TARGET2-SECURITIES

General Information (Origin of Request)		
☒ User Requirements (URD)		
☐ Other User Functional or Technical Documentation (SYS)		
Request raised by: Message Standardisation SG	**Institute:** ECB	**Date raised:** 20/01/2011
Request title: Unmatched status pushed after first unsuccessful matching attempt		**Request ref. no:** T2S 0276 URD
Request type: Common	**Requestor Category:** T2S Sub-Group	
Status: Rejected by the AG	**Request Classification:** Modification	
Criticality (S,H,M,L): H	**Cost/Resource impact Indicator (+/-H, +/-M, +/-L)** *TBD*	
Business risk indicator (H, M, L): *TBD*	**Technical risk indicator (H, M, L):** *TBD*	

Reason for change / expected benefits / business case:

The majority of the members of the Message Standardisation SG considers that T2S should follow current market practice of reporting the first unsuccessful matching attempt even though T2S sets the Match status 'unmatched 'of the Settlement instruction after its validation and there is not disruption in T2S between the successful validation and the first matching attempt.

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Description of Request:

Upon validation and after a first matching attempt, T2S should communicate whether the unmatched settlement instruction is or remain unmatched. This reporting will be based on the addition of a new T2S reason codes to the Match status called Matching not attempted and Awaiting Confirmation (i.e. Awaiting confirmation from the counterparty.)

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Proposed wording for the URD Change request:

Proposed Implementation Release: URD version 5.01

1. The UR T2S.05.520 (Match status) has to be modified as follows:

Match status

Reference ID	T2S.05.520

T2S shall assign the settlement instruction the match status "matched" when T2S successfully accepts (creates) an already matched settlement instruction. T2S shall assign the settlement instruction the match status "unmatched" <u>with the reason code "matching not attempted"</u> when T2S successfully accepts (creates) an unmatched settlement instruction. <u>T2S shall assign the reason code 'Awaiting confirmation from the counterparty' after the first unsuccessful matching attempt if any</u>. T2S shall assign an unmatched instruction the match status "matched" after T2S matches it successfully.

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Submitted annexes / related documents:

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High level description of Impact:

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Outcome/Decisions:

* SGMS Meeting on 20 January 2011

Recommendation to the AG: Approval

* AG Meeting on 7 March 2011

AG took note of the SG recommendation

* URM SG Telco on 26 May 2011

Recommendation to hold request for change and be considered potentially in a later release of T2S

* AG meeting on 30 June-1 July 2011

Rejection of request for changes

* PB meeting on 7-8 July 2011

Rejection of request for changes