

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD)		
<input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Euroclear	Institute: CSD	Date raised: 09/02/2017
Request title: Partial release functionality		Request ref. no: T2S-0653-URD
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: High	2. Market implementation efforts parameter: High	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: Very High	
Requestor Category: CSD	Status: Allocated to a release	

Reason for change and expected benefits/business motivation:

The hold/release functionality of T2S is used by CSD participants who manage an omnibus account gathering the holdings of several clients; it allows them to ensure that a transaction will go for settlement only once they have checked that the underlying client has the provision and to avoid using the assets of other clients. It happens that the underlying client has part of the required securities provision. However, when a settlement instruction is on hold, it cannot benefit from automatic partial settlement. If a CSD participant knows that its client has part of the provision and thus its transaction could settle partially, he has to agree with its counterpart to cancel the transaction and create two new instructions, one released and another one still on hold. This is a very complex process. So most often CSD participants leave the whole transaction on hold, which penalises the overall T2S settlement efficiency.

The aim of the CR is to create a functionality of 'partial release' which would allow CSD participants to release a transaction for part of the quantity. The proposed functionality is limited to the delivery side.

They are several benefits expected:

- Better settlement efficiency on T2S, as many instructions that remain unsettled today can settle partially in the future
- Compliance with future CSDR settlement discipline rules: the CR will allow all clients to reduce the number and value of fails and reduce accordingly the potential penalties charged by CSDs
- Significant reduction of the operational workload for the participants who operate the partial release manually at present

While defining the method to use for partial release, one of the options considered is the splitting method: the participant sends an instruction to divide the initial instruction in two or more shapes. Once split, each shape is settling on a standalone basis, independently of the other(s). This option has been excluded for the main following reasons:

- o it would require high adaptation efforts for all CSD participants, even the ones not being at the origin of the splitting requests
- o it would create severe reconciliation issues for both party and counterparty in order to reconstitute the original instruction.
- o From an operational perspective, it can be used
 - only if the requestor has a POA on its counterparties which limits the usage on a few actors (e.g. CCP)
 - Or alternatively it would require the introduction of a new matching function to ensure that both counterparties agree on the splitting details and related impacts (e.g. new messages and new lifecycle)

Description of requested change:

- **Partial release method:** the CSD participant amends the original instruction to specify the quantity to be released. The original instruction remains entire and follows a process very similar to the current T2S partialing for which all actors are familiar. The benefit of this method is that it requires much less adaptation effort for all the market, and it is almost (if not fully) transparent to the counterparty. So this solution has been preferred.

Service description

Partial release is offered only for delivery of securities (DVP, FOP, DWP). It is not envisaged to implement partial release functionality for the cash side (RvP instruction). It can only be done for the release side (ie no 'partial hold' is required).

To make a partial release, the CSD participant sends a release request by specifying the quantity to be released (provided via field 'Quantity' in the 'Additional Information' block), in A2A or U2A mode. No action is required on counterparty side.

The Partial release will be accepted if the following conditions are fulfilled:

- Underlying SI exists
- Quantity must be lower than the original quantity of the SI (Current BR MVRI565 need to be amended to allow informing quantity lower than the original quantity)¹
- Quantity to be released shall comply with SUM check
- The number of decimals of the Settlement Quantity of a Party Release Instruction must be equal or lower to the number of decimals of the number of decimals of the Settlement Multiple of the related security
- The Settlement Quantity stated in the Party Release Instruction must be expressed using the same Settlement Type specified in T2S Reference Data.
- Underlying SI is not an internally generated instruction
- Underlying SI is delivering securities
- The ISD of the underlying settlement instruction has been reached (i.e. a partial release request can only be submitted from SoD on ISD at 18:45)
-

Otherwise the partial release will be rejected.

The Partial release will be executed if:

- Underlying SI is not awaiting approval / revoked
- Underlying SI is matched
- Quantity complies with partial settlement rules regarding MSU, SUM and cash threshold
- Underlying SI is not settled / cancelled
- Underlying Settlement SI is not identified with CoSD Flag
- Underlying SI is on Party Hold
- No other hold must apply to the transaction (party and counterparty)
- None of the related realignment SI is on Hold
- Underlying SI and counterpart must allow partial settlement
- Underlying and/or counterpart SI is not involved in any pool or any business link
- Underlying SI and counterpart have not reached their cut-off time

Otherwise the partial release will be denied.

The partial release is executed when all the above conditions are met, and the status 'completed' will be sent once the partial release has been accepted by the T2S platform, regardless if partial settlement has taken place.

For each rejection or denial case, T2S will provide a dedicated error code with a corresponding error text describing the reason.

¹ Like today, if there is no quantity mentioned or if a quantity greater than or equal to the remaining quantity is mentioned, T2S considers this as a 'standard' release for the whole quantity

Additionally, the "partial release" process will be automatically cancelled and the underlying settlement instruction set back on party hold in the following situations:

- Any new holds apply to the underlying or the counterpart instruction or
- Partial Settlement Indicator of underlying or counterpart instructions is set to "NPAR", or
- Business link added through an amendment or a non-reciprocal link, or
- "Partial release" process has not fully settled the released quantity by the relevant cut-off time.
- Partial Settlement Indicator of underlying or counterpart instructions leads to apply the cash threshold and the released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.
- A standard release over the underlying settlement instruction is received
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Therefore a new process will be implemented in T2S in order to end the partial release process in the above situations and update the settlement reason code back to PREA/PRCY. T2S will also provide dedicated error code describing that the hold status was re-assigned by T2S due to the cancellation of the partial release process for one of the reasons listed above.

Once executed, the partial release process will only have a lifecycle on a single business day. In case the partially released quantity has not been completely settled by the end of the relevant cut-off time during the RTS closure period the process will be automatically cancelled by T2S.

In order to 'cancel' a partial release process, the CSD participant will put on hold the transaction.

In order to 'amend' a partial release process (ie increase or decrease the quantity while the released quantity is not settled yet), the CSD participants will first put on hold the transaction to cancel the existing partial release process and input a new partial release request with the new quantity.

Once the partial release has been executed by T2S platform:

- the status 'completed' (sese.031) is sent to the requestor (regardless if partial settlement takes place).
- the following settlement status reporting (sese.024) is provided to the underlying Settlement Instruction:
 - o with the pending reason code FUTU;
 - o Party Hold status of the underlying SI remains active (PTYH);
 - o with additional information to be added in the Supplementary Data block that pre-advises that a partial release has been executed, with the following structure
 - Partially released quantity
 - Quantity
 - UNIT
 - FAMT
 - Quantity remaining on hold
 - Quantity
 - UNIT
 - FAMT
- o
- Additionally the counterpart of the underlying settlement instruction will receive a settlement status reporting (sese.024) including:
 - o with the pending reason code FUTU;
 - o with additional information to be added in the Supplementary Data block that pre-advises that a partial release has been executed, with the following structure
 - Partially released quantity
 - Quantity
 - UNIT
 - FAMT
 - Quantity remaining on hold
 - Quantity
 - UNIT
 - FAMT
- o

The execution or the cancellation of the partial release process will be stored as part of the Audit trail of the underlying Settlement Instruction.

Once the transaction becomes eligible for settlement, the whole transaction is presented to settlement (and potentially recycling) for the duration of the next partial window.

- A) if the available provision is equal or higher than the released quantity, T2S only settles up to the released quantity and updates the pending instruction with the remaining quantity (original MITI reference); The unsettled part is set back on hold by T2S.
- B) If the available provision is lower than the released quantity or is nil, or if the cash provision of the counterparty does not allow for the settlement of the full released quantity, T2S will settle in accordance with the available resources. The whole unsettled part will be recycled for the next partial window, with the relevant pending status and reason code (LACK, CMON, etc.). The remaining released quantity is also reported in the message. Once the remaining released quantity is fully settled, the unsettled part is reset on hold (same as A).

For the transaction put back on hold once the partial release process has been successfully fully executed, T2S generates the standard reporting, i.e. a settlement status message sese.024 PEND with reason code

- 'Your instruction on Hold' (PREA) for the Party,
- 'Counterparty instruction on Hold' (PRCY) for the Counterparty,
- T2S will also provide a dedicated error code with a corresponding text to specify that the hold status was generated by T2S, following the settlement of a partially released transaction.

After settlement, no status update is sent in relation to the original partial release request.

The delivering party can further release partially the transaction set on hold by T2S, as long as the request complies with the eligibility checks described here above. Both initial and further partial release requests must be submitted and will be considered by T2S based on the **remaining** quantity to settle at the time of request.

Once a transaction has been partially settled, it follows exactly the same rules as for the standard partial settlement, be it in the references management or lifecycle and for the reporting aspects.

Changes required the T2S GUI:

- allow the input of the quantity when sending a release transaction in the Hold/Release – New screen
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No changes are requested on other messages, queries, reports or T2S GUI screens in addition to the ones described above.

Submitted annexes / related documents:

Proposed wording for the Change request:

URD Updates:

5.4.1 Hold and release mechanisms

Hold and release mechanisms allow CSD participants and CSDs to hold back or release instructions for settlement. They allow CSD participants to match and confirm the settlement terms of any transaction without initiating actual settlement. T2S actors may send maintenance instructions to hold and release as many times as required.

CSD participants may use the release mechanism to release settlement instructions fully or partially (i.e. release of an instruction by a securities position lower than the remaining-to-be settled securities quantity).

(...)

Partial release mechanism

Reference ID	T2S.05.355
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T2S shall allow CSD participants to partially release their matched delivery settlement instructions with a securities quantity higher than zero.

The settlement instructions to be released should allow partial settlement and should not be linked or have not been

part of a conditional securities delivery. Besides, it should be on hold following the request from a CSD participant and no other hold types apply.

CSD participants shall indicate the quantity to be released, which should be lower than the remaining-to-be settled securities quantity and in compliance with the minimum/multiple/deviating settlement unit check.

CSD participants may initiate the partial release on or after their intended settlement date. A partial release is only valid from the start of day period until the relevant end-of day cut-off of the settlement instruction. Once the cut-off is reached, the partially released settlement instruction is automatically set back on hold fully.

GFS Updates:

2.3.3 Lifecycle Management and Matching

2.3.3.3 Instruction Maintenance

The Instruction Maintenance module handles maintenance instructions that:

- | Cancel, hold, release or partially release a Settlement Instruction and amend its process indicator;
- | Cancel, hold or release Settlement Restriction;
- | Release or cancel a Settlement Instruction for Conditional Securities Delivery purpose.

This module is also in charge of the cancellation of unmatched Settlement Instructions that remain as such after a standard period beyond their Intended settlement date, or the date of their last status value change, and also those instructions which have reached the end of their recycling period. The module forwards all instruction status values updates to the Status Management Module.

3.4 Lifecycle Management and Matching

3.4.1 General Introduction

The *Instruction Maintenance* module handles maintenance instructions that:

- | Cancel, hold, release or partially release a *Settlement Instruction* or amend its process indicator;
- | Cancel or release a *Settlement Restriction* or amend its process indicator;
- | Release or cancel a *Settlement Instruction* for Conditional Securities Delivery purpose.

3.4.2 Dynamic data managed by the domain

3.4.2.6 Description of the data related to Condition Modification Instruction (Hold/Release and Amendment Instruction)

Hold/Release Instruction

This entity includes the information of a single maintenance request sent to hold, release or partially release an existing *Settlement Instruction* or to release a *Settlement Restriction*.

The *Hold/Release Instruction* entity inherits the attributes from the generalisation of *Condition Modification Instruction*.

Each *Hold/Release Instruction* is linked to the *Settlement Instruction* it is trying to hold release or partially release or the *Settlement Restriction* it is trying to release.

When the *Hold/Release Instruction* has Hold Status Type "CoSD", it is linked to the applicable *CoSD Rule* as well.

3.4.3 Instruction Validation

3.4.3.3 Description of the functions of the module

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3 – LCMM Instruction Validation

Instructing Party Validation

<i>Reference Id</i>	LCMM.IVA.SMIV.3.10
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T2S considers as *Instructing Party* the party specified in the Originator of the message field of the *Inbound LCMM Message*. If the originator of the message is not specified, T2S considers as *Instructing Party* the sender of the message.

The *Instructing Party* of the *Inbound LCMM Message* or of the *LCMM Instruction* is checked as follows:

- | The *Instructing Party* exists in T2S Static Data and the Intended Settlement Date is between its Opening Date and Closing Date;
- | The *Instructing Party* is authorised to use the *Securities Account* according to the privileges defined in T2S Static Data **{T2S.05.040} {T2S.05.050}**;
- | The *Instructing Party* is authorised to use the counterparty's *Securities Account* in case of "Already Matched" instruction according to the privileges defined in T2S Static Data **{T2S.05.040}**.
- | If the T2S System User does not belong to the *Instructing Party* of the *Inbound LCMM Message* or of the *LCMM Instruction*, then the T2S System User must be authorised to use this *Instructing Party* (i.e. to instruct on behalf of the *Instructing Party*).

In case the *Inbound LCMM Message* or the *LCMM Instruction* relates to a maintenance instruction, the following checks are performed **{T2S.05.220}**:

- | *Instructing Party* is allowed to hold, release, amend and cancel instructions **{T2S.05.310} {T2S.05.220}**. In case of an "Already Matched" *Cancellation Instruction*, the *Instructing Party* is authorised to cancel both referenced *Settlement Instructions*;
- | CSD participants do not attempt to hold, release, partially release, amend or cancel CSD *Settlement Instructions* identified by CSDs as non-modifiable by other CSD participants **{T2S.05.300}**.

