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Outcome

Meeting of the T2S Change Review Group (CRG)

31 May 2023 from 09:30 to 15:00 CET (held remotely)

1. Introductory remarks and approval of the agenda

Background documentation

- Recent resolutions on CRs since last meeting

Outcome

Recent resolutions on CRs since last meeting

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting which was held remotely.

The members took note that the next CRG meeting had been changed from the 5 July 2023 to 4 July 2023.

The CRG members approved the agenda of the meeting on 31 May 2023 and no additional items were proposed.

The CRG members took note of the following information as a follow-up of the last CRG meeting on 27 April 2023:

- The following CRs have been approved by the T2S Steering level:
 - T2S-0525-SYS – “Provide Restriction Type name and description in reason code due to Market Specific Restriction Type”. The CRG members acknowledged that the MIB approved the inclusion of CR-0525 in the scope of R2024.JUN on 2 May 2023.
 - T2S-0596-SYS – “Enhance Settlement Instruction - Details screen to display T2S matching reference and the counterparty’s instruction details”. The CRG members acknowledged that the MIB approved the inclusion of CR-0596 in the scope of R2023.NOV on 2 May 2023.
 - T2S-0634-SYS – “New code to report that settlement information is not available in T2S during the start of day”. The CRG members acknowledged that the MIB approved the inclusion of CR-0634 in the scope of R2024.JUN on 30 May 2023.
- The following CRs have been already authorised:
 - T2S-0772-SYS – “Export of T2S cash transactional data from the Data Warehouse to a Eurosystem’s monetary policy application”. The CRG members acknowledged that the detailed assessment delivery date is planned for 1st of August 2023.
 - T2S-0784-SYS – “Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model”. The CRG members acknowledged that the MIB authorised CR-0784 on 18 May 2023.
 - T2S-0796-SYS – “Secured Groups should have name and description attributes”. The CRG members acknowledged that the MIB authorised CR-0796 on 18 May 2023.

- T2S-0797-SYS – “T2S should support cross-border settlement via alternative Security CSD Links”. The CRG members acknowledged that the MIB authorised CR-0797 on 18 May 2023.
 - T2S-0800-URD – “Harmonisation of floor/ceiling notifications with T2”. The CRG members acknowledged that the MIB authorised CR-0800 on 18 May 2023.
 - T2S-0801-URD – “Submission of DWH cash-related data in any specific currency/CB system entity to a CB analytical platform”. The CRG members acknowledged that the MIB authorised CR-0801 on 18 May 2023 and agreed by the PMG to request the detailed assessment in view of R2024.JUN. The CRG agreed that the proposed release scoping adequately reflected the implementation priorities of CR-0801, based on the list ranked change request (14/14).
 - T2S-0805-SYS – “ESMIG Portal access rights redesign”. The CRG members acknowledged that the MIB authorised CR-0805 on 18 May 2023.
 - T2S-0541-URD – “Bulk-release functionality (U2A) for settlement instructions”. The CRG took note that it was agreed to withdraw CR-0541 on 12 May 2023.
- The following ICN has been approved by the CRG:
- T2S-ICN-0046 – PBI-226926 – camt.077 not received by MARKDEFFXXX_IBBBDEBBXXX. The CRG took note of the T2S impact on 16 May 2023.

The CRG acknowledged that following the PMG Go/No-go meeting, the T2S Steering Level approved the de-scoping of T2S DWH CR-0733-SYS (Definition of a classification of transactions for CB T2S data) and CR-0753-SYS (Export of T2S cash transactional data from the Data Warehouse to a Eurosystem’s analytical platform) from R2023.JUN. The CRG took note that on 25 May 2023, the PMG agreed with the technical deployment of T2S DWH CR-0699-SYS (Decommissioning LTSI, scope and definition of queries and reports and access specifications to Data Warehouse functionalities) and the T2S DWH release defects currently deployed in UTEST with R2023.JUN in non-activated mode. Additionally, the members acknowledged that on 26 May 2023, the PMG agreed to recommend to the T2S Steering Level the deployment of R2023.JUN to PROD planned to be on 10 June 2023.

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 27 April 2023

Outcome

Outcome of the CRG meeting on 27 April 2023

The CRG members took note that during the written procedure to review the outcome of the meeting on 27 April 2023, no comments were received.

The CRG members approved the outcome of the CRG meeting on 27 April 2023.

Follow-up actions

- ECB team to publish on the ECB Website the outcome from the CRG meeting on 27 April 2023. [16 June 2023]

3. Analysis of change requests

3.1 Change requests under implementation

Background documentation

- T2S-0753-SYS Export of T2S cash transactional data from the Data Warehouse to a Eurosystem's analytical platform

Outcome

T2S-0753-SYS Export of T2S cash transactional data from the Data Warehouse to a Eurosystem's analytical platform

The CRG members agreed with the editorial update proposed to remove any reference to rejection messages from the scope of CR-0753 since they were not stored by T2S and therefore could not be part of the data exported from the T2S DWH to the AE.

