



## T2S CHANGE REVIEW GROUP

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### Outcome

## Meeting of the T2S Change Review Group (CRG)

3 July 2024 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, held remotely via Microsoft Teams.*

*The CRG members approved the agenda of the CRG Meeting on 3 July 2024.*

*The CRG took note of the updated status of the following change requests:*

- *The following CRs had been approved for implementation:*
  - *T2S-0772-SYS – “Export of T2S cash transactional data from the Data Warehouse to a Eurosystem’s monetary policy application”. The T2S Steering Level approved the implementation of CR-0772 with R2025.JUN on 2 July 2024.*
  - *T2S-0810-BFD – “T2S should verify whether the certificate used to sign NRO is linked to the user initiating the signature”. The T2S Steering Level approved the implementation of CR-0810 with R2025.JUN on 19 June 2024.*
  - *T2S-0814-SYS – “Internal operational monitoring tools enhancements”. The T2S Steering Level approved the implementation of CR-0814 with R2025.JUN on 19 June 2024.*
- *The following CRs were already authorised / under detailed assessment:*
  - *T2S-0821-SYS – “Display name of secured groups in CRDM screens for access right management”. The T2S Steering Level authorised CR-0821 on 19 June 2024, ranked #11/13. The PMG would be invited to request the detailed assessment in view of R2025.NOV.*
  - *T2S-0784-SYS – “Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model”. The CSG member who had raised an objection to the approval agreed to lift it and the CSG took note that a new detailed assessment would be needed. The PMG would be invited to request the detailed re-assessment in view of R2026.JUN.*

- T2S-0807-SYS – “Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator”. The PMG agreed to request the detailed re-assessment in view of R2026.JUN.
- T2S-0809-SYS – “Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024”. The PMG agreed to request the detailed re-assessment in view of R2026.JUN.
- The following CR was withdrawn:
  - T2S-0804-SYS – “T2S Billing – STSI enhancements from audit report”. The T2S Steering Level approved the removal of CR-804 from R2024.NOV.
  - T2S-0768-SYS – “ T2S message customization should be reduced for sese.024 messages”. The CRG initiator of CR-0768 mentioned that they withdraw the CR.
- Outcome of the CSG Meeting on 12 and 13 June 2024:
  - The MIB endorsed the updated ISO unfreeze strategy, which would upgrade to MR2020-2025 with R2026.JUN and in case MR2025 could not be implemented with R2026.JUN, it would be implemented, together with MR2026, with R2026.NOV.

## 2. Outcome of previous meetings

### Background documentation

- Outcome of the CRG meeting on 29 May 2024

### **Outcome**

#### **Outcome of the CRG meeting on 29 May 2024**

The CRG members approved the outcome of the CRG meeting on 29 May 2024.

The CRG agreed to use neutral wording, e.g. “one CRG member”, for minuting opinions shared by the institutions in the CRG Meetings.

### **Follow-up actions**

- ECB team to publish on the ECB Webpage the outcome of the CRG meeting on 29 May 2024. [17 July 2024]

## 3. T2S Strategic Evolution

### Background documentation:

- Outcome of Prioritisation exercise
- Debriefing from OMG Meeting

### **Outcome**

#### **Outcome of Prioritisation exercise**

The CRG was presented with the outcome of the T2S Strategic Evolution proposals. The CRG took note that Proposal 1.12 [SETT] “RTS improvements: partial settlement – messaging” and Proposal 1.15 [SETT] “SoD improvements” have received the highest rankings. Both proposals were highlighted for their potential to support the work of the upcoming T+1 workstream. One CRG member mentioned that the benefit for T+1 should be analysed further by the T+1 TF and not as separate proposals.

The ECB noted that some of the proposals with high criticality for the 4CB have received low rankings, E.g. proposals 1.7, 1.11, 1.16, 1.19, 1.20. Specifically, for Proposal 1.16 [LCMM/SETT interface] “Internal messages”, the 4CB was asked to elaborate further on the expected technical and functional benefits. It was clarified that this proposal could prevent communication from being sent to LCMM when the recycling status/failure reason remains unchanged. From a technical perspective, this would translate in a decrease of a large number of messages and benefit T2S capacity to support the increased volumes expected with upcoming market evolutions. From a functional perspective, this would allow for aligning the way a failing status would be reported in the GUI and A2A.

