EUROPEAN CENTRAL BANK

EUROSYSTEM

General Information (Origin of Request)		
☒ User Requirements (URD) or GUI Business Functionality Document (BFD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	**Institute:** 4CB	**Date raised:** 13/11/2020
Request title: Second Multiplex Editorial Change Request (for R5.0)		**Request ref. no:** T2S 0749 URD
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:** Implemented	

Description of requested change:

Editorial changes regarding on URD, UDFS and UHB (for R5.0)

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Reason for change and expected benefits/business motivation:

The editorial changes relate either to URD v9.0, UDFS v6.0 or UHB v6.0. Their incorporation into the URD v9.0, UDFS v6.0 or UHB v6.0. is required for clarifying the documentation underlying the software.

Please note that the changes referring to UDFS v6.0. will also be reflected, when relevant, into the message documentation published in MyStandards.

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Proposed wording for the change request:

1   EUROSYSTEM UPDATE [Editorial UDFS update]: page 590 (UDFS-chapter 1.6.1.14.5 Penalty Calculation); Examples for Use of foreign exchange rate must be amended

The document needs to be updated to amend the Example – "Conversion of penalties in settlement instructions against payment, when the currency of the penalty is DKK": the second and the fifth penalty should be converted to DKK by multiplying the Euro foreign exchange rate for DKK, instead of dividing.

Additionally, the format of the whole section "Examples for Use of foreign exchange rate" has been updated to enhance the text readability.

UDFS-chapter 1.6.1.14.5 Penalty Calculation; page 590

[...]

EXAMPLE xxx – CONVERSION OF PENALTIES ON SETTLEMENT INSTRUCTIONS AGAINST PAYMENT

[…]

- Currency of the Penalty is EUR:

[…]

- The first Penalty, with Calculation Method "SECU" because it is over a DVP Settlement Instruction, will not need any Foreign Exchange Rate for its calculation.
- The second Penalty, with Calculation Method "SECU" because it is over a DVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in GBP) = Security Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in EUR) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (GBP)]

- The third Penalty, with Calculation Method "MIXE" because it is over a RVP Settlement Instruction, will not need any Foreign Exchange Rate for its calculation.
- The fourth Penalty, with Calculation Method "MIXE" because it is over a RVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in DKK) = Cash Discount Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in EUR) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (DKK)]

- Currency of the Penalty is DKK:

[…]

- The first Penalty, with Calculation Method "SECU" because it is over a DVP Settlement Instruction, will not need any Foreign Exchange Rate for its calculation.
- The second Penalty, with Calculation Method "SECU" because it is over a DVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in EUR) = Security Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in DKK) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (DKK)]

- The third Penalty, with Calculation Method "SECU" because it is over a DVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in NOK) = Security Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in DKK) = ORIGINAL AMOUNT x [1 / First Euro Foreign Exchange Rate (NOK)] x Second Euro Foreign Exchange Rate (DKK)

- The fourth Penalty, with Calculation Method "MIXE" because it is over a RVP Settlement Instruction, will not need any Foreign Exchange Rate for its calculation.
- The fifth Penalty, with Calculation Method "MIXE" because it is over a RVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in EUR) = Cash Discount Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in DKK) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (DKK~~EUR~~)]

- The sixth Penalty, with Calculation Method "MIXE" because it is over a RVP Settlement Instruction, will be calculated as follows:

ORIGINAL AMOUNT (in CHF) = Cash Discount Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in DKK) = ORIGINAL AMOUNT x [1 / First Euro Foreign Exchange Rate (CHF)] x Second Euro Foreign Exchange Rate (DKK)

EXAMPLE xxx – CONVERSION OF PENALTIES ON SETTLEMENT INSTRUCTIONS FREE OF PAYMENT

[…]

- Currency of the Penalty is EUR: O~~o~~ne Foreign Exchange Rate might be needed:

[…]

- The first Penalty, with Calculation Method "SECU" because it is over a DFOP Settlement Instruction, and with currency of the Reference Price (EUR) because the settlement type of the Security is Unit, will not need any Foreign Exchange Rate for its calculation.
- The second Penalty, with Calculation Method "SECU" because it is over a DFOP Settlement Instruction, and with currency of the Reference Price (USD) because the settlement type of the Security is Unit, will be calculated as follows:

ORIGINAL AMOUNT (in USD) = Security Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in EUR) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (USD)]

[…]

- The third Penalty, with Calculation Method "SECU" because it is over a RFOP Settlement Instruction, and with currency of the underlying Security (EUR) because its settlement type is Nominal, will not need any Foreign Exchange Rate for its calculation.
- The fourth Penalty, with Calculation Method "SECU" because it is over a RFOP Settlement Instruction, and with currency of the underlying Security (CAD) because its settlement type is Nominal, will be calculated as follows:

ORIGINAL AMOUNT (in CAD) = Security Penalty Rate x Reference Price x Quantity failed to settle

AMOUNT (in EUR) = ORIGINAL AMOUNT x [1 / Euro Foreign Exchange Rate (CAD)]

- Currency of the Penalty is DKK: For Penalties on free of payment instructions, the currency of the Penalty is DKK only in case the currency of the Security or of the Price is "DKK" (, o~~O~~therwise the Penalty would be in "EUR"). Therefore, no Foreign Exchange Rate is needed:

	Calculation Method	Settlement Instruction Type	Security Settlement Type	Currency of the Security	Currency of the Price	Penalty Currency	EUR FX Rates required
1	SECU	DFOP	Unit	N/A	DKK	DKK	N/A
2	SECU	RFOP	Nominal	DKK	N/A	DKK	N/A

- The first Penalty, with Calculation Method "SECU" because it is over a DFOP Settlement Instruction, and with currency of the Reference Price (DKK) because the settlement type of the Security is Unit, will not need any Foreign Exchange Rate for its calculation.
- The second Penalty, with Calculation Method "SECU" because it is over a RFOP Settlement Instruction, and with currency of the underlying Security (DKK) because its settlement type is Nominal, will not need any Foreign Exchange Rate for its calculation.

