costs had increased from €1.597.407,65 in the previous version to € 1.764.598,78 in the current one and that the current development cost was linked to the implementation of CR-809 within R2025.JUN.

The CRG took note that CR-0809 would be reassessed after the T2S Steering Level approval of the amended ISO MR alignment strategy and availability of new scope in view of its possible delivery with R2026.JUN.

Follow-up action

- The ECB team to launch a written procedure for the CRG to review the detailed re-assessment of CR-0809 and the content of the batches. [12 March 2024]

Outcome

T2S-0792-SYS- T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes – Detailed re-assessment

4CB presentation on detailed re-assessment CR-0792

Summary of DrA of CR-0792

The CRG took note of the detailed re-assessment of CR-0792 and that it had been deemed feasible for R2025.JUN, which would provide sufficient time for CSDs to check and update their existing CFI codes after the implementation of CR-791 “T2S alignment to ISO 10962:2021 CFI code – addition of new codes” within R2024.NOV.

The 4CB clarified to the CRG that the maintenance costs in the amount of € 2.047,98 accounted for the removal of decommissioned codes, which consisted of software development and not only the deletion of these codes.

The CRG agreed to recommend to the PMG the implementation of CR-0792 within the scope of R2025.JUN.

Outcome

T2S-0820- ‘CRDM Certificate DN management restrictions’

4CB presentation: Certificate DN migration

The CRG members were presented with the 4CB proposal on the principles to perform the migration of existing Certificate DNs that will have to be performed once CR-0820 is implemented.

It was acknowledged that as part of this migration, some certificates would be physically deleted and the CRG requested to have a list with a simulation of the Certificates that would be deleted. This will make sure that a double check is performed before they are actually deleted.

Finally, the CRG agreed to review via a written procedure the 4CB proposal on the principles to perform the migration of certificate DNs in the test and production environments and include them in CR-0820.

Follow-up action

- The CRG to review via a written procedure the 4CB proposal on the principles to perform the migration of certificate DNs in the test environments and production and include them in CR-0820. [12 March 2024]

Outcome

T2S-0794-SYS T2S settlement day processes for DKK open issue

The CRG acknowledged that during the detailed assessment of CR-0794, the 4CB had identified the need to configure a new CRDM attribute domain (AD) “DKK settlement period parties” to allow for a check during the DKCB only Settlement Period, if a liquidity transfer came from DKCB or CLM.

The CRG took note of the following options proposed by the 4CB to handle this attribute domain - the AD would be managed either by the T2S Operator or the DKCB itself. In the case of AD managing by the T2S Operator a maximum number of 5 DKCB parties (BIC 11) would be included in the new AD and after the initial setup would be updated once a year if needed. The AD configured by the T2S Operator would be visible to all parties and either the DKCB would be in charge of providing a list of parties to the T2S operator. In the case of AD managed by the DKCB, the AD would be visible only to the DKCB.

The CRG invited the DKCB to provide feedback on the AD implementation.

Follow-up action

- The CRG Secretariat to liaise with DKCB on the preferred AD implementation option. [15 March 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-0813-SYS Cash Sweep for closed accounts with remaining Liquidity
- T2S-0798-SYS T2S COSD logic should support partial release of instructions subject to COSD and partial COSD release
- T2S-0821-SYS Display name of secured groups in CRDM screens for access right management

Outcome

T2S-0813-SYS Cash Sweep for closed accounts with remaining Liquidity

The CRG took note of the OMG assessment of CR-0813, which would address the cases where the operational procedure was not followed and a cash account could have remaining liquidity at the end of current business day when it is closed. The rationale behind was that a cash account would be closed (valid to = Current business day) only when the business day would change, i.e. the account would still be active until end of the current business day. The CRG members acknowledged that CR-0813 would implement a mandatory cash sweep for closed accounts and prevent them from being closed as of one particular event of the real time closure period.

The CRG agreed to review CR-813 via written procedure and assess the preliminary assessment request.

Follow-up action

- The CRG Secretariat to launch a written procedure to review CR-0813 and request the preliminary assessment of CR-0813. [12 March 2024]

Outcome



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T2S-0798-SYS T2S COSD logic should support partial release of instructions subject to COSD and partial COSD release

The CRG members were presented with an updated version of CR-0798, which had been renamed to “T2S COSD logic should support partial release of instructions subject to COSD and partial COSD release”.

