

T2S CHANGE REVIEW GROUP

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Outcome

Meeting of the T2S Change Review Group (CRG)

24 March 2021, from 10:00 to 16:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Outcome

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held remotely due to COVID-19 precautionary measures.

The CRG members took note that the CSG had invited the Eurosystem to continue engaging with the T2S technical groups (primarily the CRG) on the possibility to restructure the T2S documentation for common components.

The CRG members took note of the outcome of the joint CRG/PMG/OMG workshop on the T2S design review on 9 March 2021, in particular of the fact that a CR would be raised during the CRG meeting in May to ensure that a change to the “negative allowed” indicator of a securities account can only take effect on the next business day.

Finally, the CRG members took note that the testing of CR-722 (Upgrade of non-repudiation for U2A) showed that Ascertia Go-Sign Desktop is not compatible with Citrix Terminal Server. The Q&A on CR-722 will be updated accordingly and the issue will be followed up in the OMG and PMG, given its potential implications for future T2S releases.

The CRG members approved the agenda of the meeting.

2. Outcome of previous meetings and CRG action points

Background documentation

- Outcome of the CRG meeting on 24 February 2021
- List of CRG action points
- AP-4008 – Follow-up on multi-criteria optimisation functionality in NTS algorithms

Outcome

The CRG members approved the outcome of the CRG teleconference on 24 February 2021. The final version of the outcome will be published on the ECB website.

The ECB team provided an update on the status of open CRG action points. CRG members took note, in particular, of the following:

- *AP-4008 (4CB to report on the progress of the further investigation of the multi-criteria optimisation functionality of the NTS solver): following the indication by 4CB that the IBM Cplex software used in T2S would be updated in R5.2 (November 2021), CRG members invited the 4CB to draft a change request for the NTS algorithms to make use of the multi-criteria optimisation available in the updated Cplex.*

- AP-4011 (ECB to check dates of ESMIG connectivity testing mentioned in CR-701): CRG members took note that connectivity testing with ESMIG would be possible from 1 December 2021 for both test environments (EAC and UTEST) and from 1 March 2022 for the PROD environment.
- AP-3921 – (ECB team to ensure that the ongoing work to define a strategy for the long-term evolution of messages used in TARGET Services also includes a review of the principles for message customisation): a CRG member informed the CRG that they expected to raise a new CR to review the principles for message customisation in a way that is more flexible.

Follow-up actions

- CRG members to confirm the closure of action points proposed for closure [31 March 2021]
- 4CB to follow up on AP-4008 and inform the OMG members of the updates to the IBM Cplex software in R5.2 [28 April 2021]
- 4CB to raise a change request for the NTS algorithms to make use of the multi-criteria optimisation available in the updated Cplex [25 May 2021]
- Clearstream to raise a CR to address the principles for message customisation [25 May 2021]

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

- T2S-0574-URD – Updated version of the annex and updated CR including UHB wording
- T2S-0697-SYS (Billing common component development)
- T2S-0697-SYS – Presentation on closing the LTSI gap
- T2S-0701-SYS (ESMIG impact on T2S)
- T2S-0705-SYS (CRDM Business Interface Impact on T2S)

Outcome

T2S-0574-URD (Applying additional haircuts to own-used assets in T2S auto-collateralisation)

The CRG members agreed to the amended UDFS wording proposal for CR-574. CRG members pointed out some minor editorial mistakes in the UDFS, which were agreed to be amended in an updated version of CR-574 Annex 1 (UDFS). Also, 4CB clarified that there is no need for T2S users to indicate which specification (Version A or B) was used to produce a Securities Valuations Flat File sent to T2S, as this is automatically recognised by T2S. The CRG members took note that the relevant GUI screenshots would be included in CR-574 after the IAC implementation foreseen for end April 2021.

Follow-up actions:

- ECB to distribute the updated version of CR-574 Annex 1 (UDFS) to the CRG [24 March 2021]
- ECB to distribute the updated version of CR-574 to other T2S technical groups [26 March 2021]
- 4CB to provide an updated version of CR-574 including the missing UHB updates [30 April 2021]

T2S-0697-SYS (Billing common component development)

The CRG members agreed to the updated description of the steps to be followed for LTSI to contain previous day information from the go-live of R5.2 (November 2021) onwards. It was agreed to inform the PMG and OMG of the

updates, in particular of the fact that, in August 2021, LTSI will start receiving multiple files per day from the various T2S modules.

Follow-up actions:

- ECB to distribute the updated version of CR-697 to other T2S technical groups [26 March 2021]
- ECB to distribute T2S-0697-SYS – Presentation on closing the LTSI gap to PMG and OMG [26 March 2021]

T2S-0701-SYS (ESMIG impact on T2S)

The CRG members took note that connectivity tests with ESMIG would be possible from 1 December 2021 in the EAC and UTEST environments, and from 1 March 2022 in the PROD environment. As per previous CRG agreement, the dates have been removed from the text of CR-701.

CRG members agreed to the amended GFS wording proposal for CR-701.

Follow-up actions:

- ECB to distribute the updated version of CR-701 to other T2S technical groups [26 March 2021]

T2S-0705-SYS (CRDM Business Interface Impact on T2S)

The CRG members took note of the updates made to CR-705 and that additional wording proposals would be made in September 2021. The CRG members requested more time to review CR-705 and its annexes.