[…]

2   EUROSYSTEM UPDATE [CRG-PBR-0022]: page 328 (URD-chapter 13.5.2.3 Cash Forecast Reports), page 365 (URD-chapter 14.5.1 Cash forecast query), page 684 (UDFS-chapter 1.6.2.7.3 Liquidity monitoring process), page 1106 (UDFS-chapter 3.3.3.2.3 The message in business context), page 1173 (UDFS-chapter 3.3.3.15.3 The message in business context), page 320 (UHB-chapter 2.3.1.1 Cash Forecasts - Search/List Screen), page 324 (UHB-chapter 2.3.1.2 Cash Forecast - Details Screen), page 449 (UHB-chapter 2.4.1.3 Available Report - Current Settlement Day Cash Information (Following Settlement Day Cash Forecast) Report - Details Screen); Consistent wording for the cash forecast in the T2S Scope Defining Documents

> . 1.   Proposed editorial updates
>
> Considering that 3 CRs on the cash forecast have been allocated to T2S R5.0, it is proposed to include the changes described below in an editorial CR for R5.0. (i.e. UDFS v6.0). The proposed changes are presented taking as starting point the SDDs as modified by CR-556, CR-629 and CR-630.
>
> The proposed updates aim at using consistent descriptions of the cash movements that are in scope of the T2S cash forecast and its sub-balances. They also aim at removing ambiguities not applicable to cash forecast (e.g. "available balance").
>
> Each relevant T2S SDD is covered in a separate annex to this note, as follows:
>
> Annex 1 – URD, Annex 2 – UDFS, Annex 4 – UHB.
>
> 2.   Remaining inconsistency
>
> Despite the proposed wording updates, one discrepancy on the meaning of "projected balance" would remain between the documentation of the cash forecast depending whether U2A mode (UHB) and A2A mode (UDFS) is considered.
>
> In UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation (outstanding intraday credit from auto-collateralisation is subtracted from the 'UDFS' projected balance to get the 'UHB' projected balance).
>
> As discussed in the CRG meeting on 2 July 2020, this discrepancy can remain in the T2S documentation, but should be flagged by inserting footnotes signalling it in the relevant sections of the T2S scope defining documents. Such footnotes have been inserted (with tracked changes) in the annexes to this note.

URD-chapter, 13.5.2.3 Cash Forecast Reports, page 328

T2S shall transmit to T2S actors a cash forecast reflecting ~~valid and eligible instructions (i.e. matched and 1 ready for settlement) that have entered T2S but have not settled (e.g. pending transactions that failed to settle in an earlier attempt and queued transactions that have not yet been submitted to settlement),~~ the cash balance on an account, debiting liquidity transfer orders and pending settlement instructions eligible for cash forecast[1] on that day, the amount of outstanding intraday credit from auto-collateralisation for that account as well as the liquidity that can be obtained through auto-collateralisation against eligible collateral.

[…]

T2S shall transmit to T2S actors a cash forecast reflecting cash needs and proceeds expected from the settlement of ~~corporate actions and trading related transactions for each future~~ liquidity transfer orders and settlement instructions eligible for cash forecast on the following cash settlement day, as well as the liquidity that can be obtained through auto-collateralisation against eligible collateral.

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[1] Eligible for cash forecast refers to settlement instructions that are accepted, matched, not cancelled and not finally settled.

Cash forecasts shall be enriched continuously during the day with additional incoming information on new transactions for the following <u>cash</u> settlement day as well as on failing transactions that need to be recycled during the following <u>cash</u> settlement day.

[…]

<u>URD-chapter, 14.5.1 Cash forecast query, page 365</u>

[…]

Per T2S dedicated cash account, the query shall

I. Determine the cash <u>balance</u> ~~available~~ on the T2S dedicated cash account <u>(available and restricted)</u>;

II. Calculate the sum of liquidity transfer orders and <u>pending</u> settlement instructions ~~(accepted, matched, unsettled, ineligible) on the T2S dedicated cash account~~ <u>eligible for cash forecast on that day</u>;

[…]

<u>UDFS-chapter 1.6.2.7.3 Liquidity monitoring process, page 684</u>

[…]

Following Settlement Day Cash Forecast Report

This report provides a forecast of the cash needs for the following <u>cash</u> settlement day<u>, i.e. for the next business day where the currency is again eligible for cash settlement</u>. It provides information on the same fields as the above mentioned Current Settlement Day Cash Information Report, in order to enable the T2S Actor to prepare and dedicate in advance sufficient cash on the T2S Dedicated Cash Account for the following night-time settlement period<u>, or in case the next settlement day is a cash holiday for the currency in scope, for the night time settlement period of the first settlement day on which the currency is again eligible for cash settlement</u>.

[…]

Cash Forecast Query

The Cash Forecast Query provides information on cash needs for a specific party for the (current or following) settlement day. The forecast is based on the current T2S Dedicated Cash Account balance, <u>pending</u> liquidity transfer orders and Settlement Instructions as well as the amount of outstanding intraday credit <u>from auto-collateralisation</u>. The projected balance may vary during the T2S Settlement Day.

[…]

<u>UDFS-chapter 3.3.3.2.3 The message in business context, page 1106</u>

[…]

Message usage: Cash Forecast Query Response

This message usage informs the sender about projected cash needs for the current or following <u>cash</u> settlement day.

[…]

For each T2S Dedicated Cash Account information on cash balance, on the T2S Dedicated Cash Account:

- <u>Actual</u> Cash balance on the T2S Dedicated Cash Account;
- Debiting Liquidity transfer orders as well as debiting and crediting Settlement Instructions~~, which are accepted, matched and not cancelled but unsettled~~ <u>eligible for cash forecast on that day</u>[2], which would be effective on the cash balance on the T2S Dedicated Cash Account;
- Projected cash balance[3] on the T2S Dedicated Cash Account, i.e.: cash balance + credit Settlement Instructions – debit liquidity transfer orders – debit Settlement Instructions;

[…]

~~[Footnote 440]: In general SI with status "on hold" are not included within the cash forecast query response. Only in case of client collateralisation there is an exception: Settlement instructions generated from the process of client collateralisation for the business day and which have the status "On hold" are included. Settlement instructions~~

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[2] <u>Eligible for cash forecast refers to settlement instructions that are accepted, matched, not cancelled and not finally settled. This definition includes instructions on hold or under intraday restriction.</u>

[3] <u>In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation.</u>

~~generated from the process of client collateralisation and which have the status "On hold" for several business~~ ~~days are only included if the ISD of the settlement instructions is before or equal the current business day.~~

[…]

Specific message requirements

When T2S sends a Cash Forecast Query Response message, the field RequestType is filled with "CASF" code. The returned business data is listed below:

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
[…]		
Proprietary Docu-ment/RtrAcct/RptOrErr/AcctRpt/ActOrErr/Acct/MulBal/Tp/Prtry	T2SCashBalanceCodes_T2S_1	Balance type code specifying the nature of the balance: CRAC, LTCA, PCCA, SICA, SUPA, TCCA, SIDA, <u>CNCR, CCOR, DNCR, DCOR, CNCH, CCOH, DNCH, DCOH</u>
[…]		

Message usage example: camt.004.001. 08_T2S_CashForecastQueryResponse_Example.xml

This example illustrates a Cash Forecast Query Response which reports on ~~balances of available cash on the T2S Dedicated Cash Account, Outstanding Intraday Credit and liquidity transfer orders and settlement instructions which would be effective on the available cash balance on the T2S Dedicated Cash Account,~~ <u>actual cash balance on the DCA, pending liquidity transfers, settlement instructions and outstanding intraday credit from auto-collateralisation</u> with the following values:

- TCCA (~~available~~<u>actual</u> balance): 6.000.000 (Credit)
- ~~CRAC (outstanding credit): 70.000.000 (Debit)~~
- LTCA (sum of all debiting liquidity transfer orders): 20.000.000
- SIDA (sum of all debiting settlement instructions): 10.000.000
- <u>DNCR (Debiting Settlement instructions, thereof non CORP released): 3.000.000</u>
- <u>DCOR (Debiting Settlement instructions, thereof CORP released): 1.000.000</u>
- <u>DNCH (Debiting Settlement instructions, thereof non CORP on hold): 2.000.000</u>
- <u>DCOH (Debiting Settlement instructions, thereof CORP on hold): 4.000.000</u>
- SICA (sum of all crediting settlement instructions): 30.000.000
- <u>CNCR (Crediting Settlement instructions, thereof non CORP released): 10.000.000</u>
- <u>CCOR (Crediting Settlement instructions, thereof CORP released): 8.000.000</u>
- <u>CNCH (Crediting Settlement instructions, thereof non CORP on hold): 4.000.000</u>
- <u>CCOH (Crediting Settlement instructions, thereof CORP on hold): 8.000.000</u>
- PCCA (projected balance[4]): TCCA+SICA-LTCA-SIDA: 6.000.000 (Credit)
- <u>CRAC (outstanding credit): 70.000.000 (Debit)</u>
- SUPA (Sum of projected balance + amount of outstanding intraday credit <u>from auto-collateralisation</u>): 64.000.000 (Debit)

[…]

<u>UDFS-chapter 3.3.3.15.3 The message in business context, page 1173</u>

Message usage: Current Settlement Day Cash Information Report

T2S sends a current settlement day cash information report message to a CB or Payment Bank to give the account holder a cash forecast reflecting ~~valid and eligible instructions (i.e. matched and ready for settlement) that have entered the system but have not yet settled (e.g. pending transactions that failed to settle in an earlier attempt and queued transactions that have not yet been submitted to settlement)~~ <u>pending liquidity transfers and settlement instructions eligible for cash forecast on that day</u>, as well as the amount of out-standing<u> </u>intraday credit from autocollateralisation.

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[4] <u>In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation.</u>

[…]

- • Information on cash balance on the T2S Dedicated Cash Account:
  - Actual ~~C~~cash balance on the T2S Dedicated Cash Account,
  - Debiting Liquidity transfer orders as well as pending debiting and crediting Settlement Instructions, which are ~~accepted, matched but unsettled, and which would be effective on the cash balance on the T2S Dedicated Cash Account~~ eligible for cash forecast on the current settlement day,
  - Projected cash balance[5] on the T2S Dedicated Cash Account, i.e.: cash balance + credit Settlement Instructions – debit liquidity transfer orders – debit Settlement Instructions;

[…]

Message usage example: camt.052.001.08_T2S_CurrentSettlementDayCashInformationReport_Example.xml

In this example a Current Settlement Day Cash Information Report is sent to a CB (NCBBICTS) or Payment bank (TSSPARTYA20). The T2S Dedicated Cash Account (T2S30000099) is nominated in EUR, the current settlement day is: 2013-10-13.

- • CASH (actual cash balance): 1.000.000 (Credit)
- • AVLD (available liquidity transfers): 400.000 (Debit)
- • AVSD (available settlement instructions debiting): 750.000
- • DNCR (Debiting Settlement instructions, thereof non CORP released): 300.000
- • DCOR (Debiting Settlement instructions, thereof CORP released): 250.000
- • DNCH (Debiting Settlement instructions, thereof non CORP on hold): 110.000
- • DCOH (Debiting Settlement instructions, thereof CORP on hold): 90.000
- • AVSC (available settlement instructions crediting): 250.000
- • CNCR (Crediting Settlement instructions, thereof non CORP released): 100.000
- • CCOR (Crediting Settlement instructions, thereof CORP released): 30.000
- • CNCH (Crediting Settlement instructions, thereof non CORP on hold): 80.000
- • CCOH (Crediting Settlement instructions, thereof CORP on hold): 40.000
- • PCAS (projected cash balance): 100.000 (Credit)
- • AOIC (amount of outstanding intraday credit from auto-collateralisation): 0,00
- • SPCA (total sum projected cash balance and outstanding intraday credit from auto-collateralisation): 100.000 (Credit)
- • ~~AVLD (available liquidity transfers): 400.000 (Debit)~~
- • ~~AVSC (available settlement instructions crediting): 250.000~~
- • ~~AVSD (available settlement instructions debiting): 750.000~~

Message usage: Following Settlement Day Cash Forecast Report

T2S sends a following settlement day cash forecast report message to a CB or Payment bank (to give the account holder a cash forecast reflecting cash needs and proceeds expected from the settlement in future cash settlement days (e.g. because of corporate actions or trading related transactions), as well as the amount of outstanding intraday credit from auto-collateralisation. The cash forecasts can be enriched continuously during the day by additional incoming information on new transactions for the following cash settlement day.

The following fields can be provided by the Following Settlement Day Cash Forecast Report:

[…]

- • Information on cash balance on the T2S Dedicated Cash Account:
  - Cash balance on the T2S Dedicated Cash Account [current cash balance for a camt.052 generated upon event EESR; 0 otherwise],
  - Debiting Liquidity transfer orders as well as debiting and crediting Settlement Instructions which are ~~accepted, matched and not cancelled but unsettled,~~eligible for cash forecast and which would be effective on the cash balance on the T2S Dedicated Cash Account on the following cash settlement day,
  - Projected cash balance[6] on the T2S Dedicated Cash Account, i.e.: cash balance + credit Settlement In-structions – debit liquidity transfer orders – debit Settlement Instructions,

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[5] In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation.

[6] In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation.

- Amount of outstanding intraday credit <u>from auto-collateralisation</u> for the T2S Dedicated Cash Account (Value for following <u>cash</u> settlement day: 0,00 Euro),

[…]

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
Date Document/BkToCstmrAcctRpt/Rpt/Bal/Dt/Dt	RestrictedISODate	Following <u>cash</u> settlement day

Message usage example: camt. 052.001.08_T2S_FollowingSettlementDayCashInformationReport_Example.xml

In this example<u>,</u> a Following Settlement Day Cash Forecast Report is sent to a CB (NCBBICTS) or Payment Bank (TSSPARTYA20). The T2S Dedicated Cash Account (T2S30000099) is nominated in EUR, the current settlement day is: 2013-10-14.