The raiser of the CR, Clearstream, clarified that the updated version dismissed the requirement for partial blocking so that the T2S Conditional Settlement (COSD) logic could be simplified. In addition, examples for External Settlement cases, where partial settlement was not yet possible, and more detailed implementation aspects had been introduced.

Clearstream highlighted the three requested changes: possibility to flag COSD rules for partial release; possibility to partially release from Party Hold underlying settlement instructions subject to COSD logic, which should trigger T2S blocking for partially released quantity and possibility to partially release from COSD Hold underlying settlement instructions where a (potentially partial) quantity had been blocked before, when T2S should settle the partially COSD released quantity.

The CRG took note that this version was not yet reviewed by ECB and 4CB teams that that a written procedure would be launched only then.

Follow-up action

- The ECB and 4CB teams to review CR-0798 so that a final version can be reached. Thereafter, the CRG Secretariat to launch a written procedure for the CRG to review the content.

Outcome

T2S-0821-SYS Display name of secured groups in CRDM screens for access right management

The CRG was presented with CR-0821 by the CR initiator, Clearstream,

The CRG members acknowledged that CR-0796 (Secured Groups should have name and description attributes) had not tackled the use of secured groups in the T2S screens to assign object privileges where secured groups were among the Secured Element Types to be assigned. Hence, CR-0821 scope would incorporate the following: “In all screens where secured groups are displayed in “object privileges” lists, the name of the secured group shall be shown in addition to the technical identifier”.

The CRG agreed to review CR-0821 via a written procedure and assess the preliminary assessment request.

Follow-up action

- The CRG to review CR-0821 via a written procedure and assess the preliminary assessment request. [12 March 2024]

4.3.3 Change requests raised in other TARGET Services

Background documentation:

- T2-CR-0118- CRDM business rules

Outcome

T2-118-SYS CRDM business rules preventing filtering

The CRG took note of the Trilateral Group positive discussion on the way forward to bring T2-CR-118 (related T2S-0811-SYS “Impact of ICN-061 - CRDM business rules on Party and Cash Accounts validity period”¹) back to the TARGET-Service governance so that the impacts could be accepted, and the CR implemented.

The CRG took note that the impact of this CR in T2S would be:

- T2S DCA could only be active as of the next business day after its creation.
- Party Mnemonic could only be changed as of the next business day after its update.

The CRG was informed about the OMG assessment that there was no business case for the National Central Banks to open a cash account for the same business day and with the implementation of T2-CR-0118 the only impact in T2S would be the impossibility to settle a liquidity transfer between two T2S Dedicated Cash Accounts for the same business day.

Clearstream rejected the CR, arguing that T2 should look for other alternatives not impacting T2S.

The CRG agreed to escalate the topic to the CSG since consensus could not be reached².

Follow-up action

- The CRG to escalate the topic on T2-CR-118 (T2S-CR-811) to the CSG Meeting on 6 and 7 March 2024. [5 March 2024]

4.4 Editorial CRs

Background documentation: none.

5. Clarification notes

Background documentation:

- INC402456 – Status update and potential SDD-CN

Outcome

INC402456 – Status update and potential SDD-CN

The CRG took note of the 4CB status update on an incident requesting data from the Penalty Mechanism that was at the time not under the scope of any report.

The CRG acknowledged that CR-0654 (T2S Penalty Mechanism) had stipulated the loading of Penalty Mechanism data in LTSI, yet there was no requirement in any LTSI SDD and there would be no requirement in any T2S DWH SDD for which purposes the data would be needed. As 4CB had been receiving the data from LTSI and pertinent T2S modules, the 4CB informed that T2S DWH could not provide the data requested from ECB-side with INC402456 (data for ECB annual report). The 4CB requested the guidance from the T2S Technical Groups.

¹ T2S CR-811 is currently on hold due to an objection by Clearstream received in the CRG Meeting on 17 October 2023.

