

<b>General Information (Origin of Request)</b>		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> Clearstream	<b>Institute:</b> CSD	<b>Date raised:</b> 31/07/2012
<b>Request title:</b> Reference to identify instructions matched in T2S and identification of origin of CoSD generated blockings		<b>Request ref. no:</b> T2S 0389 SYS
<b>Request type:</b> Common		<b>Urgency:</b> Fast-track
<b>1. Legal/business importance parameter:</b> Critical	<b>2. Market implementation efforts parameter:</b> Low	
<b>3. Operational/Technical risk parameter:</b> Low	<b>4. Financial impact parameter:</b> Medium	
<b>Requestor Category:</b> CSD	<b>Status:</b> Authorised at Steering Level	

**Reason for change and expected benefits/business motivation:**

The change will allow CSDs to identify the pair of instructions that are matched and that are resulting in double entry booking within its books. Depending on the settlement scenario, this will apply to business instructions, realignment instructions and auto (client)-collateralisation instructions.

Additionally, CSDs should be in a position to identify what is the business instruction that result in a CoSD blocking on their account. This is to be applied as well for the related CoSD cash blockings.

**Note:** This Change Request is resulting from the simplification of the CR351 (Reporting of match reference and other transaction related information by T2S).

**Description of requested change:**

*The details are shown in the annex attached.*

**Business requirement 1**

T2S should return upon matching of instructions (Business Instructions, Realignments or auto (client)-collateralisation instructions) a unique reference that allows CSDs to identify the pair of instructions that have matched in T2S.

This information should be propagated as soon as available in the status/ confirmation messages, as well as in the generation notification message where applicable (e.g. realignment, and collateral related instructions).

Impacted messages	Function
Sese.024	Status advice
Sese.025	Settlement confirmation
Sese.032	Generation notification

**Business requirement 2**

When generating an intra-position (balance) movement based on a CoSD configuration by the CSD, T2S should inform in the respective messages the reference to the instruction that has triggered the blocking.

- In case of CoSD securities blocking, this should be the delivering instruction.
- In case of CoSD cash blocking, this should be the debiting instruction.

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Impacted messages	Function
Camt.067	Status advice intra-balance movement
Camt.068	Settlement confirmation intra-balance movement
Semt.014	Status advice intra-position movement
Semt.015	Settlement confirmation intra-position movement

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**Submitted annexes / related documents:**

Attachment of CR 389 (Reference to identify instructions matched in T2S and identification of origin of CoSD generated blockings)

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**Proposed wording for the Change request:**

N/a see annex in ppt.

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**High level description of Impact:**

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**Outcome/Decisions:**

- CRG Telco on 10 December 2012: The CRG recommended a detailed assessment by 4CB.
- CRG Telco on 28 January 2013: Based on the detailed assessments of CR 389 and taking into account that it could most likely be implemented before the start of the User Testing phase if other CRs are put aside, the CRG proposed that the CR 389 should be submitted to the Steering level for approval.
- CSG resolution on 5 February 2013: Following a written procedure, the CSG adopted the resolution to approve the Change Requests.
- Advisory Group's advice on 5 February 2013: Following a written procedure, the AG was in favour of the Change Request.

# Attachment of CR 389 (Reference to identify instructions matched in T2S and identification of origin of CoSD generated blockings)

ECB T2S Programme Office  
European Central Bank

### Description of the Request

■ T2S reporting must be extended to allow the T2S users to identify the instruction legs that comprises a single transaction. In particular:

- T2S matching feedback must indicate to which instruction in T2S an existing instruction was matched

T2S generated auto-collateralisation transactions must include the T2S Matching Reference that is common to all the settlement instructions moving securities related to the auto-collateralisation transaction (e.g. same will be provided in realignment in case of cross-border auto-collateralisation)

- T2S generated realignments must allow an unambiguous identification to which cross-border transaction they relate, in particular in cross-border cases with more than one Investor CSD and thus with more than one realignment instruction at the Issuer CSD
- This should be achieved via a common reference assigned to the transaction. Transaction reference refers to a unique reference relating to two business instructions (or collateral instructions) including their realignments if any.