The CRG requested an update to the presentation provided for Proposal 1.16 for the next CRG meeting, including a clarification on the specific conditions under which the timestamp on the GUI would not be refreshed with the last failing settlement attempt. One CRG member pointed out that although updates for the last settlement attempt may be reduced, they should still be reported at least once per business day (i.e. if a transaction is failing for 5 consecutive days, the GUI should display the timestamp of the related settlement attempt for the last business day). Regarding Proposal 1.5 [CRDM] “Implementation of a new entity “Error Code” also with low ranking, one CRG member remarked that there should not be any SDD changes or business rule updates in the productive software between releases. The business rules should be available for download from a single place, even if 4CB includes it additionally in the GUIs.

For proposals containing references to the GUIs, such as proposals 1.16 and 1.5, the CRG requested further clarification on whether there is a new additional operational effort, and if additional efforts are confirmed, such proposals should be reconsidered.

One CRG member mentioned for Proposal 1.7 [LCMM] “Reduction of business validations” that the main issue that those validations rules create right now are cancellations of pending instructions in case of change of reference data, e.g. change of default DCA for a given SAC. Those cancelled instruction need to be reinstructed again, and this is cumbersome for affected T2S Actors and their counterparties, thus creating significant operational effort.

Simplification on such validation rules would streamline the processing of such reference data changes significantly, in addition to the envisage positive impact on T2S performance. The CRG agreed to move ahead with this proposal and review the first draft of the new CR once it was made available. The ECB noted that 1.13 [SETT] “RTS improvements: partial settlement – CPU” had already been discussed and considered for implementation in a previous OMG meeting. A trial was planned in production to delay the optimization process at the start of the first partial settlement window. Considering that there are no expected functional impacts, the CRG agreed to stop discussions on this proposal and transfer it to the OMG, i.e. similarly to proposals 1.1, 1.3 and 1.6, as reported in the outcome of the previous CRG meeting.

As a way forward, the CRG requested a dedicated workshop to discuss the benefits and impacts of the highest ranked proposals as well as proposal 1.16 given its criticality for 4CB. The CRG targeted the last week of August 2024 for this workshop. Ahead of the workshop, the CRG requested the 4CB to prepare a package per highly ranked proposal, including its business ranking, a description of the changes, the benefits expected, the impacts on the market, the comments received from CRG members and their clarifications.

#### **Follow-up actions**

- The 4CB to provide an update to the presentation on Proposal 1.16 [LCMM/SETT interface], including clarification on the conditions for when the timestamp on the GUI would not be refreshed with the last failing settlement attempt. [3 September 2024]
- The 4CB to provide an update to the presentation on Proposal 1.5 [CRDM] and Proposal 1.16 [LCMM/SETT interface], including clarification on the operational effort expected in the TARGET Services GUIs. [3 September 2024]

- *The Eurosystem to provide a package per highly ranked proposal, including proposal 1.16. The package should contain the proposal's business ranking, a description of the changes, the benefits expected, the impacts on the market, the comments received from CRG members and their clarifications.*
- *The ECB to organise a follow-up workshop on the T2S Strategic Evolution in the last week of August, to further elaborate on the benefits and impacts of the highest ranked proposals with a view to define the way forward. [end of August 2024]*
- *Clearstream to draft a new change request to cover the proposal 1.7 [LCMM] "Reduction of business validations" and present it in the next CRG meeting. <sup>1</sup> [3 September 2024]*

## **Outcome**

### **Debriefing from OMG Meeting**

The CRG took note of the OMG discussion on the following proposals:

- *Proposal 1.1 [ALL] Stress testing to find T2S volumetric limits: the 4CB had been requested to start come up with a proposed migration strategy and plan.*
- *Proposal 1.3 [CRDM] Usage of Object Privilege Extension and maintenance of User Defined Roles: the 4CB and Euronext Securities Milan OMG member would elaborate on a concrete proposal for the implementation of the change in Production.*
- *Proposal 1.6 [CRDM] Review of the ARM model: the OMG invited 4CB to draft a CR for discussion in the CRG. The CRG shall revert to the OMG subsequently.*

## **4. Analysis of change requests**

### **4.1 Change requests under implementation**

#### Background documentation

- T2S-0792-SYS 'T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes'
- T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links

#### **Outcome**

##### **T2S-0792-SYS 'T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes'**

*The CRG members took note of the 4CB explanation that all possible values only in the category ED\*X and not in all ED categories would be decommissioned with the implementation of CR-0792, which had been clarified in the CR.*

*The 4CB would further investigate whether the category ED could be removed from the list of decommissioned codes and the CRG would review the feedback via a written procedure.*

#### **Follow-up actions**

- *4CB to provide an additional clarification on the decommissioning of the category ED within the implementation of CR-0792 and the CRG to review the feedback via a written procedure. [1 August 2024]*

#### **Outcome**

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

*The CRG took note of the editorial proposals by two CRG members to CR-0797, as well as to the Annexes (updates to UDFS, CRDM, GFS), which had been forwarded for the 4CB to include in an updated version.*

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<sup>1</sup> *After the CRG meeting, a new draft CR was registered as T2S-0835-SYS and will be presented in the next meeting.*

The CRG members acknowledged the planned delivery date to be end of July 2024 provided by the 4CB during the summer period and that a CRG approval of the updates would follow afterwards in the CRG Meeting on 3 September 2024.