- CASH (cash balance): 1.000.000 (Credit)
- <u>AVLD (available liquidity transfers): 400.000 (Debit)</u>
- <u>AVSD (available settlement instructions debiting): 750.000</u>
- <u>DNCR (Debiting Settlement instructions, thereof non CORP released): 300.000</u>
- <u>DCOR (Debiting Settlement instructions, thereof CORP released): 250.000</u>
- <u>DNCH (Debiting Settlement instructions, thereof non CORP on hold): 110.000</u>
- <u>DCOH (Debiting Settlement instructions, thereof CORP on hold): 90.000</u>
- <u>AVSC (available settlement instructions crediting): 250.000</u>
- <u>CNCR (Crediting Settlement instructions, thereof non CORP released): 100.000</u>
- <u>CCOR (Crediting Settlement instructions, thereof CORP released): 30.000</u>
- <u>CNCH (Crediting Settlement instructions, thereof non CORP on hold): 80.000</u>
- <u>CCOH (Crediting Settlement instructions, thereof CORP on hold): 40.000</u>
- PCAS (projected cash balance[7]): 100.000 (Credit)
- AOIC (amount of outstanding intraday credit <u>from auto-collateralisation</u>): 0,00
- SPCA (total sum projected cash balance and outstanding intraday credit) <u>from auto-collateralisation</u>: 100.000 (Credit)
- ~~AVLD (available liquidity transfers): 400.000 (Debit)~~
- ~~AVSC (available settlement instructions crediting): 250.000~~
- ~~AVSD (available settlement instructions debiting): 750.000~~

[…]

<u>UHB-chapter 2.3.1.1 Cash Forecasts - Search/List Screen, page 320</u>

Cash Forecast - List	
Party	
[…]	
Cash Balances	
[…]	
Impacted - ~~Debiting Liquidity Transfer Orders~~<u>To be debited (LT)</u>	Shows the sum of the debiting liquidity transfer orders which debit a T2S dedicated cash account of the party and which would be effective during the date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - ~~Crediting~~	Shows the sum of ~~accepted, matched, not cancelled and~~

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[7] <u>In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted). In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation.</u>

~~Settlement Instructions~~ To be credited (SI)	~~not finally settled settlement instructions~~ settlement instructions eligible for cash forecast[8] which credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - ~~Debiting Settlement Instructions~~ To be debited (SI)	Shows the sum of ~~the accepted, matched, not cancelled and not finally settled settlement instructions~~ settlement instructions eligible for cash forecast which debit aT2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted – To be credited (SI) – Corporate Actions, On hold	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, on hold[9], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be credited (SI) – Corporate Actions, Released	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, released[10], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be credited (SI) – Non Corporate Actions, On hold	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, on hold[11], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be credited (SI) – Non Corporate Actions, Released	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, released[12], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be debited (SI) – Corporate Actions, On hold	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, on hold, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be debited (SI) – Corporate Actions, Released	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast,, released, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the

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[8] Eligible for cash forecast refers to settlement instructions that are accepted, matched, not cancelled and not finally settled. This definition includes instructions on hold, under intraday restriction.

[9] 'On Hold' includes CSD Hold, Party Hold, CSD Validation Hold, CoSD Hold, and the non-released part of Partially Released instructions.

[10] 'Released' includes also the released portion of a Partially Released instruction

[11] 'On Hold' includes CSD Hold, Party Hold, CSD Validation Hold, CoSD Hold, and the non-released part of Partially Released instructions.

[12] 'Released' includes also the released portion of a Partially Released instruction.

	intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be debited (SI) – Non Corporate Actions, On hold	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, on hold, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted - To be debited (SI) – Non Corporate Actions, Released	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, released[13], debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
[…]	
Projected[14]	Shows the projected cash balance. The figure consists of the sum ~~of the actual cash balance and the impacted settlement instructions to be credited minus the sum of the impacted liquidity transfer orders and settlement instructions to be debited and the impacted collateral movements to be reimbursed~~: • Actual cash balance + ~~impacted settlement instructions~~To be credited (SI) – ~~(impacted liquidity transfer orders and settlement instructions to be debited + impacted collateral movements to be reimbursed)~~To be debited (SI) – To be debited (LT) – To be reimbursed Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part
[…]	
Cash Forecast	Shows the sum of the projected cash balance and the ~~outstanding~~ available auto-collateralisation. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
[…]	

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[13] 'Released' includes also the released portion of a Partially Released instruction.

[14] In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation. In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted).

UHB-chapter 2.3.1.2 Cash Forecast - Details Screen, page 324

Global Cash Forecast	
[…]	
Cash Balances	
[…]	
Impacted – ~~Debiting Liquidity Transfer Orders~~ To be debited (LT)	Shows the sum of the debiting liquidity transfer orders which debit a T2S dedicated cash account of the selected party and which would be effective during the date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted – ~~Debiting Settlement Instructions~~ To be debited (SI)	Shows the sum of ~~matched, not cancelled and not finally settled instructions~~ settlement instructions eligible for cash forecast which debit a T2S dedicated cash account of the selected party and have an intended settlement date earlier than or equal to the date used for the calculation of the cash forecast[15]. ~~The pending reverse collateral movements are excluded from this sum.~~ Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
Impacted – ~~Crediting Settlement Instructions~~ To be credited (SI)	Shows the sum of ~~matched, not cancelled and not finally~~ settled settlement instructions eligible for cash forecast which credit a T2S dedicated cash account of the selected party and have an intended settlement date earlier than or equal to the date used for the calculation of the cash forecast. Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
[…]	
Projected[16]	Shows the projected cash balance. The figure consists of the sum ~~of the actual cash balance and the impacted settlement instructions to be credited minus the sum of the impacted liquidity transfer orders and settlement instructions to be debited and the impacted collateral movements to be reimbursed:~~ Actual cash balance + ~~impacted settlement instructions to be credited – (impacted liquidity transfer orders and settlement instructions to be debited + impacted collateral movements to be reimbursed)~~ To be credited (SI) – To be debited (SI) – To be debited (LT) – To be reimbursed Provision of '99999...99' in case oversizing occurs in the integer part. Truncation of decimals in case oversizing occurs in the decimal part.
[…]	

Cash Forecast per T2S Dedicated Cash Account	
[…]	
Cash Balance	

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[15] Eligible for cash forecast refers to settlement instructions that are accepted, matched, not cancelled and not finally settled. This definition includes instructions on hold or under intraday restriction.

[16] In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation. In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted).

