

1. General Information

CR Raised by: Process Efficiency Sub-Group **Institute:** ECB **Date Raised:** 16/07/09

Change Request Title: Validity of future-dated and back-dated instructions **CR Ref.:** T2S URD 0224

Change Request Classification: Clarification **Status:** Approved by the AG
(Typo, Consistency, Clarification, Substance)

Change Type: Modification, New Requirement **Requestor Category:** T2S Sub-Group
(New Requirement/Modification/Deletion) (User, ACB, ECB T2S Project Team)

Chapter Number/Annex Number: Chapter 5, Chapter 11 **Req No:** T2S.05.120, T2S.05.430, T2S.11.920, T2S.11.930

Priority (S,H,M,L): H **Proposed Implementation Date/Release:** Version 5.0

Description of Requested Change:

In June 2009, the T2S AG approved the proposal of the Subgroup on Process Efficiency (PESG) on future- and back-dated instructions. The PESG proposed that the period in the past prior to and in the future after which T2S is to reject a settlement instruction is to be configurable and common to all T2S Users. In light of the proposal, the PESG recommended to clarify that the last status change of a settlement instruction in processing unmatched back-dated instructions shall be understood as any change in the business status of the instruction (including generation of an instruction).

Reason for Change / Expected Benefits / Business Case:

The implementation of the proposal will bring additional system efficiency to T2S platform and will provide T2S Users with additional clarity over certain operational aspects of cross-CSD transactions.

Submitted Annexes / Related Documents:

Subgroup on Process Efficiency - Note on future-dated and back-dated instructions

T2S Advisory group - 5th meeting on 15-16 June 2009 (Point 5.4 SG on Process Efficiency - PESG)

<http://www.ecb.europa.eu/paym/t2s/progress/ag/html/mtg5.en.html>

Proposed wording for the Change Request:

The following changes are necessary in the T2S URD in order to address the PESG proposal.

A. Changes related to the configuration of time periods in the past prior to and in the future after which T2S shall reject a settlement instruction

1. Chapter 5.3.1 Validation of incoming settlement instructions

Intended settlement date check

Reference ID	T2S.05.120
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T2S shall check that the intended settlement date is a T2S settlement day for the settlement currency ~~(even in the past)~~ and that the intended settlement date falls into the time period in the past after which and in the future prior to T2S shall accept a settlement instruction.

2. New Chapter 11.16 Acceptable time deviation between the intended settlement date and the reception date of a settlement instruction in T2S

Time deviation between the intended settlement date and the reception date of a settlement instruction as T2S configuration parameter

Reference ID	<u>T2S.11.920</u>
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T2S shall support the configuration of one set of acceptable time deviation between the intended settlement date and the reception date of a settlement instruction in T2S for all T2S Actors for settlement instructions, which intended settlement date is

- in the past

- and in the future
from the reception date of the settlement instruction in T2S.
The acceptable time deviation may have no limitation.

Acceptable time deviation period

Reference ID	T2S.11.930
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The acceptable time deviation period between the intended settlement date in the past or in the future and the reception date of a settlement instruction in T2S shall be unlimited.

B. Changes related to the clarification of the last status change of an unmatched settlement instruction**1. Chapter 5.4.3 Cancellation of instructions****Cancellation of unmatched instructions**

Reference ID	T2S.05.430
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T2S shall cancel unmatched instructions on the latest date between either 20 working days after the intended settlement date or the date of the last status change in accordance with the ESSF/ECSDA recommendation. The last status change shall be any change in the business status of the instruction (including generation of an instruction). T2S shall inform the instructing party when T2S cancels unmatched instructions.

Outcome of meetings:

URM-SG meeting of 7 September 2009

Recommendation to the AG: Approval

* AG Meeting on 23 Sep 2009

Approval of SG recommendation