² After the CRG meeting, CBF informed that the impacts of CR-T2-0118 were accepted by them, therefore the topic was not finally escalated to the Steering Level.

The CRG agreed to decide on the way forward via a written procedure with the two following options: option (1) – penalty data would be unnecessary and the 4CB would remove the data or option (2) – penalty data would be of interest to the NCBs/CSDs and to possibly incorporate this within a CR.

Follow-up action

- The CRG to review via a written procedure the two following options: option (1) – penalty data would be unnecessary and the 4CB would remove the data or option (2) – penalty data would be of interest to the NCBs/CSDs and to possibly incorporate this within a CR. [16 April 2024]

6. 2023 – CRG Survey results

Background documentation:

- T2S CRG End-of-year 2023 Survey results

Outcome

T2S CRG End-of-year 2023 Survey results

The CRG took note that 25 CRG members participated in the T2S CRG End-of-year 2023 survey and that the received feedback would be considered in the upcoming work of the CRG Secretariat.

The CRG members were informed about the general satisfaction of the CRG survey participants with the preparation and the content of the CRG meetings. The frequency of the CRG Meetings was considered suitable, the devoted time to find compromise and the use of Microsoft Teams were appreciated by many CRG members.

The CRG indicated the following areas for improvement regarding the CRG meetings: an earlier delivery of the background documentation and a notification E-Mail, when most documents were uploaded to the specific meeting folder, as well as a meeting reminder and an Outlook invite for the meetings. It was also requested a way to track the lifecycle of change requests and the CRG Secretariat agreed to consult internally about a possible tool for this.

The CRG members noticed an improvement on the written procedures with respect to the previous year but expressed their wish for a better track of the written procedures. The CRG Secretariat proposed to send reminders for the ongoing written procedures and the CRG agreed to this.

The CRG was invited to provide feedback on additional topics, which had not been included in the T2S CRG End-of-year 2023 survey.

Follow-up action

- The CRG Secretariat to consult internally about a possible tool for tracking CRs. [16 April 2024]
- The CRG Secretariat to send reminders for the ongoing written procedures.
- The CRG Secretariat to send an outlook meeting invite for the remaining CRG meetings in 2024 [16 April 2024]

7. CRG action points

Background documentation

- List of CRG Action Points



Outcome

List of CRG action points

AP-4125 (ECB team to monitor the progress of T2 CR-0118 and check the outcome of the cross-service impact analysis once the detailed assessment was finished.) Following the discussion under agenda item 4.3.3 (Change requests raised in other TARGET Services) the CRG agreed to keep AP-4125 open.

AP-4135 (The ECB team to inform the CRG once the T2 community had agreed with the proposal to use the CRDM screens as the single way to query the T2S service items.) T2 community agreed on this in December 2023. The CRG agreed to close AP-4135.

AP-4166 (The 4CB to confirm that CR-0816, CR-0817 and CR-0818 should not have detailed assessment costs (i.e. 10.000 EUR)). 4CB confirms that only CR-804 should have DA assessment one-off costs and not CR-0816, CR-0817 and CR-0818 (which should only have development/annual running costs with no assessment costs). The CRG agreed to close AP-4166.

AP-4173 (The 4CB to provide the detailed re-assessment of CR-0809 including ISO MR 2024 by 22 February 2024.) DA delivered for the CRG meeting on 28 February 2024. The CRG agreed to close AP-4173.

AP-4175 (The CRG Secretariat to check bilaterally with NASDAQ on processing BIC11 format in their interaction with T2S.) After an internal ECB assessment, NASDAQ CRG representative was informed that the conclusion of it is that T2S was behaving in accordance to the specifications. The CRG agreed to close AP-4175.

8. Any other business

Background documentation

- Delivery plan of change requests (table document)
- Upcoming releases and change requests (table document)
- Dashboard on cross-service impact of CRs (table document)
- CRG meetings planned for 2024 (to be confirmed at least 4 weeks in advance):

16 April 2024	09:30-15:00	Teams
29 May 2024	09:30-15:00	Teams
3 July 2024	09:30-15:00	Teams
3 September 2024	09:30-15:00	Teams
17 October 2024	09:30-16:00	ECB Main Building
3 December 2024	09:30-15:00	Teams