Referenced LCMM Instruction Validation

<i>Reference Id</i>	LCMM.IVA.SMIV.3.13
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When sending a maintenance instruction, T2S Actors can make use of either the *Instructing Party Reference* with the T2S Actor Instruction Reference or the related T2S Instruction Reference (i.e. T2S internal reference assigned to the *Settlement Instruction* or *Settlement Restriction* by T2S) of the impacted *Settlement Instruction* or *Settlement Restriction*. The following checks are performed:

- | The T2S Actor Instruction Reference for the corresponding *Instructing Party* or the T2S Instruction Reference refers to a *Settlement Instruction* or *Settlement Restriction* that exists in T2S **{T2S.05.210}**;

- | The information contained in the maintenance instruction related to the referenced *LCMM Instruction* is consistent with the latter (e.g.: *Instruction Type* of the referenced *LCMM Instruction*).

In the specific case of a *Release Instruction* that intends to Partially Release a *Settlement Instruction* the following checks are performed:

- | The Settlement Quantity indicated in a Party Release Instruction must be higher than zero and equal to or lower than the Settlement Quantity stated in the referenced Settlement Instruction
- | The Settlement Quantity indicated in a Party Release Instruction must be a multiple of the Settlement Unit Multiple.
- | The number of decimals of the Settlement Quantity of a Party Release Instruction must be equal or lower to the number of decimals of the number of decimals of the Settlement Multiple of the related security
- | The Settlement Quantity stated in the Party Release Instruction must be expressed using the same Settlement Type specified in T2S Reference Data.
- | The Intended Settlement Day of the referenced Settlement Instruction must have been reached.
- | The Securities Movement type of Referenced Settlement Instruction must be 'DELI'
- | The referenced Settlement Instruction of a Party Release instruction must not be a T2S generated Settlement Instruction.

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Condition Modification Validation

Reference Id

LCMM.IVA.SMIV.3.14

When receiving an *Inbound LCMM Message* conveying a *Condition Modification Instruction* for hold, release, partially release or amendment purposes, the process performs the following checks:

- | The *Inbound LCMM Message* aims at modifying only one *LCMM Instruction*. Nevertheless, when the referenced instruction is an already matched *Settlement Instruction* received through one single *Inbound LCMM Message*, both *Settlement Instructions* can be modified by a single *Inbound LCMM Message*;
- | One *Inbound LCMM Message* only modifies one single processing indicator (i.e. Partial Settlement Indicator, Settlement Priority and linkages) or the Hold/Release Status **{T2S.05.390}**;
- | The *Inbound LCMM Message* does not modify a processing indicator (i.e. Partial Settlement Indicator, Settlement Priority and linkages) of a T2S generated realignment *Settlement Instruction*.
- | The *Inbound LCMM Message* does not modify the Partial Settlement Indicator of a Settlement Restriction.

3.4.4 Instruction Maintenance

3.4.4.2 Description of the module

The *Instruction Maintenance* module processes maintenance instructions, classified in the following types:

- | *Amendment Instruction*: maintenance instructions intended to change the process indicators of a *Settlement Instruction*;

- | *Cancellation Instruction*: maintenance instructions intended to trigger the cancellation of a *Settlement Instruction* or a *Settlement Restriction*. *Cancellation Instructions* also include those sent by *Administering Parties* with the purpose of cancelling *Settlement Instructions* identified as CoSD (*CoSD Cancellation Instructions*);
- | *Hold / Release Instruction*: maintenance instructions intended to hold, release or partially release *Settlement Instructions*. *Hold / Release Instructions* also include those sent by *Administering Parties* with the purpose of releasing *Settlement Instructions* identified as CoSD (*CoSD Release Instructions*).

3.4.4.3 Description of the functions of the module

5 – Instruction Hold/Release

Introduction

Reference Id	LCMM.IMA.HRM.1.1
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The purpose of the Instruction Hold/Release function is to process *Hold or Release Instructions* from T2S Actors **{T2S.05.350}**.

The *Instruction Hold/Release* function allows putting on hold or releasing *Settlement Instructions* until their actual settlement or cancellation occurs, even beyond their Intended Settlement Date **{T2S.05.370}**. Under specific conditions, this function also allows to partially release a Settlement Instruction.

The function supports putting On Hold as well as releasing “*Partially Settled*” *Settlement Instructions* **{T2S.05.350}** .

The function processes *Hold/Release Instructions* related to the Party Hold Status or CSD Hold Status of *Settlement Instructions* and release Instructions related to the Party Hold Status that intend to partially release a Settlement Instruction **{T2S.05.360}**.

The function also processes release instructions related to the CSD Validation Hold Status of *Settlement Instructions* automatically put On Hold by T2S for additional validation of the relevant CSD **{T2S.05.127}**.

The function is divided in two sub-functions:

- | *Processing of Hold Instructions*;
- | *Processing of Release Instructions*

Processing of Release Instructions

Reference Id	LCMM.IMA.HRM.3.1
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This sub-function processes *Release Instructions* intended to release existing *Settlement Instructions* already put On Hold (Party Hold Status, CSD Hold Status or CSD Validation Hold Status), and Release Instructions that intend to Partially Release a Settlement Instruction already on Party Hold, by performing the following steps:

“Release Instructions to be Denied”

<i>Reference Id</i>	LCMM.IMA.HRM.3.2
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This step denies the execution of the *Release Instruction* when one of the following business rules is met:

BUSINESS RULES	RESULTING HOLD INSTRUCTION'S REASON CODE REFERENCE
The <u>Settlement Status</u> of the referenced <i>Settlement Instruction</i> or <i>Settlement Restriction</i> is "Settled".	"Referenced Settlement Instruction or Settlement Restriction already settled"
The <u>Cancellation Status</u> of the referenced <i>Settlement Instruction</i> or <i>Settlement Restriction</i> is "Cancelled".	"Referenced Settlement Instruction or Settlement Restriction already cancelled"
The <u>Approval Status</u> of the referenced <i>Settlement Instruction</i> or <i>Settlement Restriction</i> is "Awaiting Approval".	"Referenced Settlement Instruction or Settlement Restriction has not been approved yet"
The relevant hold status of the referenced <i>Settlement Instruction</i> (<u>Party Hold Status</u> , <u>CSD Hold Status</u> , or <u>CSD Validation Hold Status</u>) is already set to "No".	"Referenced Settlement Instruction or Settlement Restriction already released"
The <u>Approval Status</u> of the referenced <i>Settlement Instruction</i> is "Revoked".	"Referenced Settlement Instruction has been "Revoked"
The <u>Settlement Status</u> of the referenced <i>Settlement Instruction</i> or <i>Settlement Restriction</i> is "Settled".	"Referenced Settlement Instruction or Settlement Restriction already settled"

In the specific case of a *Release Instruction that intends to Partially Release a Settlement Instruction* (i.e. a *Release Instruction* informing a quantity lower than the original settlement quantity stated in the underlying *Settlement Instruction*), additionally to the business rules described above, this step denies the execution of the *Release Instruction* when one of the following business rules is met:

<u>BUSINESS RULES</u>	<u>RESULTING HOLD INSTRUCTION'S REASON CODE REFERENCE</u>
<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, neither the referenced Settlement Instruction must be partially released nor a pending Release Instruction of the same Hold type must be present in the system</u></p>	<p><u>The referenced Settlement Instruction is already partially released or there is a pending Release Instruction of the same Hold type in the system.</u></p>
<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the matching status of the referenced Settlement Instruction must not be 'Unmatched'</u></p>	<p><u>The referenced Settlement Instruction is unmatched</u></p>

<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no other holds must apply neither on the referenced Settlement Instruction nor on the counterpart</u>	<u>Other holds apply either on the referenced Settlement Instruction or on the counterpart.</u>
<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction and its counterpart must allow partial settlement</u>	<u>Either the referenced Settlement Instruction or its counterpart do not allow partial settlement.</u>
<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no settlement links must apply neither on the referenced Settlement Instruction nor on its counterpart</u>	<u>A settlement link applies either on the referenced Settlement Instruction or on its counterpart.</u>
<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no non-reciprocal links must apply neither on the referenced Settlement Instruction nor on its counterpart.</u>	<u>A non-reciprocal link applies either on the referenced Settlement Instruction or on its counterpart.</u>
<u>If the quantity present in a release instruction is lower than the settlement quantity stated in the referenced settlement instruction, it must comply with partial settlement rules.</u>	<u>Partial release instruction is denied because it does not comply with partial settlement rules.</u>
<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the related cut-off must not have been reached.</u>	<u>Partial release instruction is denied because the relevant cut-off has been reached.</u>
<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, none of the associated realignment Settlement Instruction must be subject to any hold</u>	<u>At least one associated realignment Settlement Instruction is on hold.</u>

If the execution of the *Release Instruction* is denied, the step sets the Cancellation Status of the *Release Instruction* to “*Denied*” with the relevant Reason Code Reference as stated in the table above and triggers the *Maintenance Status Management* function.

If the execution of the *Release Instruction* is not denied, the step triggers the “*Release Instruction to be Executed*” step.
“Release Instruction to be Executed”

<i>Reference Id</i>	LCMM.IMA.HRM.3.3
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The step executes the *Release Instruction* by:

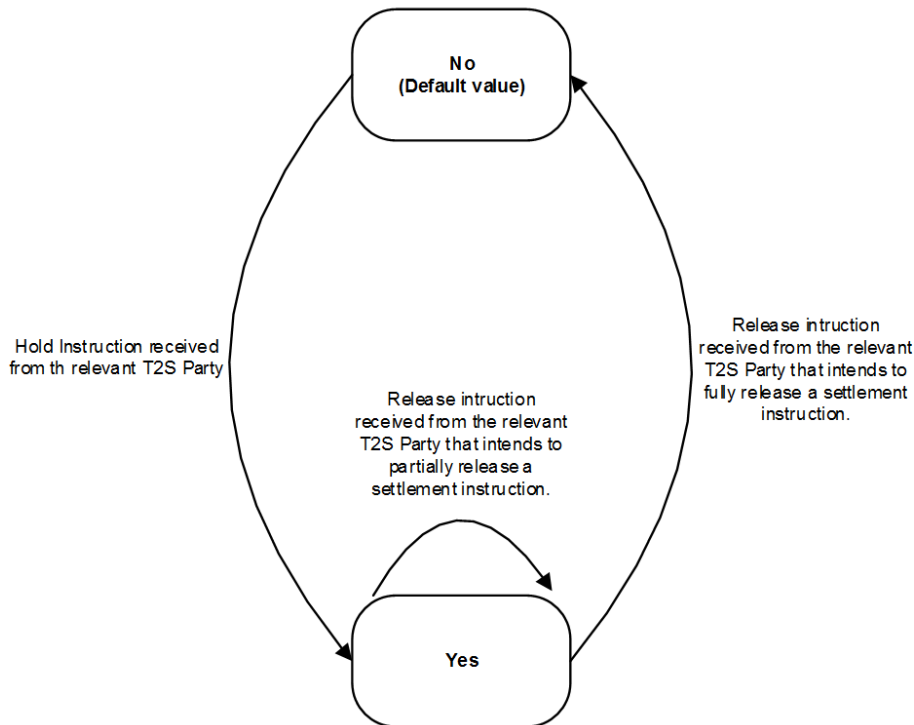
- | setting the Execution Status of the *Release Instruction* to “*Executed*”;
- | releasing the *Settlement Instruction* by setting its relevant Hold Status (Party Hold Status, CSD Hold Status, or CSD Validation Hold Status) to “*No*”. If a release instruction that intends to partially release a Settlement Instruction is executed, the Party Hold Status of the Settlement Instruction will remain as “Yes” during the partial release process and the Settlement Instruction will be partially released for the quantity stated in the release instruction.
- | If the Intended Settlement Date of the *Settlement Instruction* has been reached, performing the following additional activities in case there is no remaining Party Hold Status or CSD Hold Status or CSD Validation Hold Status on the *Settlement Instruction* and on the *Settlement Instruction* of the counterparty in case of *Settlement Instruction* with the Match Status “*Matched*”:
 - releasing the *Settlement Transaction*,
 - sending a *Transaction release* flow to the *Standardisation and Preparation to Settlement* module of the Settlement domain with the reference number of the *Settlement Transactions* released;
- | triggering the *Maintenance Status Management* function.

3.4.6 Status Management

3.4.6.2 Description of the module

Party Hold Status (Settlement Instruction):

Indicates if the *Settlement Instruction* is set On Hold or Released by the corresponding *Party*. Settlement Instructions with the Party Hold Status “Yes” are not submitted for settlement with the exception of those *Settlement Instructions* Partially Released which are submitted for partial settlement.