The CRG members took note that during the detailed assessment no risks were identified.

Follow-up actions:

- *ECB team to publish the updated CR-0753 on the ECB website. [16 May 2023]*

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

Background documentation

- Presentation on CR-0797 and a policy check requested
- T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links
- Presentation on T2S Recovery
- CR-776 T2S Recovery – NSPs inbound and outbound traffic retrieval
- T2S-CR-774 T2S Recovery Solution 2: Rebuild (Rebuild settled data based on settlement confirmations and reprocess incoming messages to recover reference data changes, unsettled instructions and maintenance instructions)

Outcome

Presentation on CR-0797 and a policy check requested

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

The CRG members took note of the assessment provided by BdE representative on CR-0797 with the main outcome that a policy check would be needed. The policy check is necessary for the specific scenario where securities, which were eligible for monetary policy operations could be used for collateral management via alternative links, which may include a non-eligible CSD Link.

The CRG took note that the Securities and Collateral Policy Working Group (SCWG) will perform an assessment of CR-0797. The ECB team informed that, after an internal check, this outcome might be delivered by September 2023, although the final date would depend on the smooth assessment by the SCWG.

Follow-up actions:

- *ECB team to liaise with the SCWG Secretariat and provide to the CRG the feedback on the policy check of CR-0797 when it was finished. [1 September 2023]*

Outcome

Presentation on T2S Recovery

CR-776 T2S Recovery – NSPs inbound and outbound traffic retrieval

T2S-CR-774 T2S Recovery Solution 2: Rebuild (Rebuild settled data based on settlement confirmations and reprocess incoming messages to recover reference data changes, unsettled instructions and maintenance instructions)

The CRG took note of an update on the T2S Recovery and that the detailed re-assessment of CR-0776 and CR-0774 would be shared with the CSG for review at the CSG meeting on 14/15 June 2023. It was acknowledged that after this, these detailed assessments would be shared with the technical groups for review and recommendation for implementation.

3.3 Change requests not yet authorised at T2S Steering Level

3.3.1 Change requests under preliminary assessment

Background documentation

- Presentation on CR-0794 Reporting and way-forward
- T2S-0794-SYS T2S settlement day processes for DKK

Outcome

Presentation on CR-0794 Reporting and way-forward

T2S-0794-SYS T2S settlement day processes for DKK

The CRG members took note of the clarifications provided by DKCB in the ad-hoc meeting on 11 May 2023 to the open questions raised in the preliminary assessment by 4CB.

The CRG members approved the CR parameters as follows:

- *Legal/business importance parameter was set “High” because the change request enables the DKK community to leverage the full-scope consolidated TARGET Services functionalities, while at the same time enabling DKCB to exercise its monetary policy. This would offer significant enhancement and benefits to the DKK T2S Actors.*
- *Market implementation effort parameter was set “Low” because the functionality will leverage on what is already implemented in T2 for DKK (see CSLD-0087-URD). Thus, the DKCB will have set procedures for how to operate within this framework. The market participants are also deemed to implement the changes rather frictionless into their operations.*
- *Operational/technical risk parameter was set “High” because the changes implement new currency dependent functionalities to the T2S settlement day process which have a significant operational impact.*
- *The CRG agreed to recommend CR-0794 for Steering Level authorisation.*

Follow-up actions:

- *The CRG Secretariat to launch a written procedure to collect the Business values of CR-0794. [16 June 2023]*

3.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-0804-SYS T2S Billing – amendments stemming from audit report
- Presentation on T2S-0806-URD Removal of T2S functionality for the identification of penalties related to a CCP

- Presentation on CR-0807 Potential scenarios on Partial Differ
- T2S-0807-SYS Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator

Outcome

T2S-0804-SYS T2S Billing – amendments stemming from audit report

The CRG members reviewed the newly raised CR by 4CB that foresaw to implement new checks in the Billing module so that the reconciliation of billing data with the source data was made possible.

The CRG members approved the justification of a fast-track approach and the CR parameters for CR-0804 as follows:

- *Fast-track justification: A fast-track approach is requested in order to address as soon as possible the IAC finding and to avoid that potential new invoices are sent out without the proper billing information.*
- *Legal/business importance parameter was set “Medium” because with this change the T2S community will benefit from a moderate improvement being the increase in the consistency of the billing invoicing.*
- *Market implementation effort parameter was set to ‘Low’ because with this change will not require a long implementation time and any significant resources on the side of Participating CSDs, CBs and their communities in order for them to be able to take full benefit of the change.*
- *Operational/technical risk parameter was set “Low” because with this change it is expected not to threaten the Service Level for Participating CSDs or CBs or to have no or insignificant operational impact on the Participating CSDs, CBs or 4CB.*

The CRG members agreed to recommend CR-0804 for Steering Level authorisation, following a fast-track approach.