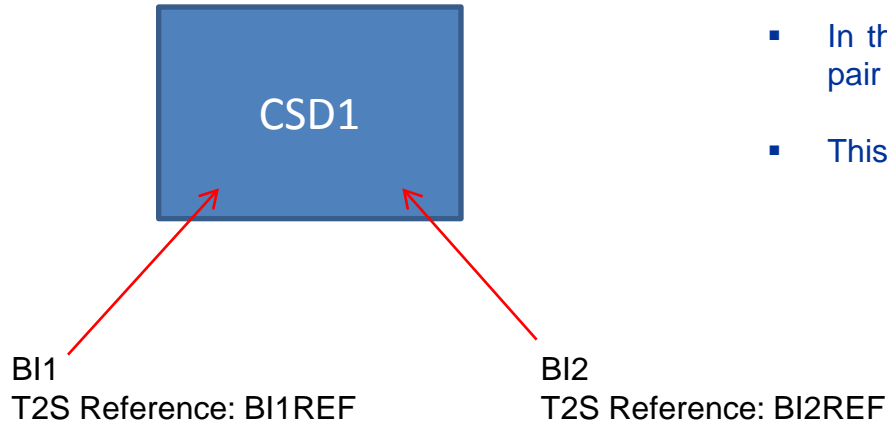
■ When triggering CoSD blocking (Securities or Cash), T2S should inform in the blocking generation messages the reference of the DELI (Securities case) or DEBI (Cash case) instruction using the T2S reference.

■ *The reporting of other transaction relationships such as Pivot movements created for the use of restrictions remains the same (i.e. no additional information is added).*

### Messaging implementation:

The supplementary data should be used (without qualifiers). The supplementary data tag should be something like “TransactionReference”.

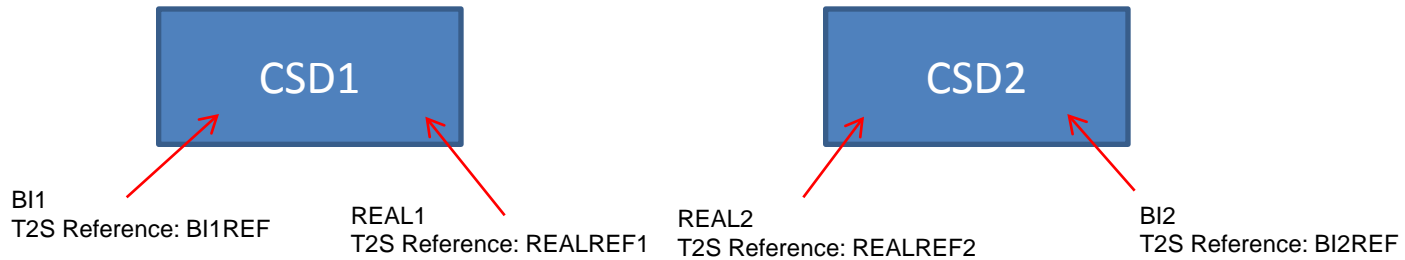
## Scenario I – Intra-CSD settlement



- In this scenario, a single reference should be returned for the pair of instructions
- This applies to Already matched instructions also

Reporting of	sese.024	sese.025
BI1	ABC	ABC
BI2	ABC	ABC

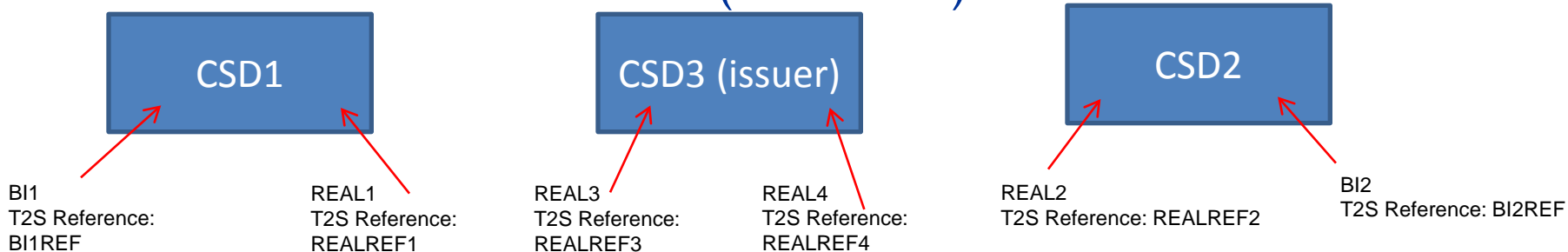
### Scenario 2 – Cross-CSD settlement (two CSDs)