[…]	
Impacted – ~~Debiting Liquidity Transfer Orders~~To be debited (LT)	Shows the sum of the debiting liquidity transfer orders which debit the T2S dedicated cash account and which would be effective during the date used for the calculation of the cash forecast.
Impacted – ~~Debiting Settlement Instructions~~To be debited (SI)	Shows the sum of ~~accepted, matched, not cancelled and not finally settled~~settlement instructions eligible for cash forecast which debit the T2S dedicated cash account and have an intended settlement date earlier than or equal to the date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum.
Impacted – ~~Crediting Settlement Instructions~~To be credited (SI)	Shows the sum of ~~accepted, matched, not cancelled and not finally settled~~ settlement instructions eligible for cash forecast which credit the T2S dedicated cash account and have an intended settlement date earlier than or equal to the date used for the calculation of the cash forecast.
Impacted – To be credited (SI) – Corporate Actions, On hold	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, on hold[17], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast.
Impacted - To be credited (SI) – Corporate Actions, Released	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, released[18], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast.
Impacted - To be credited (SI) – Non Corporate Actions, On hold	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, on hold[9], credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast.
Impacted - To be credited (SI) – Non Corporate Actions, Released	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, released, credit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast.
Impacted - To be debited (SI) – Corporate Actions, On hold	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, on hold, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum.
Impacted - To be debited (SI) – Corporate Actions, Released	Shows the sum of the settlement instructions related to corporate actions which are eligible for cash forecast, released, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum.
Impacted - To be debited (SI) – Non Corporate Actions, On hold	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, on hold, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum.

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[17] On Hold' includes CSD Hold, Party Hold, CSD Validation Hold, CoSD Hold, and the non-released part of Partially Released instructions.

[18] 'Released' includes also the released portion of a Partially Released instruction.

Impacted - To be debited (SI) – Non Corporate Actions, Released	Shows the sum of the settlement instructions not related to corporate actions which are eligible for cash forecast, released, debit a T2S dedicated cash account of the party and have an intended settlement date earlier than or equal to the intended settlement date used for the calculation of the cash forecast. The pending reverse collateral movements are excluded from this sum.
Impacted – To be Reimbursed	Shows the sum of the pending reverse collateral movements ~~which debit the T2S dedicated~~ cash account.
Projected[19]	Shows the projected cash balance. The figure consists of the sum ~~of the actual cash balance and the impacted settlement instructions to be credited minus the sum of the impacted liquidity transfer orders and settlement instructions to be debited and the impacted collateral movements to be reimbursed:~~ Actual cash balance + ~~impacted settlement instructions to be credited – (impacted liquidity transfer orders and settlement instructions to be debited~~ To be credited (SI) - To be debited (SI) - To be debited (LT) - To be reimbursed + impacted collateral movements to be reimbursed~~)~~
[…]	

UHB-chapter 2.4.1.3 Available Report - Current Settlement Day Cash Information (Following Settlement Day Cash Forecast) Report - Details Screen, page 449

[…]

Balance	
Repetitive Block For Each Reported Dedicated Cash Account	
Balance Type	Shows the type of the balance from the possible values: - Actual cash balance ('Sum of cash balance on the T2S dedicated cash account') - Sum of Actual cash balance and pending liquidity transfers and settlement instructions eligible for cash forecast ('Projected sum of cash balance, liquidity transfer orders and settlement instructions') - Outstanding intraday credit from auto-collateralisation - Projected balance[20], i.e. Sum of cash balance and pending LTs and SI and Amount of Outstanding intraday credit from auto-collateralisation ('Sum projected cash balance')
[…]	
Expected Postings	
Repetitive Block For each Reported Dedicated Cash Account	
Posting Type	Shows the type of posting to be settled until end of day (or

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[19] In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation. In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted).

[20] In UHB and T2S GUI, "projected balance" means the sum of cash balance and pending LTs and SIs and outstanding intraday credit from auto-collateralisation. In T2S UDFS and MyStandards, "projected balance" means the sum of cash balance and pending LTs and SIs (outstanding intraday credit from auto-collateralisation is not part of the calculation, i.e. is not subtracted).

	to be effective for the forecast day) from the possible values: • Debiting valid and eligible settlement instructions (i.e. matched and ready for settlement) • <u>Debiting Settlement instructions, thereof non CORP released</u> • <u>Debiting Settlement instructions, thereof non CORP on hold</u> • <u>Debiting Settlement instructions, thereof CORP released</u> • <u>Debiting Settlement instructions, thereof CORP on hold</u> • Crediting valid and eligible settlement instructions (i.e. matched and ready for settlement) • <u>Crediting Settlement instructions, thereof non CORP released</u> • <u>Crediting Settlement instructions, thereof non CORP on hold</u> • <u>Crediting Settlement instructions, thereof CORP released</u> • <u>Crediting Settlement instructions, thereof CORP on hold</u> • Debiting liquidity transfer orders
<u>[…]</u>	

3 EUROSYSTEM UPDATE [INC-278313]: Matching timestamps SF2 in sese.032 vs sese.024

Change of all messages where the T2S use of the field in MyStandards in not in line with the current behaviour

The T2S Use of Field AckdStsTmStmp and Field MtchdStsTmStmp should be rectified in order to reflect the correct usage, as follows:

Field AckdStsTmStmp:
- T2S Use: Calendar Date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time

or
- T2S Use: Calendar Date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Calendar Date and Time

Field MtchdStsTmStmp:
- T2S Use: Calendar date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time

<u>Message documentation on MyStandards</u>

	AckdStsTmStmp	**MtchdStsTmStmp**
semt.014	~~T2S-Use: Business date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	N/A

sese.032	~~T2S-Use: Business date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	~~T2S-Use: Business date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S Use: Calendar date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.
semt.027	~~T2S-Use: Business date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	~~T2S-Use: Business date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S Use: Calendar date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.
semt.029	~~T2S-Use: Business date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	N/A
semt.017	~~T2S-Use: Business date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	~~T2S-Use: Business date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S Use: Calendar date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.
semt.018	~~T2S-Use: Business date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	~~T2S-Use: Business date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S Use: Calendar date when the matching (SF2) of the settlement instruction has occurred. Date is populated with the applicable T2S Calendar Date and Time.
semt.016	~~T2S-Use: Business date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Business date while the time is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	N/A
semt.034	~~T2S-Use: Business date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Business date while the time~~	N/A

	is filled with calendar time.~~is filled with calendar time.~~ T2S-Use: Calendar Date when the acceptance (SF1) of the settlement restriction has occurred. Date is populated with the applicable T2S Calendar Date and Time.	

4   EUROSYSTEM UPDATE [INC-278738]: page 2290 (UDFS-chapter 4.8.2.2 Structure), page 2300 (UDFS-chapter 4.9.2.2 Structure); Questions on flat file format CR 654

In two instances, the restriction tags were missing the closing mark ("/"). No BOD provided (since changes are editorial, no PBI has been opened).