Follow-up actions:

- *The CRG secretariat to launch a written procedure to collect the business values of CR-0804. [16 June 2023]*

Outcome

Presentation on T2S-0806-URD Removal of T2S functionality for the identification of penalties related to a CCP

The CRG members took note of a presentation related to a change request raised by the CSDR Task Force that foresaw to remove the current reporting in the daily, modified, and monthly penalty reports when a CCP was part of the failing transaction. The purpose of this change was to meet the recently amended regulation that was under non-objection period and expected to be effective in July 2024.

The CRG took note that once a stable wording of the change request was achieved, it would be shared with the CRG for review.

Outcome

Presentation on CR-0807 Potential scenarios on Partial Differ

T2S-0807-SYS Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator

The CRG members took note of the newly raised CR that foresaw to provide to the T2S parties the information related to the disagreement on the partial settlement indicator for each leg of a transaction.

The CR initiator informed that the business need was to inform about this disagreement as soon as a transaction was matched, although it could have an intended settlement date in the future. 4CB clarified that although this

requirement was feasible from a technical point of view, the 4CB proposal was to inform of this disagreement only when the transaction was eligible for settlement, meaning that the intended settlement date was already reached. The reasoning was that the complexity of reporting this disagreement before the intended settlement date would be much higher than waiting for the intended settlement date. The CRG agreed with the 4CB proposal since it would still give the interested parties more than 12 hours to react to this disagreement, between the NTS period taking place daily at 20:00 and the RTS Closure at 16:00 the following day.

The CRG took note that the wording would be updated and once it was shared with the 4CB, it would be shared with the CRG for review.

Follow-up actions:

- The ECB team to update the wording of CR-0807 and share it with the 4CB for review and comments. [30 June 2023]

3.4 Editorial CRs

4. Clarification notes

Background documentation

- SDD-PBR-0095 on PBI-227533 Various changes on CRDM UHB

Outcome

SDD-PBR-0095 on PBI-227533 Various changes on CRDM UHB

The CRG acknowledged that for the resolution of PBI-227533, a T2S SDD-CN was required. The CRG reviewed the note, approved it and agreed to the underlying SDD updates to be formalised in an editorial CR.

Follow-up actions:

- The ECB team to confirm that the SDD updates of SDD-PBR-0095 were included in the upcoming editorial change request for R2023.NOV, if PBI227533 was finally allocated to this release [30 June 2023]

5. NRO functionality

Background documentation

- Debriefing from the OMG on the NRO functionality.

Outcome

Debriefing from the OMG on the NRO functionality

The CRG members took note of the OMG outcome on the NRO topic and that they agreed to raise a new issue. The CRG took note that the CSG would decide whether to raise a change request in its meeting on 14-15 June 2023 and agree to report that, from a CRG point of view:

- The implementation was in line with the requirements provided with T2S-CR-0722¹, since no requirement was present to check that the signing user was the same as the logged-in user.
- The CRG was in favour to raise a new change request since it was acknowledged that it could be beneficial to have this additional check (some CRG members already highlighted their willingness to be the CR initiator of this potential new change request).

¹ T2S-0722-BFD Upgrade of non-repudiation for U2A

6. Provision of non-binding and binding XSDs via MyStandards Links

Background documentation:

- Provision of non-binding and binding XSDs via MyStandards Links.

Outcome

Provision of non-binding and binding XSDs via MyStandards Links

The CRG members took note of the 4CB proposal to deliver the T2S non-binding and binding XSDs from R2023.NOV onwards through a closed T2S community on MyStandards, including CRG and PMG members and NSPs, instead of the current approach to send them via email attachment. Considering that the delivery of the non-binding XSDs was planned by 16 June 2023, the CRG members agreed that the delivery for R2023.NOV should still be provided via e-mail, although, if possible, it could also be delivered via the closed T2S community on MyStandards. In order to let 4CB set-up the new close community in MyStandards, it was agreed that the CRG Secretariat launched a written procedure to collect all the e-mails addresses that the CRG needed to be included in the T2S closed community for the CRG.

Follow-up actions:

- The CRG Secretariat to launch a written procedure to collect the CRG members emails addresses to get them included in the T2S closed community in MyStandards where the XSDs would be delivered from this time onwards. [16 June 2023]

7. Proposal on common approach to store service items.

Background documentation:

- Presentation on a proposal on a common approach to store service items.
- ServiceItemNamesandCodes_UDFSv6.2_R5.2

Outcome

The CRG members took note of a presentation related to the two ways to view and query the T2S service items. The first one was the access via the CRDM screens and the second one, the excel file available in MyStandards with the description of the camt.077 "Billing Report".