STATUS	DEFINITION	FROM MODULE (SET BY)	TO MODULE (USED BY)
No	<p>Default value.</p> <p>The relevant T2S Party has not instructed the Settlement Instruction On Hold.</p> <p>The relevant T2S Party releases the corresponding Settlement Instruction which was previously On Hold.</p>	IVA / IMA / VPB / NTS	IMA / IVA / SQRA / SPS / STM
Yes	<p>The relevant T2S Party has instructed the Settlement Instruction On Hold.</p> <p>When a Hold request on the Settlement Instruction, originated by the corresponding T2S Party, is</p>	IVA / IMA / VPB / NTS	IMA / IVA / SQRA / SPS / STM

STATUS	DEFINITION	FROM MODULE (SET BY)	TO MODULE (USED BY)
	<p>executed.</p> <p>The relevant T2S Actor instructs the Settlement Instruction and the "hold Release default" value of the Securities Account included in the Instruction is set to "Yes".</p> <p>When a Settlement Instruction is under a partial release process. The remaining quantity is still On Hold</p>		

Reason Codes

Release Instruction reason codes:

I Denied Status reason codes:

- Referenced Settlement Instruction / Settlement Restriction already settled
- Referenced Settlement Instruction / Settlement Restriction already cancelled
- Referenced Instruction CoSD On Hold
- CoSD Blocking of the referenced Settlement Instruction not settled yet
- Referenced Settlement Instruction CoSD rule already released
- Referenced Settlement Instruction / Settlement Restriction already Released
- Referenced Settlement Instruction / Settlement Restriction has not been approved yet
- Instruction under Four-Eyes principle cancelled due to revocation.

Additionally, if the release instruction intends to Partially Release a settlement instruction, the following Denied Status reason codes are applicable:

- The referenced Settlement Instruction is already partially released or there is a pending Release Instruction of the same Hold type in the system.
- The referenced Settlement Instruction is unmatched
- Other holds apply either on the referenced Settlement Instruction or on the counterpart.
- At least one associated realignment Settlement Instruction is on hold.
- Either the referenced Settlement Instruction or its counterpart do not allow partial settlement.
- A settlement link applies either on the referenced Settlement Instruction or on its counterpart.
- A non-reciprocal link applies either on the referenced Settlement Instruction or on its counterpart.
- Partial release instruction is denied because the quantity to be released does not comply with the Minimum Settlement Unit or with the Settlement Unit Multiple.

– Partial release instruction is denied because the relevant cut-off has been reached.

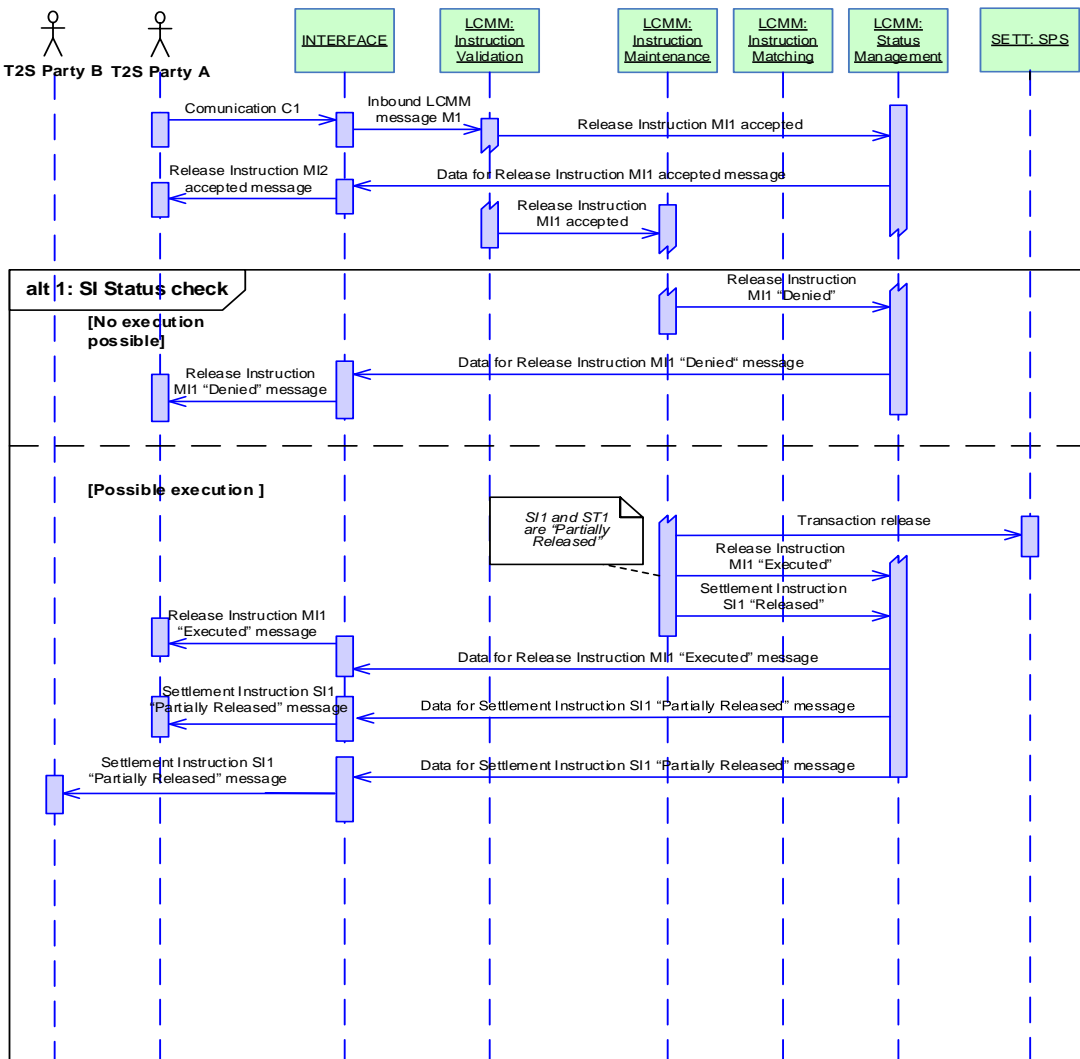
3.4.10 Processing of Maintenance Instructions Use Cases

3.4.10.3 Processing of UC-MI-2: Hold / Release Instruction

c) Release Instruction from a T2S Party to initiate a partial release process

“Release Instruction” refers to the entity *Hold/Release Instruction* of the data model, with Hold Indicator at “No”.

DIAGRAM 23 - RELEASE INSTRUCTION TO INITIATE A PARTIAL RELEASE PROCESS



Business assumption

This description relates to a *Communication C1* which contains a Release Instruction M11 communicated by a T2S Party A, requesting to partially release an already existing On Hold *Settlement Instruction SI1* (Intra-CSD instruction). The instruction is not submitted under Four-Eyes principle.

Processing

Once the format and syntax validations for *Communication C1* are successfully passed, the *Inbound LCMM Message M1* enters the *Instruction Validation* module which validates it. When it is successfully validated, the *Release*

Instruction MI1 is created, and the Status Management module is informed of the acceptance of Release Instruction MI1 to be reported to the T2S Party A, via the Interface domain (depending on the message subscription preferences of the Party).

The Release Instruction MI1 is then routed to the Instruction Maintenance module. This module performs the following checks in order to identify if the Release Instruction can be processed:

- | The Settlement Status of the referenced Settlement Instruction should not be "Settled".
- | The Cancellation Status of the referenced Settlement Instruction should not be "Cancelled".
- | The CoSD Hold Status of the referenced Settlement Instruction must be "No".
- | The Party Hold Status of the referenced Settlement Instructions should be "Yes".
- | The Approval Status of the referenced Settlement Instruction should not be "Awaiting Approval".
- | The referenced Settlement Instruction is not already partially released or there is no pending Release Instruction of the same Hold type in the system.
- | The referenced Settlement Instruction is matched
- | :
- | No other holds apply either on the referenced Settlement Instruction or on the counterpart.
- | None of the related realignment Settlement Instruction is on Hold
- | Both the referenced Settlement Instruction and its counterpart allow partial settlement.
- | No settlement link applies either on the referenced Settlement Instruction or on its counterpart.
- | No non-reciprocal link applies either on the referenced Settlement Instruction or on its counterpart.
- | The related cut-off is not reached
- | The released quantity complies with partial settlement rules

Alternative 1 – SI Status check: No execution possible e.g. the Settlement Instruction is already cancelled)

If the Settlement Instruction SI1 Cancellation Status value is "Cancelled", then the Partial Release Instruction cannot be executed and Settlement Instruction SI1 is not partially released.

- | The Cancellation Status of the Release Instruction MI1 is set to "Denied" with Reason Code Reference "Affected Settlement Instruction already cancelled".
- | The referenced Settlement Instruction SI1 is not modified;
- | Status Management module is informed on the status of the Release Instruction MI1 to be reported to T2S Party A, via the Interface domain, depending on its message subscription preferences.

Alternative 1 – SI Status check: Possible execution

The Settlement Instruction SI1 fulfils the conditions described above then the Release Instruction can be executed.

- | The Execution Status of the Release Instruction MI1 is set to "Executed".
- | The referenced Settlement Instruction SI1 and the Settlement Transaction ST1 remains on hold and only the quantity informed in the Release Instruction is released;

- | A Transaction Release flow is sent to the Standardisation and Preparation to Settlement module of the Settlement domain;

Status Management module is informed on the status of the Release Instruction MI1 and Settlement Instruction SI1 to be reported to the T2S Party A, via the Interface domain, depending on the Party's message subscription preferences. T2S Party B is also informed, via the Interface domain, that SI1 has been partially released.

3.5.2.3 Description of the data related to Settlement Transactions

Settlement Transaction lifecycle

...

In addition to these statuses, the Settlement Transactions can be set ² as:

- | Hold settlement transactions: which translates the fact that at least one of the "Hold" statuses (from T2S Party request, a CSD request or in case of detected CoSD) of the Settlement Instruction is set to "On hold";
- | Suspended Settlement Transactions; which are used in all other cases where the Settlement Transaction has to be excluded temporarily from the settlement processes (e.g. missing linked Settlement Transaction at the intended settlement date, cut-off reached).
- | Partially Released Settlement Transactions: which translates the fact that the Settlement Transaction may be eligible for settlement up to its Released quantity.

These statuses are only internal statuses managed within the Settlement domain.

3.5.5.2 Description of the module

6 – Transaction Maintenance

Introduction

Reference Id	SETT.SPS.IMA.1.1
--------------	------------------

This function handles the maintenance of settlement transactions. It allows amending, cancelling, holding, partially releasing and releasing settlement transactions.

In the case of a release, the function is triggered by the Transaction Release. Upon reception, the function analyses the request and applies the maintenance on the associated settlement transaction.

The cases of hold, amendment and cancellation are triggered within the Lifecycle Management and Matching domain only.

3.5.5.3 Description of the functions of the module

3 – Settlement Transaction Manager

Links

² The implementation phase shall identify the means to set *Settlement Transactions* as hold or suspended ones.

Reference Id	SETT.SPS.STM.4.3
--------------	------------------

The function also creates the settlement transaction's links. The Link Indicator attribute is stored with the value ("After", "Before" or "With") in the *Settlement Transaction Link* entity {T2S.05.147} {T2S.09.060} {T2S.09.070} {T2S.09.080} {T2S.09.090} {T2S.09.100} {T2S.09.110} {T2S.09.140} {T2S.09.150} {T2S.09.160} {T2S.09.290}.

When two matched *Settlement Instructions* have no link, no link is created either to the associated *Settlement Transaction*.

For any linked *Settlement Transactions*, the function also:

- | Creates the *Settlement Transaction LinkSet* which contains the Settlement Transaction Link references of *Settlement Transactions* to be settled together;
- | Verifies that all the *Settlement Transactions* linked by a link "With" to the underlying *Settlement Instruction* are created. Otherwise, the function updates the *Settlement Instruction* reason code to "Missing Linked Instruction";
- | Checks the following link consistency: a *Settlement Transaction* can be linked to a *Settlement Transaction* previously received unlinked. This can be done only if creating this link doesn't put the settlement engine in an inconsistent state. If possible, the existing *Settlement Transaction* is linked to the one just received with the reciprocal link type. Otherwise, the function rejects the underlying *Settlement Transaction* and updates the settlement reason code accordingly (e.g. "Linked instruction already settled"). Additionally, when the link creation was possible, any ongoing partial release is cancelled.

Final Checks

Introduction

Reference Id	SETT.SPS.STM.5.1
--------------	------------------

During the daytime, the function sends all the Settlement Transactions which are eligible to settlement to the Daytime Collection Generator function.

The Settlement Transactions not eligible for settlement are the following ones:

- | Transactions having a "Missing Linked Instruction"
- | Suspended transactions,
- | On hold transactions not under ongoing partial release process i.e. for which no partial release was requested or for which a partial release was either cancelled or successfully settled,
- | On hold transactions under ongoing partial release process when no partial settlement window is open (including sequence X).
- | PFOOD Transactions involving a matured Security whose instructing parties are not CSDs nor CCPs
- | DVP, FOP or DWP Transactions involving a matured Security whose instructing parties are not CSDs.

4 – Daytime Collection Generator

Collection definition/rules

Reference Id	SETT.SPS.DCG.2.1
--------------	------------------

A collection is composed of settlement transactions. On the basis of the links stored, the rules to create a collection are the following {T2S.05.147} {T2S.09.110} {T2S.09.070}:

- | Settlement transactions linked by a link "With" are grouped all together in the same collection;
- | A Settlement Transaction with no link or with a link "Before" or "After" is kept alone in the collection;
- | A Settlement Transaction under partial release can be included into a collection only if a Partial Settlement Window is open.