UDFS-chapter 4.8.2.2 Structure, page 2290

XML schema
[…]
<xs:restriction base="xs:string">
  <xs:pattern value="(.{199,199}\n)+"/>
</xs:restriction>
[…]

UDFS-chapter 4.9.2.2 Structure, page 2300

XML schema for the PMR file
[…]
<xs:restriction base="xs:string">
</xs:restriction>
[…]

5   EUROSYSTEM UPDATE [SDD-PBR-0065 on PBI-211893]: page 1156 (UDFS-chapter 3.3.3.11.2 The T2S-specific schema), page 1712 (UDFS-chapter 4.1 Index of Business Rules and Error Codes), camt.024 (Message documentation on MyStandards); [CR-708] Business rule DCC4079 needs to be added to the camt.024.

With CR 708 business rule DCC4079 has been implemented for the Standing/Predefined Liquidity Transfer Order – New/Edit Screen.

With this PBI it will be implemented also for the respective A2A message camt.024 in the following message field:

ModfyStgOrdr/NewStgOrdrValSet/CdtrAcct/Id/Othr/Id.

UDFS-chapter 3.3.3.11.2 The T2S-specific schema, page 1156

MESSAGE ITEM	DATA TYPE/ CODE	BUSINESS RULES
[…]		
Identification Document/ModfySt-gOrdr/NewStgOrdrValSet/CdtrAcct/Id/Othr/Id	RestrictedFINXMax34Text	DCC4079 DCC4080 DCC4200 DCU4200

| […] | | |

UDFS-chapter 4.1 Index of Business Rules and Error Codes, page 1712

BR NAME	DESCRIPTION	INBOUND MESSAGE	REPLY MESSAGE	CODE USE	REASON CODE	ERROR TEXT
DCC4079	When performing a Standing and Predefined Liquidity Transfer Order Create request, when the specified Creditor Account is a Cash Account, it must refer to an existing, active and open instance in with cash account type RTGS DCA, RTGS Central Bank Account, TIPS Account, MCA or CLM Central Bank Account Furthermore, when the Creditor Account is a Cash Account, it must have the same currency as the debited Cash Account.	camt.024	camt.025		REJT	Invalid Creditor Cash Account

Message documentation on MyStandards

camt.024

ModfyStgOrdr/NewStgOrdrValSet/CdtrAcct/Id/Othr/Id: Update of the T2S-BusinessRules: DCC4079 ;DCC4080; DCC4200; DCU4200

6   EUROSYSTEM UPDATE [INC-281070]: page 112 (UDFS-chapter 1.2.7 Static data for penalties); IAC-M: Potential issue with Penalty Cycle 3 TC3

In the context of the Penalty Mechanism introduced by CR654, Daily Price data is taken into account only if defined within the validity period of a Securities Subject to Cash Penalties instance (SSTCP).

If a Daily Price is provided for a certain ISIN and business date, but not provided for any subsequent dates, the data from the previous business date will be reused for the following. However, this is limited to the validity of the SSTCP instance. If the SSTCP is closed and another one is opened, new Daily Price data needs to be defined (at least for one business date) within the validity period of the new SSTCP instance.

No BOD provided (since changes are editorial, no PBI has been opened)

UDFS-chapter 1.2.7 Static data for penalties, page 112

T2S provides a settlement penalty calculation mechanism, which is described in detail in section 1.6.1.14. CSDs opting to make use of this mechanism are able to set up additional Static Data linked to the Securities they are responsible for. Within T2S Static Data, a CSD may define

- The list of financial instruments subject to cash penalties, among the Securities the CSD is responsible for (Securities Subject to Cash Penalties);
- For each Security subject to cash penalties, the daily price to be used for the calculation of the penalty.

If the price for a Security is not provided, T2S will consider the latest available one (i.e. the latest one loaded in Static Data) within the validity period of the relevant Securities Subject to Cash Penalties. If a Securities Subject to Cash Penalties instance is closed and another one is opened for the same ISIN, new Daily Price data must be provided.

7   EUROSYSTEM UPDATE [Editorial UDFS update]: page 2296 (UDFS-chapter 4.8.3.3.1 Status and error supplementary fields); Missing error condition for Daily Prices bulk file

An error condition for the Daily Price bulk file was missing from the specifications.

UDFS-chapter 4.8.3.3.1 Status and error supplementary fields, page 2296

Flat file column	Field	Possible values	Description	Rules
[…]				
12	Error Description		Description of the error.	Occurs when Status is 'REJT'.
		[…]	[…]	[…]
		Invalid number of decimals	When performing a Daily Price creation request, the number of decimals provided for the Price must be compliant with the specified Currency.	
		Data not compliant with Security Settlement Type	When performing a Daily Price creation request, the value provided for the Price must be compliant with the Securities Settlement Type.	
		[…]	[…]	[…]
		Invalid number of decimals	When performing a Daily Price creation request, the number of decimals provided for the Price must be compliant with the specified Currency.	
		Data not compliant with Security Settlement Type	When performing a Daily Price update request, the value provided for the Price must be compliant with the Securities Settlement Type.	

8   EUROSYSTEM UPDATE [CR-654 Annex 7 UDFS Flat File reports - Editorial UDFS update]: page 774 (UDFS-chapter 1.6.4.3.2 Overview), page 774 (UDFS-chapter 1.6.4.3.3 Flat File Report Generation process), page 2231 (UDFS-chapter 4.6.2.1 Identification and Routing), page 2315 (UDFS-chapter 4.10.1.2.1 Identification and Routing), page 2359 (UDFS-chapter 4.10.2.2.1 Identification and Routing), page 2399 (UDFS-chapter 4.10.3.2.1 Identification and Routing);

Request from some participants and Swift on the specifications for flat files for CR654 included in the UDFS

The UDFS must include the information about the request types for the VAN provider for Penalty Mechanism related Flat File reports. This information is necessary for the CSDs to set up their systems to receive the Flat File reports for the Daily Penalty List, List of Modified Penalties and Monthly Aggregated Amounts. Additionally, UDFS are updated to describe the Penalty Mechanism related flat file reports in the section "Flat File Report Generation process for CSDs"

UDFS-chapter 1.6.4.3.2 Overview, page 774

[…]

Characteristics of a report

The moment of data extraction <u>for Instructions and Holdings related reports</u> is determined by two existing business events – End of Day and end of Night Time Settlement, whereas all the other information about the necessary attributes in each named category is stored as an attribute domain in static data. All this information influences the generation of the flat file report. T2S Operator is responsible for configuring and maintaining this information.

The business events that triggers the generation of the full reports is the end of the Night time Settlement. In case of processing peak during this time window, the generation of the flat file report will continue till completion.

The delta reports are triggered at the EoD with the same timing than the ISO reports in order to ensure the same data scope for both modes.