Stemming from the T2 functional workstream composed by ECB and 4CB, it was proposed to change this approach and use only the CRDM screens, that would have these benefits:

- Most up to date list of service items is available to users anytime.
- It can be applied to all TARGET Services.
- Avoid inconsistencies and additional efforts to continuously update the excel file (currently outdated v.6.2 instead of v.7.2).

The CRG agreed with the proposal to only have the CRDM screens as the single way to query for this information. It was acknowledged that once the T2 community would also agree with this proposal, the CRG would be informed.

Follow-up actions:

- The ECB team to inform the CRG once the T2 community had agreed with the proposal to use the CRDM screens as the single way to query the T2S service items. [30 September 2023]

8. List of CRG members.

Background documentation

- Updated list of CRG members

Outcome

Updated list of CRG members

The CRG members acknowledged that the list of CRG members had been updated with the new joiners in the T2S Governance. One CRG member highlighted that once member was missing: 'Národná banka Slovenska'. It was acknowledged that the file would be updated including this missing member and would be published in the ECB Website.

Follow-up actions:

- ECB team to include 'Národná banka Slovenska' member in the list of CRG members and to publish the updated version on the ECB website. [16 June 2023]

9. T2S OGPF review – status update

Background documentation

- Presentation on the status of the T2S OGPF review.

Outcome

Presentation on the status of the T2S OGPF review

The CRG members took note of the timeline related to the T2S OGPF review exercise that foresaw to have two workshops on 29 July 2023 and 21 September 2023 with the Steering Level approval by end of 2023.

10. CRG action points

Background documentation

- List of CRG action points

Outcome

List of CRG action points

The CRG members took note of the updates and proposed resolutions outlined on the following action points:

AP-4068 (4CB to provide the value of the threshold of transactions during the implementation phase of CR-0783.) As stated in the detailed assessment of CR-0783, the threshold of transactions that would trigger the related process would only be confirmed during implementation phase. The CRG took note that the 4CB confirmed that the threshold would be 10,000 transactions and agreed to close AP-4068.

AP-4114 (Danish Central Bank representative to analyse whether CR-0801 was a showstopper for the DKK migration to T2 and TIPS.) The CRG took note that CR-0801 should be detailed assess in parallel to CR-91 to make sure that the same technical solution was provided for both as mentioned in the CRG meeting on 27 April 2023. Therefore, it was not needed to add additional justification for the fast-track approach requested. Hence, the CRG agreed to close AP-4114.

AP-4120 (Deutsche Bundesbank to provide feedback from the German market on CR-0541 and assess whether the withdrawal process should be started.) The CRG took note that the Deutsche Bundesbank withdrew CR-0541 after checking with the German market and agreed to close AP-4120.

AP-4121 (ECB team to launch a written procedure to assess CR-0541 full ownership by other CRG member.)
The CRG took note a written procedure was launched and closed on 12 May 2023 with the decision of CR-0541 withdrawal. Hence, it was agreed to close the AP-4121.

AP-4123 (ECB team to follow-up with the CR initiator of CR-0794 so that the open questions raised by 4CB in the preliminary assessment were clarified.) The CRG took note that the questions from the preliminary assessment were clarified on a meeting with the CR initiator on 11 May 2023. Hence, it was agreed to close AP-4123.

AP-4124 (Deutsche Bundesbank to provide the CRG Secretariat with an answer to the question raised by 4CB in CR-0800 preliminary assessment.) The CRG took note that the Deutsche Bundesbank representative confirmed 4CB assumption about intra-day floor and ceiling changes, which no breach notification should be sent. Hence, it was agreed to close AP-4124.

AP-4126 (ECB team to coordinate between 4CB and Iberclear so that a new change request could be drafted and implemented with ISO-CR-1779.) The CRG took note that CR-0807 was registered and raised to be implemented with ISO-CR-1779 and agreed to close AP-4126.

AP-4129 (CRG Secretariat to inform the OMG secretariat so that the operational view on the NRO functionality is provided for the next CRG meeting on 31 May 2023.) The CRG took note that the OMG feedback was provided under item 5 with the outcome that a change request should be raised to mitigate the related risk. Therefore, it was agreed to close the AP-4129.

11. Any other business

Background documentation

- Delivery plan of change requests (table document)
- Upcoming releases and change requests (table document)
- Dashboard on cross-service impact of CRs (table document)
- The following CRG meetings are planned in 2023 (to be confirmed at least 4 weeks in advance):

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|------------------|-------------|-------------------|
| 4 July 2023 | 09:30-15:00 | Webex |
| 6 September 2023 | 09:30-15:00 | Webex |
| 17 October 2023 | 09:30-15:00 | ECB Main Building |
| 5 December 2023 | 09:30-15:00 | Webex |