6 – Transaction Maintenance

Introduction

Reference Id	SETT.SPS.IMA.1.1
--------------	------------------

This function handles the maintenance of settlement transactions. It allows amending, cancelling, holding, partially releasing and releasing settlement transactions.

In the case of a release, the function is triggered by the Transaction Release. Upon reception, the function analyses the request and applies the maintenance on the associated settlement transaction.

In the case of a partial release, the function is triggered by the Transaction Partial Release. Upon reception, the function analyses the request and either denies the request or applies the maintenance on the associated settlement transaction.

The cases of hold, amendment and cancellation are triggered within the Lifecycle Management and Matching domain only.

Management of Release

Reference Id	SETT.SPS.IMA.2.1
--------------	------------------

In the case of a release instruction (including CoSD release instructions) which should result in the release of the associated settlement transaction, the function:

- | Receives the Transaction Release including the reference number of the Settlement Transaction to be released;
- | In case of a release applying on a CoSD on Hold, identifies all related Settlement Transactions that are to be released together;
- | In case of a release applying on a Settlement Transaction under ongoing Partial Release, cancels the ongoing
- | Partial Release;
- | Sends the information to the Settlement Transaction Manager function.

Management of Hold, Amendment and Cancellation

Reference Id	SETT.SPS.IMA.3.1
--------------	------------------

The function allows either holding, amending or cancelling the settlement transaction, ~~and~~ updating the Settlement Transaction Status and cancelling the ongoing partial release of the settlement transaction if relevant:

- | In the case of a hold, the function holds the settlement transaction; the Settlement Transaction Status is not updated and any ongoing partial release of the settlement transaction is cancelled;
- | In the case of amendment or cancellation, the function updates the relevant attributes of the settlement transactions, concerning either the settlement transaction's status, priority, partial settlement and/or links information.
- | In the case of amendment concerning links, any ongoing partial release of the settlement transaction is cancelled
- | In the case of amendment concerning partial, rendering the settlement transaction not allowed to partial settlement anymore, any ongoing partial release of the settlement transaction is cancelled
- | In the case of amendment concerning partial, rendering the settlement transaction submitted to cash threshold, if the remaining released quantity is not sufficient regarding the cash threshold, any ongoing partial release of the settlement transaction is cancelled

In those two cases, this function is triggered only within the Lifecycle Management and Matching domain in a synchronous manner.

Management of Partial Release

Reference Id	SETT.SPS.IMA.4.1
--------------	------------------

In the case of a partial release instruction which should result in the release of part of the quantity of the associated settlement transaction, the function:

- | Receives the Transaction Partial Release including the reference number of the Settlement Transaction to be partially released and the quantity to be released;
- | Checks if the partial release is applicable;

If partial release is not applicable, the partial release is denied.

.

In any case, Lifecycle Management and Matching domain is informed of the result of the checks.

7 – Cut-Off Processing

Specific events

Reference Id	SETT.SPS.COP.7.1
--------------	------------------

In case of exceptional circumstances, the Cut-Off Processing function handles dedicated cut-off events per currency, when CBs require the possibility to change the daily event scheduling deadline {T2S.03.303}.

Cancel uncompleted partial releases

Reference Id	SETT.SPS.COP.8.1
--------------	------------------

When a cut-off is reached, the Cut-Off Processing function cancels all the ongoing partial releases regarding the transactions submitted to this cut-off.

3.5.6.2 Description of the module

...

Management of the partial settlement (settlement instructions)

For collection coming from the Daytime Recycling and Optimisation module and containing only a single Settlement Transaction and the relevant potential realignment settlement transactions, if the collection cannot

be settled for the total quantity of securities, the Daytime Validation, Provisioning and Booking module

tries to settle partially, on the basis of the available resources, the Settlement Transaction of this collection.

This process of partial settlement applies only during a partial settlement window and after a negative answer

from Intraday Credit Provider functions. It is performed according to specific criteria such as the partial

settlement threshold as defined in the Daytime Recycling and Optimisation module.

For all other collections containing more than one settlement transaction, the partial settlement of a Settlement

Transaction is handled (and described) in the Daytime Recycling and Optimisation module since it applies

to unsettled Settlement Transactions {T2S.08.210} and depends on specific windows and several

other criteria. In such partial settlement, the Daytime Validation, Provisioning and Booking module attempts

to settle with the partial quantities calculated by the Daytime Recycling and Optimisation module.

In case of failure, the calculated partial quantity is not taken into account for the next settlement attempt. If

the Settlement Transaction can be settled for the partial quantity, the Booking function updates the securities

positions and cash balances with this partial quantity and not with the initial quantity.

The optimisation for the settlement of the remaining quantity or amount is carried out by the Daytime Recycling

and Optimisation module processes {T2S.08.240}.

Management of the Partial settlement of Partially Released Settlement Instructions

A Settlement Instruction on Party Hold may be partially released to allow the partial settlement of a specified quantity.

This Partially Released Settlement Instruction must conform to all the conditions of partial settlement as for any other

Settlement Instruction. The partial settlement of Partially Released Settlement Instructions will only occur during a

partial settlement window and until the relevant cut-off time (partial release is only valid for the current business day) at

which point the partial release will be cancelled and the underlying Settlement Instruction set back on Party Hold for the

full unsettled quantity.

Management of the partial execution during the settlement process (settlement restrictions or liquidity transfers)

3.5.6.3 Description of the functions of the module

1 – Intraday Restriction Check

Introduction

Reference Id	SETT.VPB.IRC.1.1
--------------	------------------

The Intraday Restriction Check function makes the last consistency and validity checks before the booking.

More specifically, it:

- | Checks if no intraday restriction is posted on any Settlement Transaction of the collection;
- | Checks the consistency of the Settlement Transactions ~~with a link "after"~~.

Consistency checking

Reference Id	SETT.VPB.IRC.3.1
--------------	------------------

The function performs the following checks on the consistency of the Settlement Transactions contained in the collection.

- | If a Settlement Transaction in the collection is linked with an "after" link to another one, the function checks that the linked Settlement Transaction is either in a "Settled" status or contained in the same collection ³ {T2S.05.186};;
- | If a Settlement Transaction in the collection is under partial release, the function checks that a partial settlement window is currently opened.

If at least one Settlement Transaction in the collection does not respect ~~any one~~ of the aforementioned conditions, the collection is sent to the Failure Management and Settlement Outcome function with the reason for failure for each settlement transaction.

4 – Booking

Updating the settlement transactions and all associated statuses

[...]

- | The Settlement Status of the underlying Settlement Instructions or Settlement Restrictions or Liquidity Transfers is set to the same value as that of the relevant settlement transaction:
 - "Partially Settled",
 - Or "Settled" otherwise ⁴;
- | The Partially released flag of the underlying Settlement Instructions is reset in case the quantity to be released was fully settled.

Synchronously to the update to statuses above, the function fills in:

- | The settlement timestamp with the system date time;

³ A *Settlement Transaction* linked with an "after" link to another one can never be settled before the linked settlement transaction. If this one is not submitted in the same collection or not already settled, the *Settlement Transaction* with the "after" link should not to be submitted to a settlement attempt.

⁴ The *Booking* function only handles the collection which has passed all checks successfully. The status of the other *Settlement Transactions* is updated by the *Failure Management and Settlement Outcome* function.

- | The settlement date with the current date of the settlement date;
- | In case of partial settlement or partial execution, the remaining quantity (and On Hold quantity in case of partial release) and/or amount to be settled.

3.5.7.2 Description of the module

Partial Settlement Attempt

At the reception of an Event (Start of Partial Settlement Window), the Partial Settlement Attempt function (function 7) aims at submitting to partial settlement all Settlement Transactions eligible to partial settlement (as identified upfront by the Standardisation and Preparation to Settlement module) that could not settle in an earlier attempt due to a lack of securities and partially released Settlement Transactions. It sends them to the Daytime Validation, Provisioning and Booking module on a one by one basis complying with the priorities defined in SETT.R&O.OAF.2.1 {T2S.08.050} {T2S.08.190}.

GFS chapter 3.5.7.3

7 – Partial Settlement Attempt

Reference Id	SETT.R&O.PSA.1.1
--------------	------------------

The Partial Settlement Attempt function receives an Event (Start of Partial Settlement Window) from the Scheduling module {T2S.08.220} {T2S.11.735} {T2S.03.165} and:

- | Selects all Settlement Transactions eligible to partial settlement which have failed in a previous settlement attempt due to lack of securities {T2S.08.210} and partially released Settlement Transactions;

3.5.8.3 Description of the functions of the module

1 – Night-time settlement manager

Sequence X

Reference Id	SETT.NTS.NTM.2.7
--------------	------------------

Sequence X handles:

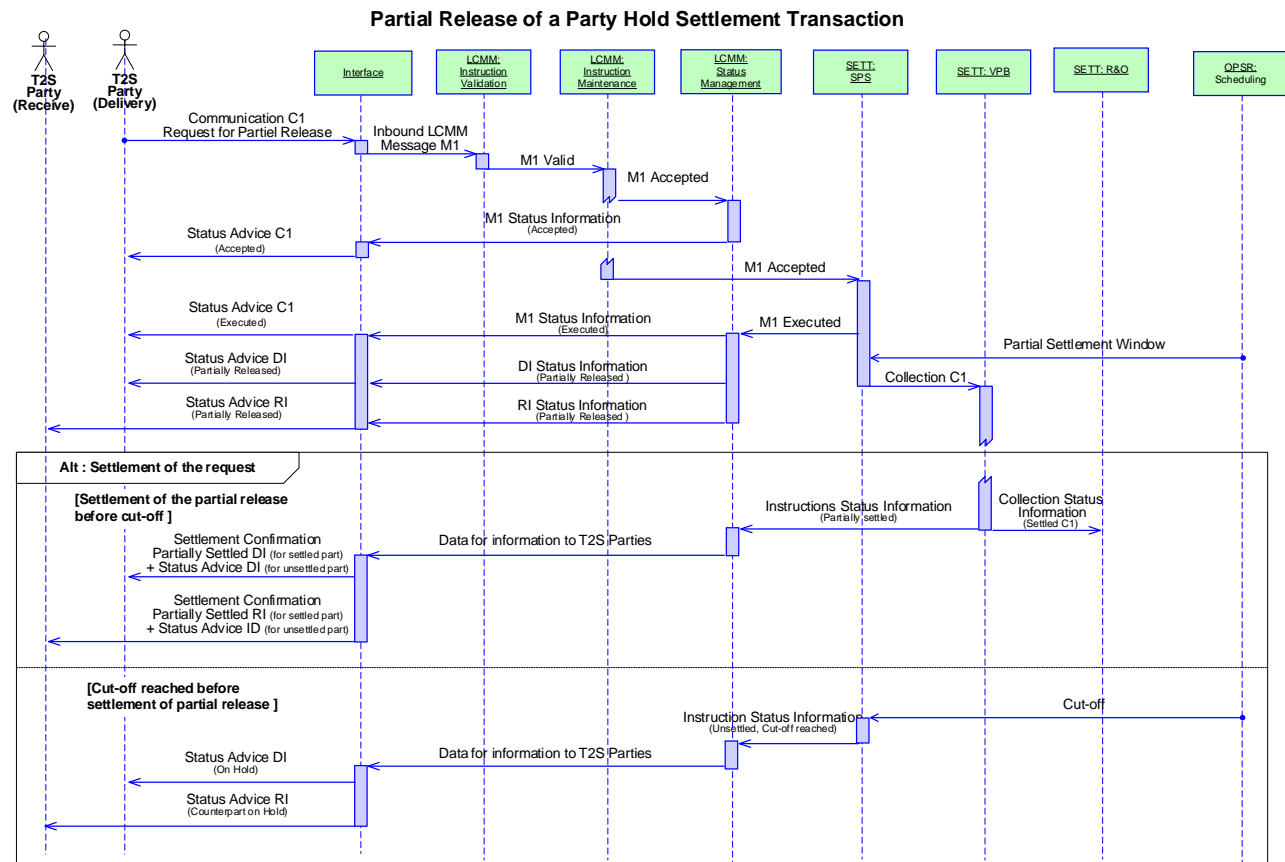
- | all trading-related settlement transactions, including the ones related to settlement restrictions;
- | partially released Settlement Transactions;
- | and Settlement Transactions not settled in the previous sequence {T2S.03.110};
- | with partial settlement, in case of lack of securities, for all transactions which are eligible to partial settlement processing {T2S.08.220} {T2S.03.135} {T2S.07.080}.

3.5.10 Processing of Settlement Instruction Use Cases

UC-SI-10b	In-out T2S settlement	In-out CSD	No	Settlement Instruction	No	Not Required	No	Deliverable
UC-SI-10c	Partial Release	Intra-CSD	No	Settlement Instruction	No	Not Required	Yes	Deliverable

3.5.10.13 Processing of UC-SI-10c: Partial Release

DIAGRAM 1 - SETTLEMENT PROCESS PARTIAL RELEASE

**Business assumption**

This description relates to a Communication C1 which contains a Partial Release Instruction M1 communicated by a T2S Party (Delivery), requesting to release partially of a previously sent Settlement Instruction DI (Delivery Intra-CSD instruction). DI was matched with Settlement Instruction RI (Receiving Intra-CSD instruction) sent by T2S Party (Receive) to produce the Settlement Transaction ST1 "On Hold".