<u>For Penalty Mechanism related reports, the moment of data extraction is determined by the end of the Calculation, the Recalculation or the End of the Appeal Period process. The business events that triggers the generation of the full reports are, respectively, the DAPL (Daily Penalty List Report – Reporting of new penalties), MDPL (Modified Penalties List Report) and the MAGG (Monthly Aggregated Amounts Report), that are triggered after the related data extraction.</u>

UDFS-chapter 1.6.4.3.3 Flat File Report Generation process, page 774

A generated flat file report is not available for download.

Sort of Information - Report Types

T2S provides the following subset of report types as flat files:

INSTRUCTIONS AND HOLDINGS FLAT FILE REPORT TYPES
Statement of Holdings
Statement of Transactions
Statement of Pending Instructions
Statement of pending Intra-Position Movements
Statement of settled Intra-Position Movements

| **PENALTIES FLAT FILE REPORT TYPES** |
|---|
| <u>Daily Penalty List</u> |
| <u>List of Modified Penalties</u> |
| <u>Monthly Aggregated Amounts</u> |

Concerned Party

Each flat file report type provides information on the default data scope of the concerned party (i.e. CSD). The data scope is indicated by the party for which it is configured and is limited to CSDs. For example: a Statement of Holdings reports on all Securities Accounts of the indicated party. Flat file reports can only be configured at a

system entity level, i.e. reports providing the CSD with information relating to i) its accounts and to the accounts of all its participants for <u>Instructions and Holdings related reports or ii) the CSD itself and to all its participants for the Penalty Mechanism related reports</u>[21]. The concerned party has to be specified, when the flat file report is configured for the first time. A party (e.g. CSD) configured to receive flat file reports cannot receive the equivalent reports through other channels. This does not, however, prevent other parties (e.g. CSD participants under that CSD) from receiving those reports through such channels.

Moment of Data Extraction

DIAGRAM 13 - MOMENT OF DATA EXTRACTION <u>FOR INSTRUCTIONS AND HOLDINGS RELATED REPORTS</u>
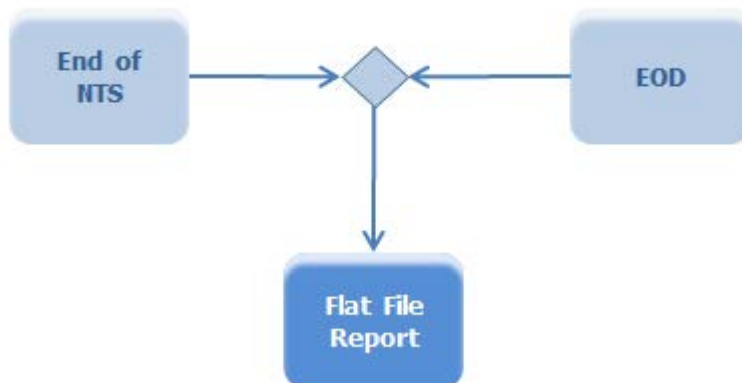
The creation of flat fil<u>es for Instructions and Holdings related</u> report<u>s</u> is always triggered by the end of the Night Time Settlement for full reports and the End of Day for delta reports in T2S.

DIAGRAM 184- MOMENT OF DATA EXTRACTION AND GENERATION FOR PENALTY RELATED REPORTS
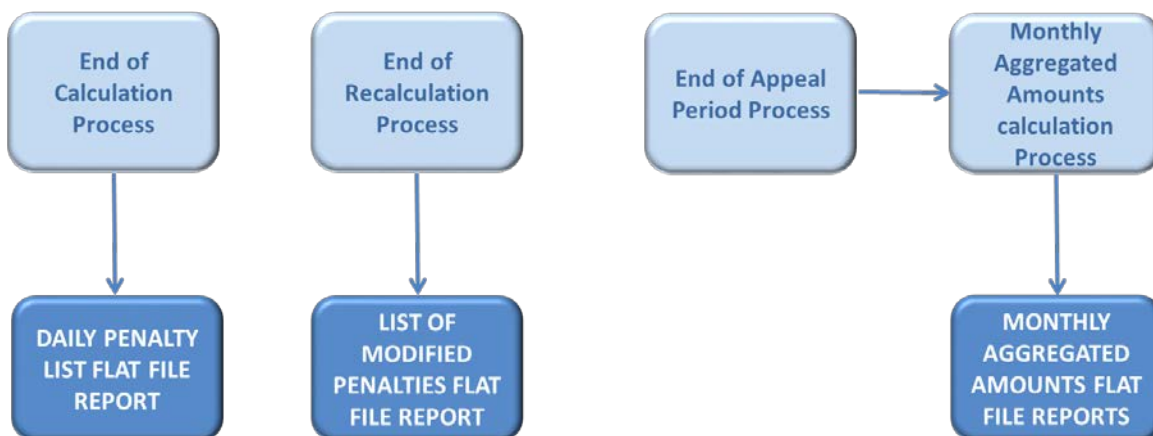
<u>The creation of flat files for Penalty Mechanism related reports is triggered by the end of the Calculation process for the Daily Penalty List and by the end of the Recalculation process for the List of Modified Penalties, whereas the report creation for the monthly aggregated Amounts is triggered once the Monthly Aggregated amounts have been calculated, which is triggered by the End of Appeal Period process on the 13th business day of each month.</u>

<u>Reporting Period</u>

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[21] <u>For a further description on the scope and information provided in the Penalty Mechanism related reports please see section 1.6.1.14.9 Penalty Reporting.</u>

DIAGRAM 2̲5̲ - REPORTING PERIOD FOR INSTRUCTIONS AND HOLDINGS RELATED REPORTS

T2S distinguishes between two different flat file report classifications - full reports and delta flat file reports, which are all based on the latest available data. The difference between both is the time scope which is considered:

- Full versions for Instructions and Holdings related reports cover the previous business day and provide the values of all selected items at the EoD of previous business day. Full versions can be scheduled for generation either for each T2S business day, or on a weekly or monthly basis. The full version flat file reports are generated at the end of Night Time Settlement and include no activity records.

[…]

- Delta versions for Instructions and Holdings related reports consider the current business day but provide only information on the selected items whose values changed since the Start of Day, i.e. it includes cancellations, modifications and new items.

- […]

T2S provides all flat file report types for Instructions and Holdings related reports in full and delta versions.

TABLE 1 - PREDEFINED INSTRUCTIONS AND HOLDINGS FLAT FILE REPORTS

REPORT TYPES	FULL REPORT	DELTA REPORT
Statement of Holdings	x	x
Statement of Transactions	x	x
Statement of Pending Instructions	x	x
Statement of pending Intra-Position Movements	x	x
Statement of settled Intra-Position Movements	x	x

Penalty Mechanism related reports are only available in full mode, not as a delta version.