- In this scenario, the single transaction reference shall be propagated to status / confirmations of all the instructions. This will allow each CSD to reconcile the two instructions that have matched in its scope.

Reporting of	sese.024	sese.025	sese.032
<b>BI1</b>	ABC	ABC	n/a
<b>BI2</b>	ABC	ABC	n/a
<b>REAL1</b>	ABC	ABC	Link INFO with BI REF Link INFO with B2REF <b>ABC</b>
<b>REAL2</b>	ABC	ABC	Link INFO with BI REF Link INFO with B2REF <b>ABC</b>

### Scenario 3 – Cross-CSD settlement (three CSDs)

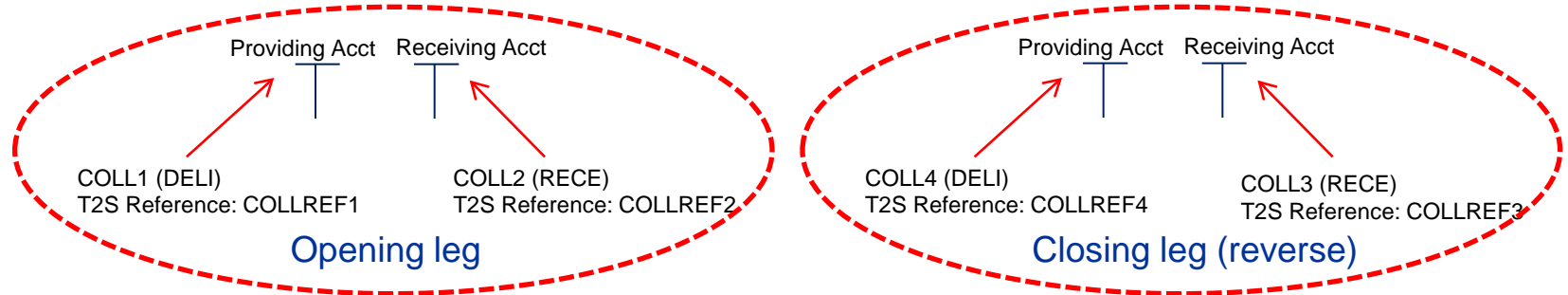


Similarly to previous scenario, the common transaction reference is provided for all instructions

Reporting of	sese.024	sese.025	sese.032
<b>BI1</b>	ABC	ABC	n/a
<b>BI2</b>	ABC	ABC	n/a
<b>REAL1</b>	ABC	ABC	Link INFO with B1REF Link INFO with B2REF <b>ABC</b>
<b>REAL2</b>	ABC	ABC	Link INFO with B1REF Link INFO with B2REF <b>ABC</b>
<b>REAL3</b>	ABC	ABC	Link INFO with B1REF Link INFO with B2REF <b>ABC</b>
<b>REAL4</b>	ABC	ABC	Link INFO with B1REF Link INFO with B2REF <b>ABC</b>