Processing

Once the format and syntax validations for Communication C1 are successfully passed, the Inbound LCMM Message M1 enters successively the Instruction Validation module and the Instruction Maintenance module which create the Partial Release Instruction and perform the following checks in order to identify if it can be processed:

- | Underlying DI exists;
- | Underlying DI is not awaiting approval / revoked;
- | Underlying DI is not identified with CoSD Flag;
- | Underlying DI is on Party Hold;
- | Underlying DI is not an internally generated instruction;
- | No other hold applies neither on DI nor on RI;
- | Quantity to be released complies with SUM check;

- | DI is delivering securities, matched and its ISD has been reached.

When these checks are successful, (i) the Status Management module is informed on the acceptance of MI1 to be reported to the T2S Party (Delivery), via the Interface domain (depending on the T2S Party's message subscription preferences) and (ii) the Partial Release Instruction is forwarded to the SPS module of Settlement domain, which performs the following checks in order to identify if it can be executed:

- | Quantity to be released complies with partial settlement rules regarding MSU & SUM;
- | DI is neither settled nor cancelled;
- | DI is not identified with CoSD Flag;
- | DI is on Party Hold;
- | No other hold applies neither on DI nor on RI;
- | DI and RI allow partial settlement;
- | Neither DI nor RI is involved in any pool or any business link;
- | Quantity must be lower than the original quantity of DI;
- | ST resulting from matching of DI and RI has not reached its cut-off time

When these checks are successful, the Status Management module is informed on the execution of the Partial Release Instruction to be reported to the T2S Party (Delivery), via the Interface domain (depending on the T2S Party's message subscription preferences) and a collection C1 is created containing the settlement transaction

Then, if a Partial Settlement Window is open, a collection C1 containing ST1 to be settled up to the Quantity required by the Partial Release Instruction is sent to VPB module for settlement attempt.

Alternative - Settlement of the request: Settlement of the partially released Settlement Transaction before cut-off

If CO1 is settled, the Daytime Validation, Provisioning and Booking module informs the Status Management module with the settlement result by sending an Instruction Status Information.

T2S Parties (Delivery) and (Receive) are informed of the partially settled status (depending on their message subscriptions) with messages for respectively DI and RI: a settlement confirmation for the settled part and a status information for the unsettled part.

Alternative - Settlement of the request: Cut-off reached before settlement of partial release

If CO1 is unsettled when the cut-off applying to ST1 is reached, the Standardisation and Preparation to Settlement module informs the Status Management module by sending an Instruction Status Information.

The Partial Release Instruction is cancelled. DI and RI and are put back on "Party Hold" and submitted to an eligibility check.

T2S Parties (Delivery) and (Receive) are informed of the "Hold" status (depending on their message subscriptions) with a status advice messages for respectively DI and RI.

UDFS Updates:

1.1.1 Settlement

The T2S Actor submits to T2S for their processing:

- Settlement instructions stemming from SecuritiesSettlementTransactionInstruction [□ 1502] message;

- Settlement restrictions stemming from IntraPositionMovementInstruction [□ 1417] or IntraBalanceMovementInstruction [□ 1163] messages;
- Liquidity transfers stemming from LiquidityCreditTransfer [□ 1139] message or from the triggering of liquidity transfer orders registered in T2S;
- Maintenance instructions including:
 - Instruction cancellations stemming from SecuritiesTransactionCancellationRequest [□ 1493];
 - Instruction amendments stemming from SecuritiesSettlementConditionModificationRequest [□ 1568];
 - Hold, ~~and~~ release and partial release instructions stemming from SecuritiesSettlementConditionModificationRequest 2 [□ 1568].

...

The maintenance instructions (instruction cancellations, instruction amendments or hold/release/partial release instructions) are submitted to the settlement application processes with the aim to respectively cancel the settlement instructions and settlement restrictions, to amend the process indicators of the settlement instructions and settlement restrictions and to hold, ~~or~~ release or partially release the settlement instructions.

1.4.4.2 Night-time settlement (NTS)

...

For all static data updates, i.e. immediate updates and updates with future date, T2S also performs a revalidation of all Settlement Instructions and Settlement Restrictions to ensure that they are valid for the considered static data update. Maintenance instructions (i.e. Amendment Instructions, Cancellation Instructions, Hold/Release/Partial Release Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.

...

1.4.4.2.4 First night-time settlement cycle processes

...

TABLE 97 - PROCESSES DURING THE FIRST NIGHT-TIME SETTLEMENT CYCLE

T2S PROCESSES	DESCRIPTION OF THE PROCESSES
...	
Process queued messages	The following messages which were validated and accepted during the execution of the sequence 0 are executed: I Static data maintenance instructions; I Maintenance instructions. For all static data updates (i.e. immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update. Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/ <u>Partial Release</u> Instructions)) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is

	<p>denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>
...	
Process queued messages	<p>The following messages which were validated and accepted during the execution of the sequence 1 are executed:</p> <p>I Static data maintenance instructions;</p> <p>I Maintenance instructions.</p> <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>
...	
Process queued messages	<p>The following messages which were validated and accepted during the execution of the sequence 2 are executed:</p> <p>I Static data maintenance instructions;</p> <p>I Maintenance instructions.</p> <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p>

	<p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <ul style="list-style-type: none"> I To new queries received via U2A/A2A and; I To those queries already received via A2A but queued due to a settlement sequence run.
...	
<p>Process queued messages</p>	<p>The following messages which were validated and accepted before the execution of the sequence 4 of the last cycle are executed:</p> <ul style="list-style-type: none"> I Static data maintenance instructions; I Maintenance instructions. <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <ul style="list-style-type: none"> I To new queries received via U2A/A2A and; I To those queries already received via A2A but queued due to a settlement sequence run.

1.4.4.2.7 Last night-time settlement cycle processes

TABLE 99 - PROCESSES DURING THE LAST NIGHT-TIME SETTLEMENT CYCLE

T2S PROCESSES	DESCRIPTION OF THE PROCESSES
...	
<p>Process queued messages</p>	<p>The following messages which were validated and accepted before the execution of the sequence 4 of the last cycle are executed:</p>

	<p>I Static data maintenance instructions;</p> <p>I Maintenance instructions.</p> <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>
Settlement sequence 4	...
...	
Process queued messages	<p>The following messages which were validated and accepted during the execution of the sequence 4 of last night-time settlement cycle are executed:</p> <p>I Static data maintenance instructions;</p> <p>I Maintenance instructions.</p> <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>

Settlement sequence X	<p>T2S attempts settlement of all validated and accepted Settlement Instructions, <u>Partially Released Settlement Instructions</u>, Settlement Restrictions and liquidity transfers before start of sequence X, for the current settlement day, as listed below:</p> <ul style="list-style-type: none"> • Settlement Instructions related to DVP; • Settlement Instructions related to FOP; • Settlement Instructions related to PFOD; • Settlement Instructions related to CA on stocks and on flows; • Settlement Instructions related to BATM; • Settlement Instructions related to CBO; • Reverse collateral Settlement Instructions related to reimbursement of intraday auto-collateralisation; • Settlement of securities/cash Settlement Restrictions; • Settlement of all liquidity transfers (i.e. inbound, internal and outbound). <p>This sequence also processes the unsettled Settlement Instructions and Settlement Restrictions in sequence 4.</p> <p>Here, T2S applies partial settlement to all fails due to a lack of securities (i.e. unsettled Settlement Instructions, <u>partially release Settlement Instructions</u>) which are eligible for submission to partial settlement processing.^x</p> <p>Additionally, T2S responds to queries received via A2A except for queries related to securities positions or cash balances. If these queries are received via U2A, they are rejected. If T2S receives the queries via A2A, they are queued and processed during the next reporting phase.</p> <p>T2S also queues the maintenance on the Settlement Instructions/Settlement Restrictions which are under settlement during this sequence.</p>
...	
Process queued messages	<p>The following messages which were validated and accepted during the execution of the sequence X are executed</p> <ul style="list-style-type: none"> I Static data maintenance instructions; I Maintenance instructions. <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions,</p>

	<p>Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>
Settlement sequence Y (optional) 158	...
...	
Process queued messages	<p>The following messages which were validated and accepted during the execution of the sequence Y are executed:</p> <p>I Static data maintenance instructions;</p> <p>I Maintenance instructions.</p> <p>For all static data updates (i.e immediate updates and updates with future date), T2S performs a revalidation of all Settlement Instructions and Settlement Restrictions that failed to settle or that have not yet been submitted to a settlement attempt to ensure that they are valid with regards to the considered static data update.</p> <p>Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation process. In case the underlying Settlement Instruction or Settlement Restriction to be maintained is cancelled due to their revalidation, the maintenance instruction is denied when trying to be executed but not cancelled.</p> <p>Additionally, T2S responds:</p> <p>I To new queries received via U2A/A2A and;</p> <p>I To those queries already received via A2A but queued due to a settlement sequence run.</p>
Settlement sequence Z	...
...	

^x For Partially Released Settlement Instructions to be considered during sequence x of the night time settlement the partial release must occur after the start of day and before the end of sequence C2S4.

1.4.4.4.4 Real-time settlement processes

...
TABLE 102 - PROCESSES DURING THE REAL-TIME SETTLEMENT

T2S PROCESSES	DESCRIPTION OF THE PROCESSES
Real-time settlement preparation	<p>Identify and process static data maintenance instructions already received in the A2A mode.</p> <p>Identify candidate list of new Settlement Instructions, Settlement Restrictions, Amendment Instructions, Cancellation Instructions, Hold/Release/<u>Partial Release</u> Instructions and liquidity transfers applicable for the current settlement day.</p> <p>Identify all Settlement Instructions Settlement Restrictions, Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions, which were not settled/executed during night-time settlement period and are recycled for real-time settlement. The recycling takes place after the revalidation of the Settlement Instructions and Settlement Restrictions affected by a static data change.</p>
Real-time settlement	<p>Real-time settlement of new Settlement Instructions, Settlement Restrictions and liquidity transfers arriving into T2S and settlement of previous unsettled Settlement Instructions with the arrival of new resources (securities or cash or both) for the following:</p> <ul style="list-style-type: none"> I Settlement Instructions related to DVP; I Settlement Instructions related to FOP; I Settlement Instructions related to PFOD; I Settlement Instructions related to CA on stocks and on flows; I Settlement Instructions related to BATM; I Settlement Instructions related to CBO; I Reverse collateral Settlement Instructions related to reimbursement of intraday auto-collateralisation; I Settlement of securities/cash Settlement Restrictions; I Settlement of all liquidity transfers (i.e. inbound, internal and outbound). <p>T2S also performs the following:</p> <ul style="list-style-type: none"> I Execution of static data maintenance instructions; I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions; I Revalidation of all settlement instructions and Settlement Restrictions affected by all static data updates (i.e immediate updates and updates with future date). Maintenance instructions (i.e Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions) are only revalidated at the SOD revalidation

	<p>process;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries.</p>
...	

1.4.4.4.7 Real-time settlement closure processes

...

TABLE 104 - PROCESSES DURING THE REAL-TIME SETTLEMENT CLOSURE

T2S PROCESSES	DESCRIPTION OF THE PROCESSES
Execute DVP cut-off procedure	<p>Cut-off to differentiate the eligibility of intraday DVP/PFOD Settlement Instructions for settlement during the current settlement day:</p> <p>I T2S does not attempt settlement for the intraday DVP/PFOD Settlement Instructions (which is not a CBO or a BATM Settlement Instructions with specific later cut-off) received by T2S after this cut-off on the current settlement day, but recycle them for the next settlement day;</p> <p>I T2S ensures to do at least one settlement attempt for all the intraday DVP Settlement Instructions, received by T2S before the cut-off and eligible for the current settlement day.</p> <p>In parallel, T2S performs the following:</p> <p>I Settlement of:</p> <ul style="list-style-type: none"> – Settlement Instructions other than the ones for which cut-off is reached; – Reverse collateral Settlement Instructions related to reimbursement of intraday auto-collateralisation; – Securities/cash Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries received via U2A or A2A.</p>
Execute cash Settlement Restriction cut-off procedure	<p>Cut-off to differentiate the eligibility of cash Settlement Restrictions for settlement during the current settlement day:</p> <p>I T2S does not attempt settlement for the intraday cash Settlement Restrictions received by T2S after this cut-off on the current settlement day, but recycles them for the next settlement day;</p> <p>I T2S ensures to do at least one settlement attempt for all the intraday cash Settlement</p>

	<p>Restrictions, received by T2S before the cut-off and eligible for the current settlement day.</p> <p>In parallel, T2S performs the following:</p> <p>I Settlement of:</p> <ul style="list-style-type: none"> – Settlement Instructions other than the ones for which cut-off is reached; – Reverse collateral Settlement Instructions related to reimbursement of intraday auto-collateralisation; – Securities Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries received via U2A or A2A.</p>
<p>Release of unused cash Settlement Restrictions</p>	<p>For the unused cash restrictions:</p> <p>I T2S releases the unused blocked, reserved and CoSD blocked cash restrictions;</p> <p>I T2S regenerates the equivalent CoSD blocked cash Settlement Restrictions for the next settlement day.</p> <p>In parallel, T2S performs the following:</p> <p>I Settlement of:</p> <ul style="list-style-type: none"> – Settlement Instructions other than the ones for which cut-off is reached; – Reverse collateral Settlement Instructions related to reimbursement of intraday auto-collateralisation; – Securities Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries received via U2A or A2A.</p>
<p>Reimbursement of CB collateralisation provided by central banks</p>	<p>T2S performs the following during the automatic reimbursement process:</p> <p>I T2S releases all “hold” reverse collateral Settlement Instructions linked to CB collateralisation (i.e “hold” reverse collateral Settlement Instructions generated during the process of auto-collateralisation by a payment/settlement bank with its Central Bank);</p>