**Follow-up actions:**

- CRG Secretariat to launch a written procedure for the review of the editorial updates to CR-0797 after the 4CB provision of the updated version. [10 August 2024]

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

Background documentation

- T2S-0823-SYS Add Partial release new reason code “PREL” in sese.024 and semt.018.
- T2S-0824-SYS Add Market Infrastructure Transaction Identification of Counterparty Reference.
- T2S-0825-SYS Uprunning and formatting of Collateral References.
- T2S-0826-SYS T2S should use Pending Processing status to report hold on unmatched instructions.

**Outcome**

**T2S-0823-SYS Add Partial release new reason code “PREL” in sese.024 and semt.018**

**T2S-0824-SYS Add Market Infrastructure Transaction Identification of Counterparty Reference**

The CRG members took note of the ongoing CRG written procedure for recommendation to the PMG of the implementation of CR-0823 and CR-0824 within R2026.JUN until 3 July 2024. It was acknowledged that the objections to this recommendation raised by one CRG member had been lifted once 4CB had clarified the main cost drivers of these changes. In this context, the CRG agreed to request that the detailed assessment should state that synergies between the implementation of difference CRs for the same release, had been identified.

**Outcome**

**T2S-0825-SYS Uprunning and formatting of Collateral References**

The CRG took note that the delivery of the detailed assessment of CR-0825 had been delayed and that the new delivery date would be provided in the week 8-12 July 2024.

**Follow-up actions:**

- CRG Secretariat to launch a written procedure for the recommendation to the PMG for implementation of CR-0825 after the delivery of the detailed assessment. [19 July 2024]

**Outcome**

**T2S-0826-SYS T2S should use Pending Processing status to report hold on unmatched instructions**

The CRG members took note of the discussion in the TFOS on the preferred way-forward to update the scope of CR-0826 and to unblock the detailed assessment. The preference was for Option 3 (raising a new ISO change request to change the sese.024 message) subject to the provision of 4CB statistics on the number of submitted unmatched instructions on a daily basis broken down by 1) unmatched released; 2) unmatched on-hold and 3) other cases.

The CRG took note that CR-0826 would remain on hold until the TFOS agreement on the preferred way forward in the next meeting in September 2024 and that it would not be detailed assessed together with CR-0809 (Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024).

**Follow-up actions:**

- *ECB team to debrief the CRG on the preferred solution to unblock the detailed assessment of CR-0826 and expected to be decided by the TFOS in the meeting in September 2024. [6 September 2024]*

**4.3 Change requests not yet authorised at T2S Steering Level****4.3.1 Change requests under preliminary assessment**Background documentation:

- CR-0793
  - T2S-0793-URD Introduce party type Ancillary System in T2S
  - CR-0793 – 4CB-preliminary assessment
- CR-0813
  - T2S-0813-SYS Cash Sweep for closed accounts with remaining Liquidity
  - CR-0813 – 4CB-preliminary assessment

**Outcome****T2S-0793-URD Introduce party type Ancillary System in T2S**

*The CRG took note that the 4CB had provided the second Preliminary Assessment of CR-0793 and that no impact on TIPS or ECMS or risks had been identified. However, the 4CB had indicated the following CRDM functionalities impacted by this CR that were also relevant for T2 (Cash Account, Party, User, Limit). The CRG acknowledged the need of T2 non-regression tests on these common functionalities. The 4CB deemed the financial impact of CR-0793 to be very high, as compared to high impact in the first preliminary assessment due to updates in the requirements and changes in the following modules (CRDM INTF, T2S INTF A2A/ U2A, DWH, Query Management).*

*The CRG members agreed to review the CR parameters, provide business values and assess the recommendation to the T2S Steering Level for the authorisation of CR-0793 via a written procedure.*

**Follow-up actions:**

- *The CRG secretariat to launch a written procedure to collect the business values of CR-0793, approve the CR parameters and recommend to the T2S Steering Level the authorisation of CR-0793. [10 July 2024]*

