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| 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: 4CB | Institute: 4CB | Date raised: 02/03/2016 |
| Request title: Usage of Pending Cancellation status in the Cancellation Securities Instruction Details screen | | Request ref. no: T2S 0602 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: No cost impact | |
| Requestor Category: 4CB | Status: Authorised at Steering Level | |

Reason for change and expected benefits/business motivation:

This Change Request is based on PBI000000158460.

The information shown for the "Pending Cancellation" field in the Cancellation Securities Instruction – Details screen should be consistent with the applicable reason code of the Cancellation Instruction "CONF" (i.e. Cancellation pending, awaiting for cancellation from the counterparty) and with the value "CDAC" (i.e. Cancellation pending from Administering Party) . Therefore the "pending cancellation" field must be set to "Yes" when one of these reason codes applies to the Cancellation Instruction.

Moreover, in case there is a Cancellation Instruction which is not executed due to the reason codes "CONF" or "CDAC", the applicable reason code needs to be reported in the SecuritiesTransactionCancellationRequestReportV01 semt.033 message

Description of requested change:

The reporting of the "pending cancellation" reason code for a Cancellation Instruction needs to be updated as follows:

- In U2A. The field "Pending Cancellation" of the Cancellation Securities Instruction Details screen must be set to "Yes" in case there is an applicable reason code "CONF" or "CDAC" for the Cancellation Instruction.
- In A2A. The message item "Pending Cancellation reason code" (SctiesTxCxlReqRpt/Cxls/PrcgSts/PdgCxl/Rsn/Cd/Cd) must include the applicable reason code "CONF" or "CDAC" for the applicable Cancellation Instruction.

Submitted annexes / related documents:

Proposed wording for the Change request:

UHB v2.1 Chapter 2.2.2.18 Settlement Instruction – Details Screen:

Update the Cancellation Requested field description as follows:

"Shows if the settlement instruction has been requested for cancellation by its counterpart from the possible values:

Empty (default value)

No

Yes

This situation occurs when the counterpart's cancellation instruction is processed in T2S."

UHB v2.1 Chapter 2.2.2.5 Cancellation Securities Instruction – Details Screen:

Update the Pending Cancellation field description as follows:

~~“Shows if the counterparty has already sent its cancellation instruction~~ *Cancellation Instruction is pending to be executed, awaiting for cancellation from the counterparty or CoSD cancellation from another administering party* from the possible values:

| *Empty (default value)*

| Yes

| No "

UDFS v2.1 3.3.7.19 SecuritiesTransactionCancellationRequestReportV01 (semt.033.001.01)

Update the T2S-Use of the “Pending Cancellation” processing status of the semt.033 message in the semt.033 message pdf documentation available in Mystandards.

The drafting should be as follows:

“T2S sends a pending status to the T2S Actor who instructed the Cancellation Instruction to inform that the cancellation request is pending until its counterparty sends the corresponding Cancellation Instruction or the necessary Administering Party(-ies) sends the corresponding CoSD Cancellation Instruction.”

High level description of Impact:

Outcome/Decisions:

- * CRG written procedure from 4 to 8 March 2016: The CRG recommended the launch of the detailed assessment.
- * OMG feedback on 15 March 2016: Following the OMG written procedure from 8 to 15 March 2016, OMG indicated that there was no operational impact of the Change Request.
- * Advisory Group’s advice on 24 March 2016: Following a written procedure from 18 to 24 March 2016, the AG was in favour of launching the detailed assessment on the Change Request.
- * CSG resolution on 29 March 2016: Following a written procedure from 18 to 29 March 2016, the CSG was in favour of launching the detailed assessment on the Change Request.
- * CRG written procedure from 22 to 31 March 2016: The CRG recommended the approval of the Change Request.
- * OMG on 1 April 2016: During a written procedure from 23 March to 1 April 2016, the Operations Managers Group reconfirmed that the Change Request does not have any operational impact.
- * Advisory Group on 14 April 2016: Following a written procedure from 8 to 14 April 2016, the Advisory Group was in favour of the Change Request.
- * CSD Steering Group on 15 April 2016: Following a written procedure from 8 to 15 April 2016, the CSD Steering Group adopted the resolution to approve the Change Request.

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

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|------------------------------|----------------------------------|---|--|---------------------------------|
| 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 | |
| | | 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 | X | 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 | | | |
| Additional deliveries for Message Specification | UDFS v2.1 Chapter 3.3.7.19 SecuritiesTransactionCancellationRequestReportV01 (semt.033.001.01) | Update of the T2S-Use of the “Pending Cancellation” processing status of the semt.033 message in the semt.033 message pdf documentation available on Mystandards. | |
| UHB | 2.2.2.5 Cancellation Securities Instruction – Details Screen 2.2.2.18 Settlement Instruction – Details Screen | Updates described in the Proposed wording section | |
| 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 |
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| Summary of functional, development, infrastructure and migration impacts |
| Update of the behavior on the Cancellation Securities Instruction Details screen and of the description. In case the reason codes "CONF" or "CDAC" are informed, the value "Yes" should be shown in the Pending Cancellation field. Concerning the semt.033 message, the field <i>SctiesTxCxlReqRpt/Cxls/PrcgSts/PdgCxl/Rsn/Cd/Cd</i> should be filled with the respective reason code. Testing semt.033 and the respective Query Screen. |
| Summary of project risk |
| None. |
| Security analysis |
| No adverse effect was identified during security assessment. |