	<p>I T2S attempts the settlement of all the released reverse collateral Settlement Instructions linked to CB collateralisation with, if needed for a credit consumer:</p> <ul style="list-style-type: none"> – Internal rebalancing of cash between its T2S DCA; – And/or, sourcing additional liquidity from its Central Bank through the creation of collateral re-location Settlement Instructions; <p>When the available amount is insufficient for the settlement of all reverse collateral instructions T2S informs the relevant CMS for an utilisation of its credit facility in the relevant RTGS system (creation of collateral relocation Settlement Instructions). In such cases, it is the responsibility of the CMS to inform the RTGS system to facilitate the update of the credit utilisation/provision of overnight credit facilities. This process is outside T2S;</p> <p>Note: T2S does not perform an automatic release of reverse collateral Settlement Instructions related to reimbursement of intraday client-collateralisation.</p> <ul style="list-style-type: none"> – All liquidity transfers (i.e. inbound, internal and outbound); <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries received via U2A or A2A.</p>
Execute CBO cut-off procedure	<p>Cut-off to differentiate the eligibility of CBO DVP Settlement Instructions for settlement during the current settlement day:</p> <p>I T2S does not attempt settlement for the intraday CBO DVP Settlement Instructions received by T2S after this cut-off on the current settlement day, but recycle them for the next settlement day;</p> <p>I T2S ensures to do at least one settlement attempt for all the intraday CBO DVP Settlement Instructions, received by T2S before the cut-off and eligible for the current settlement day.</p> <p>In parallel, T2S performs the following:</p> <p>I Settlement of:</p> <ul style="list-style-type: none"> – Settlement Instructions other than the ones for which cut-off is reached; – Securities Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial</u></p>

	<p><u>Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>I Responses to queries received via U2A or A2A.</p>
Execute FOP cut-off procedure	<p>Cut-off to differentiate the eligibility of FOP Settlement Instructions (including BATM and CBO Settlement Instructions without a cash leg) for settlement during the current settlement day:</p> <p>I T2S does not attempt settlement for the intraday FOP Settlement Instructions received by T2S after this cut-off on the current settlement day, but recycle them for the next settlement day;</p> <p>I T2S ensures to do at least one settlement attempt for all the intraday FOP Settlement Instructions, received by T2S before the cut-off and eligible for the current settlement day.</p> <p>In parallel, T2S performs the following:</p> <p>I Settlement of securities Settlement Restrictions for which cut-off is not reached;</p> <p>I Execution of static data maintenance instructions;</p> <p>I Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/<u>Partial Release</u> Instructions;</p> <p>I Generation of reports triggered by business or time events;</p> <p>Responses to queries received via U2A or A2A.</p>

1.4.4.4.6 Real-time settlement closure dependencies

TABLE 103 - DEPENDENCIES DURING THE REAL-TIME SETTLEMENT CLOSURE

T2S DETAILED PROCESSES	DEPENDENCIES	T2S DETAILED PROCESSES
...		
Execute FOP cut-off procedure	<p>BATM cut-off completed</p> <p>and</p> <p>CBO cut-off completed</p> <p>and</p> <p>Time: 6:00 p.m.</p>	<p>This process starts after the completion of the execution of BATM and CBO cut-off procedures.</p> <p>In addition this process does not start before 6:00 p.m.</p> <p>In case of emergency situations a change of FOP cut-off is only possible according to a process to be defined in the T2S MOP.</p>

* Partially Released Settlement Instructions that have not completely settled the released quantity, by the end of the relevant cut-off time, will be set back on hold for the full unsettled quantity.

1.6.1.8.2 Overview

...

In case of failure after this first settlement attempt, Settlement Instructions are submitted again to the posting application process, according to the reason for failure, after:

- The removal of an intraday restriction;
- The release or partial release of hold Settlement Instructions;
- The arrival of the missing linked Settlement Instruction(s) or Settlement Restriction(s);
- The increase of a limit amount;

...

1.6.1.8.3 Eligibility check process

This process checks at the Intended Settlement Date if the settlement of all **matched** Settlement Instructions, Settlement Restrictions and Liquidity Transfers submitted in an all or none basis is allowed considering all the following eligibility conditions:

CONDITIONS	RULES
No hold process in progress	All hold indicators of the submitted Settlement Instruction are set to "No" (See section Hold and Release [<input type="checkbox"/> 337]) ^x .
...	

^x Exception for partial releases where the underlying settlement instruction remains on Party Hold with only a portion eligible for settlement. No other holds may be present (including CSD Hold, CoSD Hold)

...

1.6.1.9.3 Partial Settlement

...

Partial settlement eligibility

The settlement eligibility depends notably on conditions set by the T2S parties on their matched Settlement Instructions.

A matched pair of Settlement Instructions is eligible to partial settlement, when these Settlement Instructions are entered by the T2S parties with the following characteristics:

- They are related to Free Of Payment or to Delivery Versus Payment or Delivery With Payment^x
- The partial settlement indicator is not set to "No" in any of the Settlement Instructions;
- They are not linked to any other Settlement Instruction or Settlement or Settlement Restriction by the T2S parties by a link type "Before", "After" "With" or by a pool reference.

Partial settlement of Partially Released Settlement Instructions

A Settlement Instruction on Party Hold may be partially released to allow the partial settlement of a specified quantity. This Partially Released Settlement Instruction must conform to all the conditions of partial settlement as for any other Settlement Instruction. During the real-time period the partial settlement of Partially Released Settlement Instructions will only occur during a partial settlement window and until the relevant cut-off time (partial release is only valid for the current business day) at which point the partial release will be cancelled and the underlying Settlement Instruction set back on Party Hold for the full unsettled quantity. For partial release to be considered during sequence C2SX of the night time settlement the partial release must occur as of the start of day.

^x Including such Settlement Instructions which are on Party Hold and have been partially released.

...

Partial settlement procedure

Settlement Instructions are submitted to a full settlement attempt before being submitted to a partial settlement attempt.^z

In case the Settlement Instruction does not settle, the Settlement Instruction is submitted to Optimising application process. The Optimising application process tries to settle the failed Settlement Instruction with other Settlement Instructions in T2S based on different technical optimisations. In case the Optimising application process is not able to find a solution for a full settlement, T2S tries to submit the Settlement Instruction for partial settlement provided the

above conditions are met.

When applying the partial settlement, T2S attempts to settle the maximum quantity of securities available on the securities position of the seller taking into account:

- The securities position on the Securities Account;
- The cash resources available for the T2S Dedicated Cash Accounts;
- The applicable threshold;
- And when applicable the partially released quantity.

Based on the applicable threshold value T2S determines if the available quantity of the securities position, or the available amount of the cash balances, allows the partial settlement.

In both cases, the status of each matched Settlement Instruction and the related reporting are sent to the T2S parties, as described in section Send Settlement Instruction [□ 824] and in Chapter for the related 6 content of the message.

A “partially settled” Settlement Instruction is recycled for further settlement of its pending leg until it is:

- “partially settled” for a complementary quantity, provided the conditions mentioned above are met for partial settlement;
- Or “settled” for the remaining quantity;
- Or cancelled for its pending leg (see section Instruction Cancellation [□ 334]).

For partially released Settlement Instructions:

- Only the released quantity is submitted to a partial settlement attempt;
- The unreleased quantity remains on hold;
- The partially released quantity may settle in multiple partial settlement attempts;
- The partial release process is cancelled when the released quantity has not fully settled by the relevant cut-off time. The underlying Settlement Instruction is set back on Party Hold for the full unsettled quantity.

Examples of partial settlement in T2S during the partial settlement window and for Settlement Instructions eligible to partial settlement are provided below.

^x Partially Released Settlement Instructions are only submitted to partial settlement attempts for the released quantity.

3.3.8.10 SecuritiesSettlementConditionModificationRequestV03 (sese.030.001.03)

3.3.8.10.2 The T2S-specific schema

Additional Information

This building block is optional and non repetitive. It contains additional information that cannot be captured in the structured elements and/or any other specific block such as:

- The identification of the transaction as known by the account owner;
- The type of the instrument involved in the transactions on which the modification request should apply;
- The account to or from which a securities entry is made;
- The identification of the financial instrument involved in the transactions on which the modification request should apply;
- The quantity of financial instrument concerned by the settlement condition modification request. A settlement condition modification request of type release is considered a partial release when this quantity is lower than the remaining to be settled quantity;
- The party, either an individual or organisation, whose assets are being invested;
- The delivering party that, in a settlement chain interacts with the depository;
- The receiving party that, in a settlement chain interacts with the depository.

Business rules applicable to the schema

MESSAGE ITEM	DATA TYPE/ CODE	BUSINESS RULES
...		
Indicator	YesNoIndicator	IIMP112 [□□ 1730]
Docu- ment/SciesSttlmCondsModReq/ReqDtls/HldInd/Ind		IIMP131 [□□ 1742] <u>MMRI206</u>

		<u>MMRI207</u>
		<u>MMRI208</u>
		<u>MMRI209</u>
		<u>MMRI210</u>
		<u>MMRI211</u>
		<u>MMRI212</u>
		MMRI215MVCP021
		[□□ 1789]
		MVCP025 [□□ 1790]
		MVCP026 [□□ 1790]
		MVCP093 [□□ 1805]
		MVCP094 [□□ 1805]
		MVCP106 [□□ 1809]
		MVCP107 [□□ 1809]
		MVCP111 [□□ 1811]
		MVCP112 [□□ 1811]
		MVCP113 [□□ 1812]
		MVCP114 [□□ 1812]
		MVCP115 [□□ 1812]
		MVCP116 [□□ 1813]
		MVCP117 [□□ 1813]
		MVCP118 [□□ 1814]
		MVCP129 [□□ 1817]
		MVRI584 [□□ 1931]
		<u>MVRI598</u>
		<u>MVRI599</u>
		<u>MVRI600</u>
		<u>MVRI601</u>
		<u>MVRI602</u>
		<u>MVRI603</u>
		<u>MVRI604</u>
		<u>SPSA001</u>
		<u>SPSA002</u>

		SPSA019
Code	Registration2Code	IIMP112 [□□ 1730]
Docu- ment/SciesSttlmCondsModReq/ReqDtIs/HldInd/Rsn/Cd/ Cd	[□□ 2044]	IIMP131 [□□ 1742]
		<u>MMRI206</u>
		<u>MMRI207</u>
		<u>MMRI208</u>
		<u>MMRI209</u>
		<u>MMRI210</u>
		<u>MMRI211</u>
		<u>MMRI212</u>
		MMPR209 [□□ 1766]
		MVCP021 [□□ 1789]
		MVCP025 [□□ 1790]
		MVCP026 [□□ 1790]
		MVCP093 [□□ 1805]
		MVCP094 [□□ 1805]
		MVCP106 [□□ 1809]
		MVCP107 [□□ 1809]
		MVCP111 [□□ 1811]
		MVCP112 [□□ 1811]
		MVCP113 [□□ 1812]
		MVCP114 [□□ 1812]
		MVCP115 [□□ 1812]
		MVCP116 [□□ 1813]
		MVCP117 [□□ 1813]
		MVCP118 [□□ 1814]
		MVCP129 [□□ 1817]
		MVRI584 [□□ 1931]
		<u>MVRI598</u>
		<u>MVRI599</u>
		<u>MVRI600</u>
		<u>MVRI601</u>

		<u>MVRI602</u> <u>MVRI603</u> <u>MVRI604</u> <u>SPSA001</u> <u>SPSA002</u> <u>SPSA019</u>
Unit Document/SciesStlmCondsModReq/AddtlInf/Qty/Unit	RestrictedFINDecimal Number	<u>MMRI206</u> <u>MMRI207</u> <u>MMRI208</u> <u>MMRI209</u> <u>MMRI210</u> <u>MMRI211</u> <u>MMRI212</u> MVRI565 [<input type="checkbox"/> 1928] MVRI566 [<input type="checkbox"/> 1928] <u>MVRI598</u> <u>MVRI599</u> <u>MVRI600</u> <u>MVRI601</u> <u>MVRI602</u> <u>MVRI603</u> <u>MVRI604</u> <u>SPSA001</u> <u>SPSA002</u> <u>SPSA019</u>
FaceAmount Document/SciesStlmCondsModReq/AddtlInf/Qty/FaceAmt	RestrictedFINImpliedC urrencyAndAmount	<u>MMRI206</u> <u>MMRI207</u> <u>MMRI208</u> <u>MMRI209</u> <u>MMRI210</u> <u>MMRI211</u> <u>MMRI212</u>

		MVR1565 [☐1928] MVR1566 [☐1928] <u>MVR1598</u> <u>MVR1599</u> <u>MVR1600</u> <u>MVR1601</u> <u>MVR1602</u> <u>MVR1603</u> <u>MVR1604</u> <u>SPSA001</u> <u>SPSA002</u> <u>SPSA019</u>
...		