- Full versions for Penalty Mechanism related reports cover the information since the previous reporting. These flat file reports are generated during the Real Time Settlement.
  - For the Daily Penalty List sent on each settlement day, it informs the CSD about the newly computed penalties for the previous settlement day.
  - For the List of Modified Penalties sent on each settlement day, it informs the CSD about the modifications in penalties that occurred since the previous reporting, i.e. penalties for days before the previous settlement day, that have been removed, re-included, re-allocated, switched by a CSD or automatically updated after the recalculation of the penalty triggered by a change in the relevant reference data.
  - For the Monthly Aggregated Amounts Report sent on a monthly basis, it informs the CSD about the aggregated amounts of penalties computed per currency, party and counterparty for the business days of a given period, i.e. the previous month.

TABLE 195 – PREDEFINED PENALTY FLAT FILE REPORTS

REPORT TYPES	FULL REPORT	DELTA REPORT
Daily Penalty List	x	
List of Modified Penalties	x	
Monthly Aggregated Amounts	x	

Possible Recipients of a Flat File Report

All flat file reports are available solely to CSDs.

If a CSD wishes to receive a flat file report this has to be stored by the T2S Operator in the static data configuration of the report. That means the subscription of a report is independent from the Message Subscription.

As a general principle the recipient(s) of a report can be different from the concerned party. In any case the recipient(s) of a report have to be specified by the T2S Operator in the static data configuration of the report.

[…]

DIAGRAM 365 - COMMUNICATION CHANNEL

[…]

Parameter synthesis

The following parameters are specified for the Setup of a Flat File Report.

CONCERNED PROCESS	PARAMETER	CREATED BY	UPDATED BY	MANDATORY/ OPTIONAL	POSSIBLE VALUES	STANDARD OR DEFAULT VALUE
Setup of a Report	Report Type	T2S Operator	T2S Operator	Mandatory	semt.002, semt.016, semt.017, semt.018, semt.034, semt.144, semt.244, semt.344	N/A
Setup of a Report	Report Name	T2S Operator	T2S Operator	Mandatory	"Statement of Holdings", "Settled Restrictions on	N/A

					Securities", "Statement of Transactions", "Statement of Pending Instructions", "Pending Restrictions on Securities", "Daily Penalty List", "List of Modified Penalties", "Monthly Aggregated Amounts".	
Setup of a Report	System Entity	T2S Operator	T2S Operator	Mandatory	System Entity of the relevant Concerned Party (i.e.CSD)	N/A
Setup of a Report	Technical Address	T2S Operator	T2S Operator	Mandatory	Technical address of the receiving CSD	N/A
Setup of a Report	Technical Service Identification	T2S Operator	T2S Operator	Mandatory	Network service used to send the report.	N/A
Setup of a Report	Compression	T2S Operator	T2S Operator	Mandatory	ZIP NONE	ZIP
Setup of a Report	Valid From	T2S Operator	T2S Operator	Mandatory	Format "yyyy-mm-dd"	N/A
Setup of a Report	Valid To	T2S Operator	T2S Operator	Mandatory	Format "yyyy-mm-dd"	N/A
Setup of a Report	Delta Mode	T2S Operator	T2S Operator	Mandatory	T/F	N/A
Setup of a Report	Full Mode Frequency[22]	T2S Operator	T2S Operator	Mandatory	DAIL WEEK MONT NONE	MONT
Setup of a Report	Full Mode Day	T2S Operator	T2S Operator	Mandatory	LAST NONE	N/A

UDFS-chapter 4.6.2.1 Identification and Routing, page 2231

T2S triggers the generation of flat file reports based on a business event, e.g. End of Day. The messages transporting EOD flat file reports are identified by a specific RequestType. This value is assigned to specify the type of message exchanged in the network. Depending on the report, the value "semt.xxx.002" semt.xxx.016"

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[22] The Full Mode Frequency parameter for the Daily Penalty List and the List of Modified Penalties should only be set up with value "DAIL", while the Monthly Aggregated Amounts should have value "MONT".

semt.xxx.017" semt.xxx.018" semt.xxx.034" is used. All flat file reports are pushed in A2A mode and compressed when they exceed the minimum size of 2KB, since compression for these reports is mandatory.

[…]

UDFS-chapter 4.10.1.2.1 Identification and Routing, page 2315

T2S triggers the generation of Daily Cash Penalties List flat file reports based on a business event, i.e. DAPL (Daily Penalty List Report – Reporting of new penalties). The messages transporting Daily Cash Penalties List flat files are identified by a specific RequestType. This value is assigned to specify the type of message exchanged in the network. For Daily Cash Penalties List flat file reports the value "semt.xxx.144" is used. This flat file report is pushed in A2A mode and compressed when it exceeds the minimum size of 2KB, since compression for the reports is mandatory.

[…]

UDFS-chapter 4.10.2.2.1 Identification and Routing, page 2359

T2S triggers the generation of List of Modified Penalties flat file reports based on a business event, i.e. MDPL (Modified Penalties List Report). The messages transporting List of Modified Penalties flat file reports are identified by a specific RequestType. This value is assigned to specify the type of message exchanged in the network. For List of Modified Penalties flat file reports the value "semt.xxx.244" is used. This flat file report is pushed in A2A mode and compressed when it exceeds the minimum size of 2KB, since compression for the reports is mandatory.

[…]

UDFS-chapter 4.10.3.2.1 Identification and Routing, page 2399

T2S triggers the generation of Monthly Aggregated Amounts flat file reports based on a business event, i.e. MAGG (Monthly Aggregated Amounts Report). The messages transporting Monthly Aggregated Amounts flat file reports based are identified by a specific RequestType. This value is assigned to specify the type of message exchanged in the network. For Monthly Aggregated Amounts flat file reports the value "semt.xxx.344" is used. This flat file report is pushed in A2A mode and compressed when it exceeds the minimum size of 2KB, since compression for the reports is mandatory.

[…]

Submitted annexes / related documents:

Outcome/Decisions:

*CRG on 25 November 2020: the CRG agreed to recommend CR-749 for authorisation by the T2S Steering Level.

* AMI-SeCo on 4 December 2020: the AMI-SeCo agreed with the recommendation of the CRG to authorise CR-749.

* CSG on 10 December 2020: the CSG agreed to authorise CR-749 and approved the inclusion of the related updates in the documentation of R 5.0.

* NECSG on 14 December 2020: the NECSG agreed to authorise CR-749 and approved the inclusion of the related updates in the documentation of R 5.0.

* MIB on 21 December 2020: the MIB agreed to authorize CR-749 and approved the inclusion of the related updates in the documentation of R5.0.

Documentation to be updated:

URD, UDFS and UHB (for R5.0)

Preliminary assessment:

Not applicable (editorial CR).

Detailed assessment:

Not applicable (editorial CR).