Follow-up actions:

- CRG to confirm via written procedure the approval of the updates to CR-705 and its annexes [31 March 2021]
- ECB to distribute the updated version of CR-705 to other T2S technical groups [31 March 2021]

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

Background documentation

- T2S-0700-SYS (Legal archiving) [postponed]

Outcome

T2S-0700-SYS (Legal archiving)

The CRG members took note that due to a delay in the detailed assessment of CR-700, the CR would be discussed during the CRG telco on 31 March 2021.

3.3 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0735-SYS (T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account)
- T2S-0756-SYS (If an instruction is cancelled, then T2S should no longer consider it to be part of a Pool)
- T2S-0757-SYS (T2S should apply a 20-day transformation period for instructions subject to COSD)
- T2S-0758-SYS (Own party data must be present for already matched cross CSD instructions)
- T2S-0759-URD (T2S Penalty Mechanism: Reporting with reason code 'new penalty' (NEWP) in the List of Modified Penalties)

- T2S-0760-URD (T2S Penalty Mechanism: Reporting the transaction details for new penalties in the List of Modified Penalties)

Outcome

T2S-0735-SYS (T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account)

Iberclear, the initiator of the CR, emphasised that the CR does not foresee any change to the entity being billed for transmission fees, but only aims at grouping the related billing information per securities account number, whenever applicable. The CRG had no outstanding questions and agreed to launch the preliminary assessment of this CR.

T2S-0756-SYS (If an instruction is cancelled, then T2S should no longer consider it to be part of a Pool)

The CRG members had no outstanding questions on CR-756 and agreed to launch the preliminary assessment of this CR.

T2S-0757-SYS (T2S should apply a 20-day transformation period for instructions subject to COSD)

The CRG members had no outstanding questions on CR-757 and agreed to launch the preliminary assessment of this CR.

T2S-0758-SYS (Own party data must be present for already matched cross CSD instructions)

The CR initiator confirmed that with CR-758, own party details would become mandatory only for the already matched cross-CSD instructions. The CRG members had no outstanding questions on CR-758. Considering that the CR aims at addressing some unforeseen implications of CR-383 (allocated to R5.0, June 2020), and the request of the CSG to have CR-758 implemented in the earliest possible release, the CRG agreed not to request a preliminary assessment for this CR, and recommended the CR for authorisation by the T2S Steering Level.

CRG members agreed to justify the CR parameters as follows:

- *Legal/business importance: High as the change addresses an operational risk*
- *Market implementation efforts: Low as the change does not require significant resources by T2S actors to implement*
- *Operational/technical risk: Low as the change does not affect any SLA*

Follow-up actions:

- CRG members to provide business values for CR-758 [31 March 2021]

T2S-0759-URD (T2S Penalty Mechanism: Reporting with reason code 'new penalty' (NEWP) in the List of Modified Penalties)

The CRG members had no outstanding questions on CR-759. Considering the regulatory background of the CR (CSDR entry into force in February 2022), and the request of the CSDR Task Force to have CR-759 implemented in the earliest possible release, the CRG agreed not to request a preliminary assessment for this CR, and recommended CR-759 for authorisation by the T2S Steering Level.

CRG members agreed to justify the CR parameters as follows:

- *Legal/business importance: High, the change will be beneficial to all recipients of penalty reports*
- *Market implementation efforts: Low, the change has a limited impact on the contents of penalty reports.*
- *Operational/technical risk: Low, the change affects the reporting but not the calculation of penalties.*

Follow-up actions:

- CRG members to provide business values for CR-759 [31 March 2021]

T2S-0760-URD (T2S Penalty Mechanism: Reporting the transaction details for new penalties in the List of Modified Penalties)

The CRG members had no outstanding questions on CR-760. The CRG members took note that CR-760 complements CR-759. Considering the regulatory background of the CR (CSDR entry into force in February 2022), and the request of the CSDR Task Force to have CR-760 implemented in the earliest possible release, the CRG agreed not to request a preliminary assessment for this CR, and recommended CR-760 for authorisation by the T2S Steering Level.

CRG members agreed to justify the CR parameters as follows:

- *Legal/business importance: High, the change will be beneficial to all recipients of penalty reports*
- *Market implementation efforts: Low, the change has a limited impact on the contents of penalty reports.*
- *Operational/technical risk: Low, the change affects the reporting but not the calculation of penalties.*

Follow-up actions:

- CRG members to provide business values for CR-760 [31 March 2021]

4. Any other business

Background documentation

- Summary of the workshops on updates to the OGPF
- CR implementation capacity updates
- Delivery plan of change requests

Outcome

Workshops on the T2S Operational governance processes framework

The CRG members took note that, as a follow-up of the workshops held with CRG, PMG and OMG members, the ECB team would distribute a draft updated version of the T2S OGPF, including a description of the process to de-scope a change request/production problem from a release, and adjustments to the description of the annual release schedule and to the description of the review by the CRG/OMG of scope proposals made by the PMG. The CRG members also took note that no change to the OGPF or T2S Framework Agreement will be implemented as outcome of the OGPF-DG on the fast-tracking process of CRs.

Follow-up actions:

- ECB to distribute a draft updated version of the T2S OGPF [25 May 2021]

Update on CR implementation capacity

The CRG members took note of the update provided by the 4CB to the PMG and the CSG on the consumption of implementation capacity.

The following CRG meetings are planned in 2021 (to be confirmed at least 4 weeks in advance)

31 March 2021	15:00-16:00	Webex
25 May 2021	10:00-16:00	Webex
7 July 2021	10:00-16:00	Webex
10 September 2021	10:00-16:00	Webex
9 November 2021	09:30-17:30	ECB Main building