4.1 Index of Business Rules and Error Codes

BR NAME	DESCRIPTION	INBOUND MESSAGE	REPLY MESSAG E	CODE USE	REASON CODE	ERROR TEXT
...						
<u>MMRI206</u>	<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, neither the referenced Settlement Instruction must be partially released nor a pending Release Instruction of the same Hold type must be present in the system.</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<u>The referenced Settlement Instruction is already partially released or there is a pending Release Instruction of the same Hold type in the system.</u>
<u>MMRI207</u>	<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<u>The referenced Settlement Instruction is</u>

	<p><u>stated in the referenced Settlement Instruction, the matching status of the referenced Settlement Instruction must not be 'Unmatched'.</u></p>					<u>unmatched.</u>
<u>MMRI208</u>	<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no other holds must apply neither on the referenced Settlement Instruction nor on the counterpart.</u></p>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<p>Other holds apply either on the referenced Settlement Instruction or on the counterpart</p>
<u>MMRI209</u>	<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction and its counterpart must allow partial settlement</u></p>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<p>Either the referenced Settlement Instruction or its counterpart do not allow partial settlement</p>
<u>MMRI210</u>	<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no settlement links must apply neither on the referenced Settlement Instruction nor on its counterpart.</u></p>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<p>A settlement link applies either on the referenced Settlement Instruction or on its counterpart.</p>
<u>MMRI211</u>	<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity</u></p>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<p>A non-reciprocal link</p>

	<p><u>stated in the referenced Settlement Instruction, no non-reciprocal links must apply neither on the referenced Settlement Instruction nor on its counterpart.</u></p>					<p>applies either on the referenced Settlement Instruction or on its counterpart.</p>
MMRI212	<p><u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction,</u> the referenced Settlement Instruction nor its counterpart must be on CoSD hold.</p>	<u>sese.030</u>	<u>sese.031</u>	<Dnd>	<u>OTHR</u>	<p>The referenced Settlement Instruction of a partial release instruction or its counterpart is on CoSD hold</p>
...						
MVRI565	<p>The Settlement Quantity of the Condition Modification Instruction is not the same as the Settlement Quantity of the referenced instruction in T2S; must not apply to party release instructions <u>If present, the Settlement Quantity indicated in a Condition Modification Instruction (that is not a party release) must be the same as the Settlement Quantity stated in the referenced Instruction.</u></p>	sese.030	sese.031	<Rjctd >	INVM	<p>The Settlement Quantity of the Condition Modification Instruction is not the same as the Settlement Quantity of the referenced instruction in T2S <u>and the condition modification instruction is not a party release.</u></p>
MVRI598	<p><u>If present, the Settlement Quantity indicated in a Party Release Instruction must be equal or lower than the</u></p>	<u>sese.030</u>	<u>sese.031</u>	<Rictd ≥	<u>INVM</u>	<p><u>The Settlement Quantity of a Party Release Instruction is</u></p>

	<u>Settlement Quantity stated in the referenced Settlement Instruction.</u>					<u>zero or higher than the Settlement Quantity of the referenced instruction.</u>
<u>MVRI599</u>	<u>If present, the Settlement Quantity indicated in a Party Release Instruction must be a multiple of the Settlement Unit Multiple.</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Rjctd</u> <u>≥</u>	<u>INVM</u>	<u>The Settlement Quantity of a Party Release Instruction is not a multiple of the Settlement Unit Multiple</u>
<u>MVRI600</u>	<u>If present, the number of decimals of the Settlement Quantity of a Party Release Instruction must be equal or lower than the number of decimals of the Settlement Unit Multiple of the related Security</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Rjctd</u> <u>≥</u>	<u>INVM</u>	<u>The number of decimals of the Settlement Quantity of a Party Release Instruction is greater than the number of decimals of the Settlement Multiple of the related security</u>
<u>MVRI601</u>	<u>If present, the Settlement Quantity stated in a Party Release Instruction must be expressed using the same Settlement Type as the one specified in T2S Reference Data for the ISIN Code of the referenced Settlement Instruction</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Rjctd</u> <u>≥</u>	<u>INVM</u>	<u>The Settlement Quantity stated in the Party Release Instruction is not expressed using the same Settlement Type specified in T2S Reference</u>

						<u>Data.</u>
<u>MVRI602</u>	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Intended Settlement Date of the referenced Settlement Instruction must have been reached.	<u>sese.030</u>	<u>sese.031</u>	<Rjctd ≥	<u>INVM</u>	The Intended Settlement Day of the referenced Settlement Instruction has not been reached yet.
<u>MVRI603</u>	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Securities Movement Type of the referenced Settlement Instruction must be 'DELI'	<u>sese.030</u>	<u>sese.031</u>	<Rjctd ≥	<u>INVM</u>	The Securities Movement type of Referenced Settlement Instruction is not 'DELI'
<u>MVRI604</u>	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction must not be a T2S generated Settlement Instruction	<u>sese.030</u>	<u>sese.031</u>	<Rjctd ≥	<u>INVM</u>	The referenced Settlement Instruction of a Party Release instruction is a T2S generated Settlement Instruction
...						
<u>SPSA001</u>	If the quantity present in a release Instruction is lower than the settlement quantity stated in the referenced settlement instruction, the related cut-off must not have been reached.	<u>sese.030</u>	<u>sese.031</u>	<Dnd>	<u>OTHR</u>	Partial release instruction is denied because the relevant cut-off has been reached.

<u>SPSA002</u>	<u>If the quantity present in a release instruction is lower than the settlement quantity stated in the referenced settlement instruction, it must comply with partial settlement rules.</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<u>Partial release instruction is denied because it does not comply with partial settlement rules.</u>
<u>SPSA003</u>	<u>Settlement instructions are put on hold after the settlement of a partially released quantity.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement Instruction is on hold due to the settlement of a partially released instruction.</u>
<u>SPSA004</u>	<u>Counterparty Settlement instruction is put on hold after the settlement of a partially released quantity.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement Instruction is on hold due to the settlement of a partially released quantity.</u>
<u>SPSA005</u>	<u>Partial release process is stopped when the related cut-off has been reached.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is on hold because the relevant cut-off has been reached.</u>
<u>SPSA006</u>	<u>Partial release process is stopped when the related cut-off has been reached.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement instruction is on hold because the relevant cut-off has been</u>

						reached.
<u>SPSA007</u>	<u>Partial release process is stopped when another hold applies on the referenced Settlement Instruction or its counterpart.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is on hold because other holds apply on the referenced Settlement Instruction or its counterpart.</u>
<u>SPSA008</u>	<u>Partial release process is stopped on the counterpart when another hold applies on the referenced Settlement Instruction or its counterpart.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement instruction is on hold because other holds apply on the referenced Settlement Instruction or its counterpart.</u>
<u>SPSA009</u>	<u>Partial release process is stopped when the referenced Settlement Instruction or its counterpart no longer allows partial settlement.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is on hold because the referenced Settlement Instruction or its counterpart does not allow partial settlement.</u>
<u>SPSA010</u>	<u>Partial release process is stopped when the referenced Settlement Instruction or its counterpart no longer allows partial settlement.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement instruction is on hold because the referenced Settlement</u>

						<u>Instruction or its counterpart does not allow partial settlement.</u>
<u>SPSA011</u>	<u>Partial release process is stopped when a settlement link applies to the referenced Settlement Instruction or its counterpart.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is on hold because a settlement link applies either on the referenced Settlement Instruction or its counterpart.</u>
<u>SPSA012</u>	<u>Partial release process is stopped when a settlement link applies to the referenced Settlement Instruction or its counterpart.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement instruction is on hold because a settlement link applies on the referenced Settlement Instruction or its counterpart.</u>
<u>SPSA013</u>	<u>Partial release process is stopped when a non-reciprocal settlement link applies to the referenced Settlement Instruction or its counterpart.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is on hold because a non-reciprocal settlement link applies on the referenced Settlement Instruction or its counterpart.</u>
<u>SPSA014</u>	<u>Partial release process is</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty</u>

	<u>stopped when a non-reciprocal settlement link applies to the referenced Settlement Instruction or its counterpart,</u>					<u>Settlement instruction is on hold because a non-reciprocal settlement link applies on the referenced Settlement Instruction or its counterpart.</u>
SPSA015	<u>Partial release process is stopped when the released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.</u>	n/a	sese.024	<Pdg>	PREA	<u>Settlement instruction is on hold because the partially released quantity was less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.</u>
SPSA016	<u>Partial release process is stopped when the released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.</u>	n/a	sese.024	<Pdg>	PRCY	<u>Counterparty Settlement instruction is on hold because the partially released quantity was less than the quantity resulting from the cash threshold</u>

						equivalent in the underlying settlement instruction.
<u>SPSA017</u>	<u>Partial release process is stopped when the referenced Settlement Instruction is released.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PREA</u>	<u>Settlement instruction is temporary on hold because the referenced Settlement Instruction has been released.</u>
<u>SPSA018</u>	<u>Partial release process is stopped on the counterpart when the referenced Settlement Instruction is released.</u>	<u>n/a</u>	<u>sese.024</u>	<u><Pdq></u>	<u>PRCY</u>	<u>Counterparty Settlement instruction is temporary on hold because the referenced Settlement Instruction has been released.</u>
<u>SPSA019</u>	<u>If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, none of the associated realignment Settlement Instruction must be submitted to any hold</u>	<u>sese.030</u>	<u>sese.031</u>	<u><Dnd></u>	<u>OTHR</u>	<u>At least one associated realignment Settlement Instruction is on hold.</u>

LCMM**1.1.1.3 Processing of maintenance instructions**

The maintenance instructions include cancellation instructions, amendment instructions and hold/release instructions.

T2S Actors can cancel or amend settlement instructions and settlement restrictions prior to their settlement or cancellation. They can also hold, release and partially release settlement instructions.

As regards cancellation instructions, T2S Actors may cancel a settlement instruction unilaterally, prior to its matching (See section [Instruction Cancellation](#) [**Error! Bookmark not defined.**]). When a settlement instruction is matched, bilateral cancellation is needed.

As far as amendment instructions are concerned, T2S Actors may amend a settlement instruction only for the process indicators as partial settlement indicator, settlement priority and linkages (See section [Instruction Amendment](#) [**Error! Bookmark not defined.**]). T2S Actors may amend a settlement restriction, prior to its settlement, only for the process indicators as settlement priority and linkages.

Finally, T2S Actor may hold, release or partially release a settlement instruction in order to suspend or resume its processing in T2S (See section [Hold and Release](#) [**Error! Bookmark not defined.**]).

At each end of day, T2S recycles all unmatched cancellation instructions for a defined recycling period before their automatic cancellation by T2S (See section [Instructions Recycling](#) [**Error! Bookmark not defined.**]).

1.2.5.3 Maintenance Instruction

Instructions sent by a T2S Actor aiming to cancel, amend, hold, release or partially release an existing Settlement Instruction or a Settlement Restriction.

Maintenance Instructions are applied on existing Settlement Instructions or Settlement Restrictions in T2S, known as “referenced instructions”.

In order to hold/release/partially release, cancel or amend a referenced instruction, a T2S Actor can refer to that instruction by using either the T2S Actor Reference (Account Owner Transaction Identification, Account Servicer Transaction Identification or the Third Party Transaction Id.) or the T2S Reference (Market Infrastructure Transaction Identification). The Administering Parties can only make use of the T2S Reference (Market Infrastructure Transaction Identification) to release or cancel a Settlement Instruction identified as CoSD.

- | When using the T2S Actor Reference or the T2S Reference of a Settlement Instruction/Settlement Restriction the maintenance applies on the referenced instruction;
- | When using the T2S Actor Reference of an Already Matched Settlement Instruction, the maintenance applies on the Already Matched Instruction and therefore in both legs of the Settlement Instruction;
- | When using one of the T2S References of each leg of an Already Matched Settlement Instruction, the maintenance instruction applies to only the referenced leg of the Already Matched Settlement.

According to the intended action from the T2S Actor, Maintenance Instructions can be classified as:

- | Cancellation Instruction: Settlement Instructions or Settlement Restrictions can be cancelled anytime before their settlement upon request from the T2S Actor. (See section [Instruction Cancellation](#) [**Error! Bookmark not defined.**]);
- | Amendment Instruction: An Amendment Instruction can be used for modifying the process indicators related to the Priority, Partial Settlement Indicator or Linkages block of an unsettled Settlement Instruction. For unsettled Settlement Restrictions, only Priority and Linkages Block process indicators can be amended. Amendment Instructions can also be sent to amend the Priority of a partially settled Settlement Instruction or Settlement Restriction. (See section [Instruction Amendment](#) [**Error! Bookmark not defined.**]);

- I Hold/Release Instruction: A Settlement Instruction can be put on hold any time until its settlement or cancellation, preventing it from settlement. Once a Settlement Instruction is put on hold, it can be released or partially released. Settlement Restrictions cannot be put on hold in T2S. (See section [Hold and Release](#) [**Error! Bookmark not defined.**]);
- I CoSD Instructions: T2S allows CSDs to set up rules-based, date-dependent configurations of conditional securities delivery (See section [Conditional Settlement](#) [**Error! Bookmark not defined.**]). Each CSD can set up its CoSD Rule Set that triggers conditions (e.g. settlement currency, transaction type) that have to be met by the Settlement Instructions. A Settlement Instruction identified as CoSD on its Intended Settlement Date is automatically put on Hold until the Administering Parties involved release or cancel it, sending the corresponding instruction:
 - CoSD Release Instruction: Is used to release Settlement Instructions CoSD on Hold (See section [Conditional Settlement](#) [**Error! Bookmark not defined.**]). In order to successfully release a CoSD Settlement Instruction, each Administering Party must send one CoSD Release Instruction per CoSD rule that applies to such Settlement Instruction (See section [Send Release Instruction for CoSD by Administering Party](#) [**Error! Bookmark not defined.**]);
 - CoSD Cancellation Instruction: Is used to cancel Settlement Instructions identified as CoSD (See section [Conditional Settlement](#) [**Error! Bookmark not defined.**] and [Instruction Cancellation](#) [**Error! Bookmark not defined.**]). All the Administering Parties involved in the CoSD process must send their CoSD Cancellation Instructions in order to cancel the Settlement Instruction identified as CoSD. Nevertheless, the relevant CSD involved in the Settlement Instruction can request the cancellation of a CoSD Settlement Instruction sending one Cancellation Instruction. In both cases (CSDs or Administering Parties) the cancellations should be sent by both counterparties, as described in [Instruction Cancellation](#) [**Error! Bookmark not defined.**] and in [Send Cancellation Instruction for CoSD by Administering Party](#) [**Error! Bookmark not defined.**].