### Scenario 4 (a) – Auto/Client collateralisation (Intra-CSD) – Repo procedure (on stock or on flow)



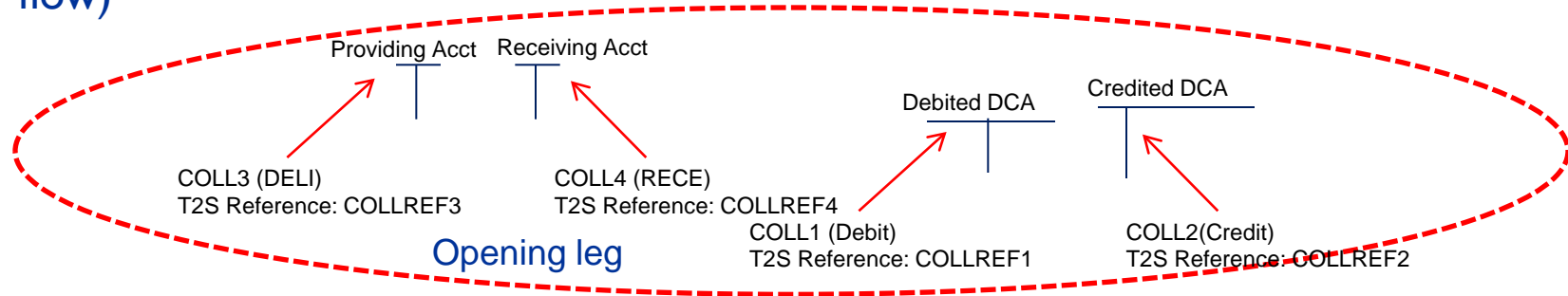
- Opening and closing legs do not need to be linked
- T2S should provide common reference to the opening legs and another one to the closing legs

Reporting of	sese.024*	sese.025	sese.032
COLL1 (Deli)	n/a	ABC	<u>ABC</u>
COLL2 (Rece)	n/a	ABC	<u>ABC</u>
COLL3 (Deli)	DEF	DEF	<u>DEF</u>
COLL4 (Rece)	DEF	DEF	<u>DEF</u>

\* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately



### Scenario 4 (b) – Auto collateralisation (Intra-CSD) –pledge procedure (on stock or on flow)

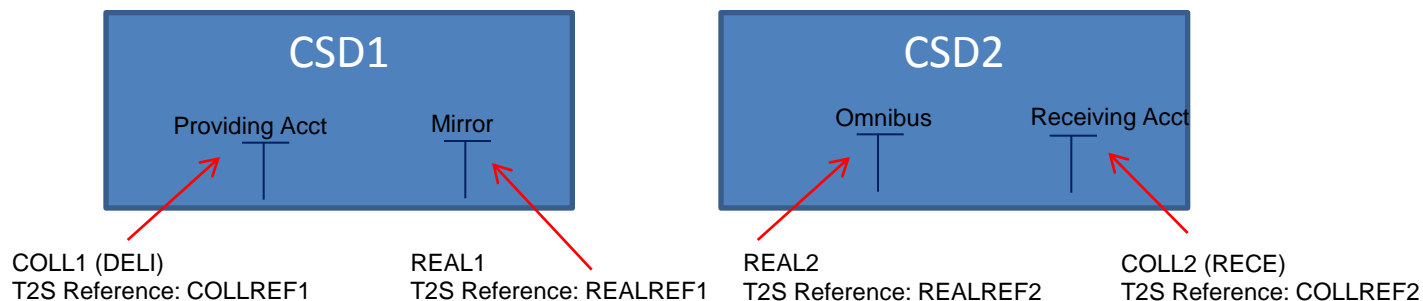


- Opening and closing legs do not need to be linked

\* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Reporting of	sese.024*	sese.025	sese.032
COLL1 (Debit PFOD)	n/a	ABC	Link INFO with COLL4 <b>ABC</b>
COLL2 (Credit PFOD)	n/a	ABC	Link INFO with COLL3 <b>ABC</b>
COLL3 (Deli FOP)	n/a	HJK	Link INFO with COLL2 <b>HJK</b>
COLL4 (Rece FOP)	n/a	HJK	Link INFO with COLL1 <b>HJK</b>
COLL5 (Credit PFOD)	DEF	DEF	Link INFO with COLL8 <b>DEF</b>
COLL6 (Debit PFOD)	DEF	DEF	Link INFO with COLL7 <b>DEF</b>
COLL7 (Rece FOP)	LMN	LMN	Link INFO with COLL6 <b>LMN</b>
COLL8 (Deli FOP)	LMN	LMN	Link INFO with COLL5 <b>LMN</b>