**Outcome****T2S-0813-SYS Mandatory Cash Sweep for closed cash accounts with remaining Liquidity at EOD**

*The CRG took note that the 4CB had provided the Preliminary Assessment of CR-0813 and that no impact on T2, TIPS or ECMS or risks had been identified. The 4CB deemed the financial impact of CR-0813 to be 'Medium'. The impacted modules were LQMG and SETT.*

*The CRG members agreed to review the CR parameters, provide business values and assess the recommendation to the T2S Steering Level for the authorisation of CR-0813 via a written procedure.*

**Follow-up actions:**

- *The CRG secretariat to launch a written procedure to collect the business values of CR-0813, approve the CR parameters and recommend to the T2S Steering Level the authorisation of CR-0813. [10 July 2024]*

### 4.3.2 Candidates for preliminary assessment / Newly raised CRs

#### Background documentation

- T2S-0828-URD T2S should no longer release cash restrictions related to COSD blocking at real-time closure.
- T2S-0829-SYS T2S Eligible Counterparty CSD Links should no longer be ISIN specific.
- T2S-0798-SYS T2S COSD logic should support partial release of instructions subject to COSD and partial COSD release.
- CR-831
  - T2S-0831-SYS T2S should enable PFOD as parameter for case 2 restrictions on securities.
- CR-0832
  - T2S-0832-BFD Alignment of the T2S GUI screens to the TARGET Services Harmonised GUI Style v1.0
  - CR-0832 – Planning
  - T2S\_0832\_BFD\_Harmonised GUI Style Guide\_v1.0

#### **Outcome**

**T2S-0828-URD T2S should no longer release cash restrictions related to COSD blocking at real-time closure**  
 The CRG took note that several institutions provided feedback to the CRG written procedure on the scope extension of CR-0828.

The CRG took note that one member had questioned that in case the settlement restrictions were kept and not released at EOD phase, whether this blocked/reserved cash would be considered for minimum reserve requirements or reduce the recourse to marginal lending for the respective Payment Banks. The CRG took note of different views related to the potential extension of the scope to the non-CoSD restrictions. The CRG agreed that CR-0828 should be presented to the T2-Working Group in the next meeting to discuss potential monetary policy impacts. Afterwards, the CRG would assess whether the scope of CR-0828 would remain currency neutral or would be extended to non-EUR currencies (DKK) and/or non-CoSD restrictions. It was acknowledged that a potential T2 CR might be raised in case of an identified monetary policy impact.

#### **Follow-up actions:**

- The CRG secretary to present CR-0828 to the T2-Working Group in the next meeting so that an assessment can be performed on the potential monetary policy impact. After this, the CRG secretariat to debrief the CRG so that the scope can be closed. [18 September 2024]

#### **Outcome**

**T2S-0829-SYS T2S Eligible Counterparty CSD Links should no longer be ISIN specific**

The CRG took note that once CRG member had raised some questions that needed to be clarified before continuing with the next steps of CR-0829. It was acknowledged that once this question had been clarified, the CRG would be debriefed and a new written procedure would be launched for the preliminary assessment request.

#### **Follow-up actions:**

- The CRG secretariat to clarify a question raised by one member about CR-0829 and launch a written procedure for the CRG to assess the preliminary assessment request. [1 August 2024]

**Outcome****T2S-0798-SYS T2S COSD logic should support partial release of instructions subject to COSD and partial COSD release**

The CRG members took note of the updated version of CR-798 compared to the one presented in February 2024. It was acknowledged that the CR initiator had agreed to include some restrictions on the foreseen functionality in order to reduce the impact in T2S. Although there would be less flexibility, the change request would still fully meet the business requirement.

The CRG agreed to request the preliminary assessment of CR-798 and took note that this would take longer than the usual eight weeks due to the complexity of the requirement.

**Follow-up actions:**

- The 4CB to deliver the preliminary assessment of CR-0798. [early Q4 2024]

**Outcome****T2S-0831-SYS T2S should enable PFOD as parameter for case 2 restrictions on securities ECB presentation on CR-0831**

The CRG was presented with the new CR raised by Clearstream.

CR-831 foresees to add the 'Securities Movement type' as a new rule parameter for restriction case two rules for 'Securities'. With this functionality, it is foreseen that any Payment free of delivery (PfoD) related to a particular ISIN could be blocked for settlement, which is a functionality not currently available.

The CRG agreed to request the preliminary assessment of CR-831.