### Scenario 5 (a) – Auto/Client collateralisation (Cross-CSD) – Repo procedure



- Opening and closing legs do not need to be linked
- T2S should return one common reference for the set of instructions related to the opening leg and another one related to the closing leg)

\* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Reporting of	sese.024* (closing)	sese.025	sese.032
<b>COLL1 (Deli)</b>	n/a	ABC	<b><u>ABC</u></b>
<b>COLL2 (Rece)</b>	n/a	ABC	<b><u>ABC</u></b>
<b>REAL1</b>	n/a	ABC	Link INFO with COLLREF1 Link INFO with COLLREF2 <b><u>ABC</u></b>
<b>REAL2</b>	n/a	ABC	Link INFO with COLLREF1 Link INFO with COLLREF2 <b><u>ABC</u></b>
<b>COLL3 (Rece)</b>	DEF	DEF	<b><u>DEF</u></b>
<b>COLL4 (Deli)</b>	DEF	DEF	<b><u>DEF</u></b>
<b>REAL3</b>	DEF	DEF	Link INFO with COLLREF3 Link INFO with COLLREF4 <b><u>DEF</u></b>
<b>REAL4</b>	DEF	DEF	Link INFO with COLLREF3 Link INFO with COLLREF4 <b><u>DEF</u></b>



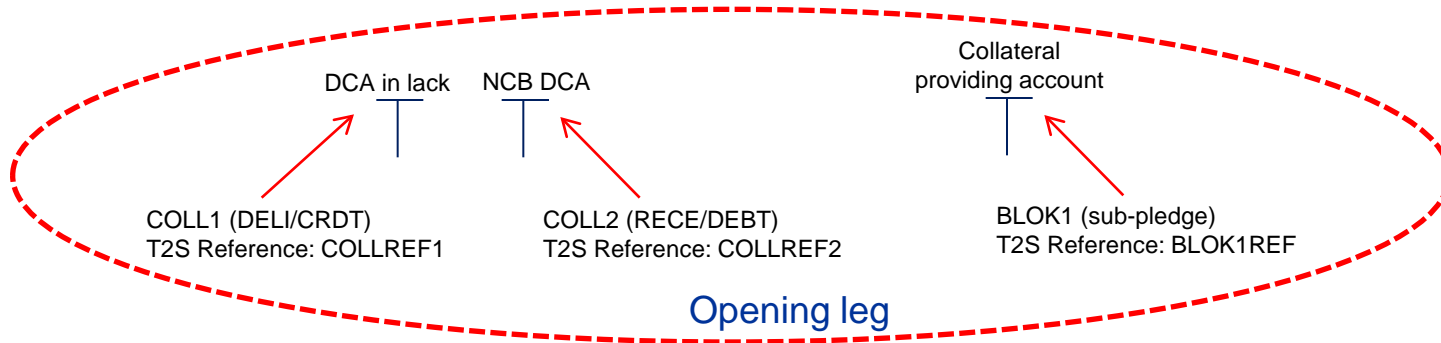
**Scenario 5 (B) – Auto collateralisation (Cross -CSD) –pledge procedure (on stock or on flow)**

- Opening and closing legs do not need to be linked
- T2S should return one common reference for the set of instructions related to the opening leg and another one related to the closing leg) including the realignments

\* Sese.024 relates to the pending status (unsettled) of the reverse leg, e.g. there is no sese.024 for the opening leg since the auto-collateralisation is settled immediately