**Follow-up actions:**

- The 4CB to deliver the preliminary assessment of CR-0831. [15 September 2024]

**Outcome****T2S-0832-BFD Alignment of the T2S GUI screens to the TARGET Services Harmonised GUI Style v1.0  
CR-0832 – Planning  
T2S-0832-BFD – Harmonised GUI Style Guide\_v1.0**

The CRG members were presented with the newly raised CR-0832 following the delivery of the Harmonised Style Guide for Graphical User Interfaces (GUIs) across TARGET Services/Common Components. This change request foresaw to align the T2S GUI screens to the TARGET services harmonised GUI Style.

The CRG agreed to request the preliminary assessment of CR-0832, acknowledging that it would take for 4CB more than the usual eight weeks.

**Follow-up actions:**

- The 4CB to deliver the preliminary assessment of CR-0832. [Q4 2024]

**4.3.3 Change requests raised in other TARGET Services**

Background documentation: none

**4.4 Editorial CRs**

Background documentation:

- T2S-0833-SYS Multiplex editorial CR for R2024.NOV
- SDD review planning for R2024.NOV (table document)



- Planning for the SDD review for R2025.JUN and R2025.NOV

#### **Outcome**

##### **T2S-0833-SYS Multiplex editorial CR for R2024.NOV**

The CRG was presented with the editorial CR-0833 for R2024.NOV.

The CRG members took note that the CRG would be invited to authorise and approve the CR via a written procedure after the review on ECB side had been completed.

#### **Follow-up actions:**

- The CRG secretariat to launch a written procedure for the CRG to authorise and approve the editorial CR-0833. [5 July 2024]

#### **Outcome**

##### **SDD review planning for R2024.NOV**

The CRG members were reminded about the planning of R2024.NOV SDD review.

The CRG took note that the publication of the draft documentation to the ECB Website would be expected on 26 July 2024 with a market review from 29 July 2024 until 6 September 2024. The publication of the final documentation would be expected on 20 September 2024.

#### **Outcome**

##### **Planning for the SDD review for R2025.JUN and R2025.NOV**

The CRG took note that the proposed planning of the SDD review for R2025.JUN and R2025.NOV would be started later than usual due to the finalisation of the split book approach that started in 2022.

Regarding the planning of SDD for R2025.JUN, the expected delivery of non-binding XSD would be on 13 December 2024 and of binding XSD on 30 January 2025. The draft documentation would be published on the ECB Website on 4 February 2025 with market review until 24 February 2025. The publication of the final documentation would be expected on 13 March 2025. The drafting of the editorial change request for R2025.JUN would take place between 14 October 2024 and 12 December 2024 and would be delivered to the CRG directly afterwards.

With respect to the planning of SDD for R2025.NOV, the expected delivery of non-binding XSD would be on 13 June 2025 and of binding XSD on 31 July 2025. The draft documentation would be published on the ECB Website on 5 August 2025 with market review until 25 August 2025. The publication of the final documentation would be expected on 11 September 2025. The drafting of the editorial change request for R2025.JUN would take place between 28 April 2025 and 26 June 2025 and would be delivered to the CRG directly afterwards.

The CRG approve the proposal for the SDD review for R2025.JUN and R2025.NOV.

## **5. Clarification notes**

Background documentation: none

## **6. CRG action points**

Background documentation

- List of CRG Action Points

#### **Outcome**

##### **List of CRG Action Points**

The CRG took note that the list of action points would be provided via a written procedure for review.

**Follow-up actions:**

- *The CRG secretariat to launch a written procedure for the CRG to assess the proposed way forward for each of the CRG Action Points. [1 August 2024]*

**7. 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 2024 (to be confirmed at least 4 weeks in advance)

|                  |             |                   |
|------------------|-------------|-------------------|
| 3 September 2024 | 09:30-15:00 | Teams             |
| 16 October 2024  | 09:30-16:00 | ECB Main Building |
| 3 December 2024  | 09:30-15:00 | Teams             |
| 22 January 2025  | 09:30-15:00 | Teams             |
| 25 February 2025 | 09:30-15:00 | Teams             |
| 8 April 2025     | 09:30-15:00 | Teams             |
| 20 May 2025      | 09:30-15:00 | Teams             |
| 1 July 2025      | 09:30-15:00 | Teams             |
| 9 September 2025 | 09:30-15:00 | Teams             |
| 16 October 2025  | 09:30-16:00 | ECB Main Building |
| 2 December 2025  | 09:30-15:00 | Teams             |

**Outcome**

*The CRG members took note of the 2025 meeting dates<sup>2</sup>. These dates would be included in the agenda for the next CRG Meeting on 3 September 2024 and Outlook meeting invites would be sent soon.*

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<sup>2</sup> *The 2025 CRG meeting dates have already been included in this outcome.*