Reporting of	sese.024 *(closing)	sese.025	sese.032
<b>COLL1 (Debit PFOD)</b>	n/a	ABC	Link INFO with COLL4 <b>ABC</b>
<b>COLL2 (Credit PFOD)</b>	n/a	ABC	Link INFO with COLL3 <b>ABC</b>
<b>COLL3 (Deli FOP)</b>	n/a	HJK	Link INFO with COLL2 <b>HJK</b>
<b>COLL4 (Rece FOP)</b>	n/a	HJK	Link INFO with COLL1 <b>HJK</b>
<b>REAL1</b>	n/a	HJK	Link INFO with COLL3 Link INFO with COLL4 <b>HJK</b>
<b>REAL2</b>	n/a	HJK	Link INFO with COLL3 Link INFO with COLL4 <b>HJK</b>
<b>COLL5 (Debit PFOD)</b>	DEF	DEF	Link INFO with COLL8 <b>DEF</b>
<b>COLL6(Credit PFOD)</b>	DEF	DEF	Link INFO with COLL7 <b>DEF</b>
<b>COLL7 (Deli FOP)</b>	LMN	LMN	Link INFO with COLL6 <b>LMN</b>
<b>COLL8(Rece FOP)</b>	LMN	LMN	Link INFO with COLL5 <b>LMN</b>
<b>REAL3</b>	LMN	LMN	Link INFO with COLL7 Link INFO with COLL8 <b>LMN</b>
<b>REAL4</b>	LMN	LMN	Link INFO with COLL7 Link INFO with COLL8 <b>LMN</b>

### Scenario 6 – Auto/Client collateralisation (Intra-CSD) – Pledge-Sub procedure



- Pledge-Sub never triggers realignments
- Opening and closing legs do not need to be linked (only opening legs shown in the below table)
- T2S should return a common reference for the opening leg of the Auto-collateralisation in pledge (similarly one common for the closing leg)

Reporting of	sese.024 (closing)	sese.025	sese.032
<b>COLL1 (Deli PFOD)</b>	n/a	ABC	LINK INFO BLOCK1 <u>ABC</u>
<b>COLL2 (Rece PFOD)</b>	n/a	ABC	<u>ABC</u>
<b>COLL3 (Rece PFOD)</b>	DEF	DEF	LINK INFO BLOCK2 <u>DEF</u>
<b>COLL4 (Deli PFOD)</b>	DEF	DEF	<u>DEF</u>

COLL1 contains the reference of the blocking in sese.032 currently

### Scenario 9 (a) – CoSD Blocking Securities – Intra-CSD or cross-CSD

- Scenario covers a CoSD scenario where the blocking occurs for securities only
- (Provide the common reference of the pair of matched instructions)
- Provide T2S reference of DELI business instruction where the blocking occurs
- In case of cross-CSD settlement no difference compared to scenario 1 for the referencing in BI1, BI2 and realignments

Reporting of	sese.024	sese.025	semt.014	semt.015
<b>BI1 (DELI)</b>	ABC	ABC	n/a	n/a
<b>BI2 (RECE)</b>	ABC	ABC	n/a	n/a
<b>CoSD Blocking fail</b>	n/a	n/a	BI1REF	n/a
<b>CoSD Blocking OK</b>	n/a	n/a	n/a	BI1REF

Supplementary data to be used here also in order to be able to provide the reference even in the failure scenario.

## Scenario 10 – CoSD Blocking Cash – Intra-CSD or cross-CSD

- Scenario covers a CoSD scenario where the blocking occurs for cash only
- (Provide the common reference of the pair of matched instructions)
- Provide T2S reference of business instruction that debits the DCA where the blocking occurs
- In case of cross-CSD settlement no difference compared to scenario 1 for the referencing in BI1, BI2 and realignments

Reporting of	sese.024	sese.025	Camt.067	Camt.068
<b>BII (Cash Debit)</b>	ABC	ABC	n/a	n/a
<b>BI2 (Cash Credit)</b>	ABC	ABC	n/a	n/a
<b>CoSD Blocking fail</b>	n/a	n/a	BIIREF	n/a
<b>CoSD Blocking OK</b>	n/a	n/a	n/a	BIIREF

### Restrictions related considerations

- In the case of Cash blocking release and regeneration at end-of-day the unblocking and re-blocking will use the same restriction references, e.g. no need to have additional references compared to the existing ones
- In the case of release of Securities or Cash CoSD blockings upon cancellation of the settlement instructions, T2S will use the same restriction references, e.g. no need to have additional references compared to the existing ones