1.6.1.1.3 Validation process

Privilege checks validation

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- I For Maintenance Instructions T2S checks the following privileges once confirmed that the referenced instruction exist:

...

- The T2S System User of a Hold/Release Instruction that intends to release or partially release a Party Hold, or to release a CSD Hold or CSD Validation Hold must be authorised to release a Party Hold, CSD Hold or CSD Validation Hold on a specific Securities Account.

...

- If the Depository (Delivering Depository in case a DELI or Receiving Depository in case of a RECE) is an external CSD, the T2S System User of a Hold/Release Instruction that intends to perform a Party Hold, release or partially release a Party Hold must be authorised to perform a Party Hold or release a Party Hold on behalf of that external CSD.

...

- The T2S System User of a maintenance instruction that intends to amend/cancel/hold release or partially release a Settlement Instruction identified as a non-modifiable instruction must be authorised to amend non-modifiable Instructions on behalf of the Instructing Party of the Underlying Settlement Instruction.

...

- I Referenced LCMM Instruction Validation: For Maintenance Instruction (Amendment Instruction, Cancellation Instruction and Hold/Release Instruction) T2S verifies that the referenced instruction (Settlement Instruction or Settlement Restriction) exists in T2S and that the information contained in both instructions is consistent. The following checks are performed:

...

- The Settlement Quantity indicated in an Amendment, Cancellation or Hold/Release Instruction is the same than the Settlement Quantity indicated in the referenced Settlement Instruction or Settlement Restriction on securities (only Amendment and Cancellation). When partially releasing a Settlement Instruction the Settlement Quantity must be lower than the Settlement Quantity indicated in the referenced Settlement Instruction.

1.6.1.6.1 Concept

T2S Hold/Release process provides T2S Actors the functionality to hold and release Settlement Instructions, at any time during its lifecycle until they are settled or cancelled. It is also possible to hold the pending part of a partially settled Settlement Instruction and, under specific conditions, to partially release a Settlement Instruction.

T2S Actors who want to hold, release or partially release an existing Settlement Instruction need to send a Hold/Release Instruction including only one modification per instruction. T2S Actors can also send a Settlement Instruction initially on Hold.

1.6.1.6.2 Overview

T2S considers an Instruction on Hold and consequently not eligible for settlement when at least one of the four statuses (Party Hold, CSD Hold, CSD Validation Hold or CoSD Hold) is put to “Yes”.

In case the Settlement Instruction is under Partial Release Process it will remain on Hold (Party Hold). However T2S considers it eligible for settlement but only when Partial Settlement is allowed.

The different scenarios for a Settlement Instruction regarding the hold process are described in the table below:

TABLE 1 - HOLD /RELEASE EXHAUSTIVE SCENARIOS FOR A SETTLEMENT INSTRUCTION

SETTLEMENT INSTRUCTION					
SCENARIO	PARTY HOLD	CSD HOLD	CSD VALIDATION HOLD	COSD HOLD	RESULT
1	NO	NO	NO	NO	Eligible for settlement
2	YES	YES	YES	YES	No settlement attempt can be performed
3	YES	YES	YES	NO	No settlement attempt can be performed
4	YES	YES	NO	NO	No settlement attempt can be performed
5	YES	NO	NO	YES	No settlement attempt can be

SETTLEMENT INSTRUCTION					
SCENARIO	PARTY HOLD	CSD HOLD	CSD VALIDATION HOLD	COSD HOLD	RESULT
					performed
6	NO	NO	YES	YES	No settlement attempt can be performed
7	NO	YES	YES	YES	No settlement attempt can be performed
8	NO	YES	NO	NO	No settlement attempt can be performed
9	YES	NO	NO	NO	No settlement attempt can be performed ^x
10	NO	NO	YES	NO	No settlement attempt can be performed
11	YES	NO	YES	NO	No settlement attempt can be performed
12	NO	YES	YES	NO	No settlement attempt can be performed
13	YES	YES	NO	YES	No settlement attempt can be performed
14	NO	YES	NO	YES	No settlement attempt can be performed
15	YES	NO	YES	YES	No settlement attempt can be performed
16	NO	NO	NO	YES	No settlement attempt can be performed No Party / CSD Hold is allowed.

If an Instruction remains on Hold at the end of its Intended Settlement Date, T2S recycles the instruction following the T2S recycling rules (See section [Instructions Recycling](#) [**Error! Bookmark not defined.**]).

^x No settlement attempt can be performed unless the Settlement Instruction is under Partial Release Process and Partial Settlement is allowed (i.e. a Partial Settlement Window is open or the corresponding sequence of the Night Time Settlement is running).

...

1.6.1.6.6 Partial Release process

When a T2S Actor sends a Release Instruction, he has the option to only release part of the quantity of the referenced Settlement Instruction in case a set of given conditions are met.

In order to trigger this process the T2S Actor must specify, in the Release Instruction, a quantity which shall be lower than the quantity indicated in the referenced Settlement Instruction.

To validate this particular type of Release Instruction, T2S checks that:

- | The Referenced Instruction exists;
- | The quantity to be released is lower than the original quantity of the Referenced Instruction;
- | The quantity to be released complies with the Settlement Unit Multiple.
- | The number of decimals of the quantity to be released is equal or lower than the number of decimals of the Settlement Unit Multiple of the related Security
- | The quantity is expressed using the same Settlement Type as the one specified in T2S Reference Data for the ISIN Code of the referenced Settlement Instruction.
- | The Intended Settlement Date of the referenced Settlement Instruction has been reached.
- | The Securities Movement Type of the referenced Settlement Instruction is 'DELI'.
- | The referenced Settlement Instruction is not a T2S generated Settlement Instruction

If any of these conditions is not met the Release Instruction is rejected and T2S does not undertake the Partial Release Process.

If the Release Instruction is successfully validated by T2S, the Partial Release Process will then carry on another subset of checks in order to execute the partial release:

- | The Referenced Instruction is matched;
- | The Referenced Instruction is not awaiting approval or revoked;
- | The Referenced Instruction is not settled;
- | The Referenced Instruction is not cancelled;
- | The Referenced Instruction is not identified with CoSD Flag;
- | The Referenced Instruction is on Party Hold;
- | The quantity to be released complies with partial settlement rules regarding MSU, SUM and cash threshold;
- | No other hold applies to the Referenced Instruction or its counterparty instruction;
- | None of the related Realignment instructions is on Hold
- | The Referenced Instruction and its counterparty instruction allow partial settlement;
- | The Referenced Instruction and its counterparty instruction are not constrained by any settlement link;
- | The Referenced Instruction and its counterparty instruction are not constrained by any non-reciprocal link;
- | The Referenced Instruction and its counterparty instruction have not reached their cut-off time.

If the conditions for partial release are no longer present the ongoing partial release process is cancelled.

If the quantity released is higher than the remaining quantity of the Referenced Instruction the partial release will be handled as a full Release Instruction.

Once T2S successfully executes the partial release, the T2S Actor is informed through a message communicating the execution of the maintenance instruction and through a Status Advice message informing that the Referenced Instruction is still on Party Hold and that the partial release has been executed. Interested parties can also be informed depending on their message subscription preferences (see section [Status Management](#) [**Error! Bookmark not defined.**] and Section [Message subscription](#) [**Error! Bookmark not defined.**]).

Once executed, a partially released Settlement Instruction will be only submitted to a settlement attempt if Partial Settlement is allowed i.e. a Partial Settlement Window is open or the corresponding sequence of the Night Time Settlement is running (see section Partial Settlement).

To cancel the Partial Release Process, a Party Hold instruction should be sent.

Additionally, the Partial Release Process will be automatically cancelled when:

- I Any new holds apply to the Referenced Instruction or the counterparty instruction;
- I A release instruction over the Referenced Instruction is received;
- I The Partial Settlement of the Referenced Instruction or the counterparty instruction is disallowed i.e. Partial Settlement Indicator set to 'NPAR';
- I A Business Link is added through an amendment or a non-reciprocal link;
- I The Partial Release Process has not fully settled the released quantity by the relevant cut-off time.
- I The released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction;

If the Partial Release Process is cancelled the T2S Actor will be informed through a Status Advice message.

In case a T2S Actor wants to amend the Partial Release Process and increase or decrease the quantity to be partially released, the T2S Actor shall cancel the current process by sending a Party Hold instruction and send a new partial release with the new desired quantity to be released.

During the whole Partial Release Process, the referenced Settlement Instruction will remain on Party Hold.

The Partial Release Process will terminate when the partially released quantity is completely settled or if the process is cancelled, either by the T2S Actor or by T2S.

Example 106 – Partial Release Process

This example illustrates the execution of a Release Instruction that aims to partially release Settlement Instruction "X", which has its Party Hold indicator already set to "Yes".

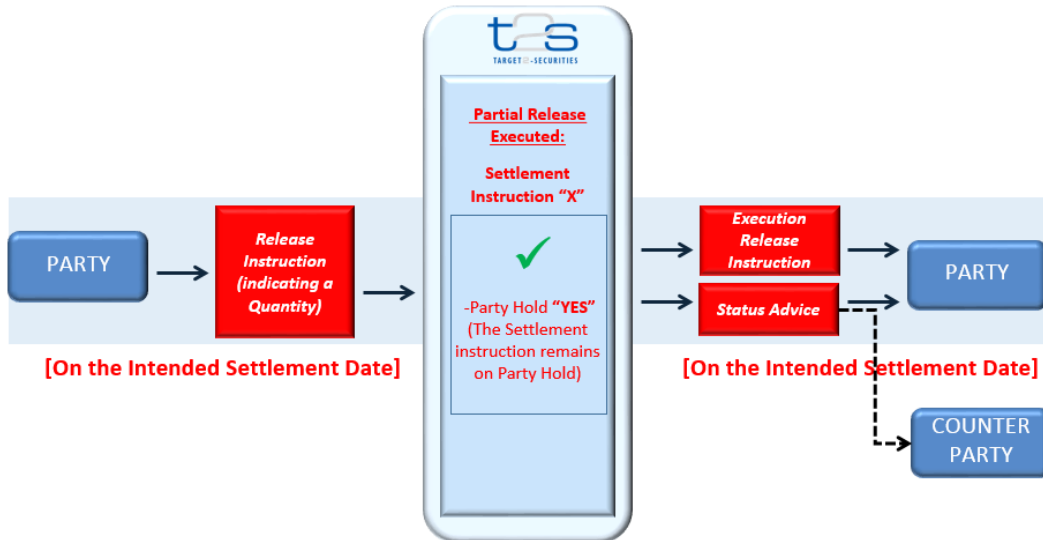
On the Start of Day period of the Intended Settlement Date for Settlement Instruction "X", a T2S Party sends a Release Instruction for Party Hold, in order to partially release the referenced Settlement Instruction. For this, the T2S Party indicates a specific quantity in the Release Instruction which is lower than the original quantity of Settlement Instruction "X". T2S successfully validates the instruction, and proceeds to execute the partial release, leaving the Party Hold indicator of the referenced Settlement Instruction set to "Yes". Additionally, T2S notifies the execution of the Release Instruction and the Status Advice of the Settlement Instruction to the T2S Actor and other interested parties, depending on their message subscription preferences.

After the execution of the Release Instruction, Settlement Instruction "X" will only be submitted to a settlement attempt when Partial Settlement is allowed.

After the effective settlement of the partially released quantity, the referenced Settlement Instruction will remain on Party Hold until the T2S Actor sends a standard Party Hold Release Instruction (i.e. without specifying a quantity) or another Release Instruction indicating a quantity equal or higher than the quantity remaining on Party Hold.

The Settlement Instruction "X" remains in scenario 9 of Table 120 throughout the entire partial release process and also after its ending.

Diagram 82 – The Party sends a Release Instruction to partially release a Settlement Instruction



1.6.4.1.3 Status management process

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Party Hold Status

Indicates if the Settlement Instruction is set On Hold or Released by the corresponding T2S Actor. Settlement Instructions with the Party Hold Status "Yes" are not submitted for settlement with the exception of those Settlement Instructions Partially Released which are submitted for partial settlement.

Diagram 2 - Settlement Instruction – Party Hold Status Diagram

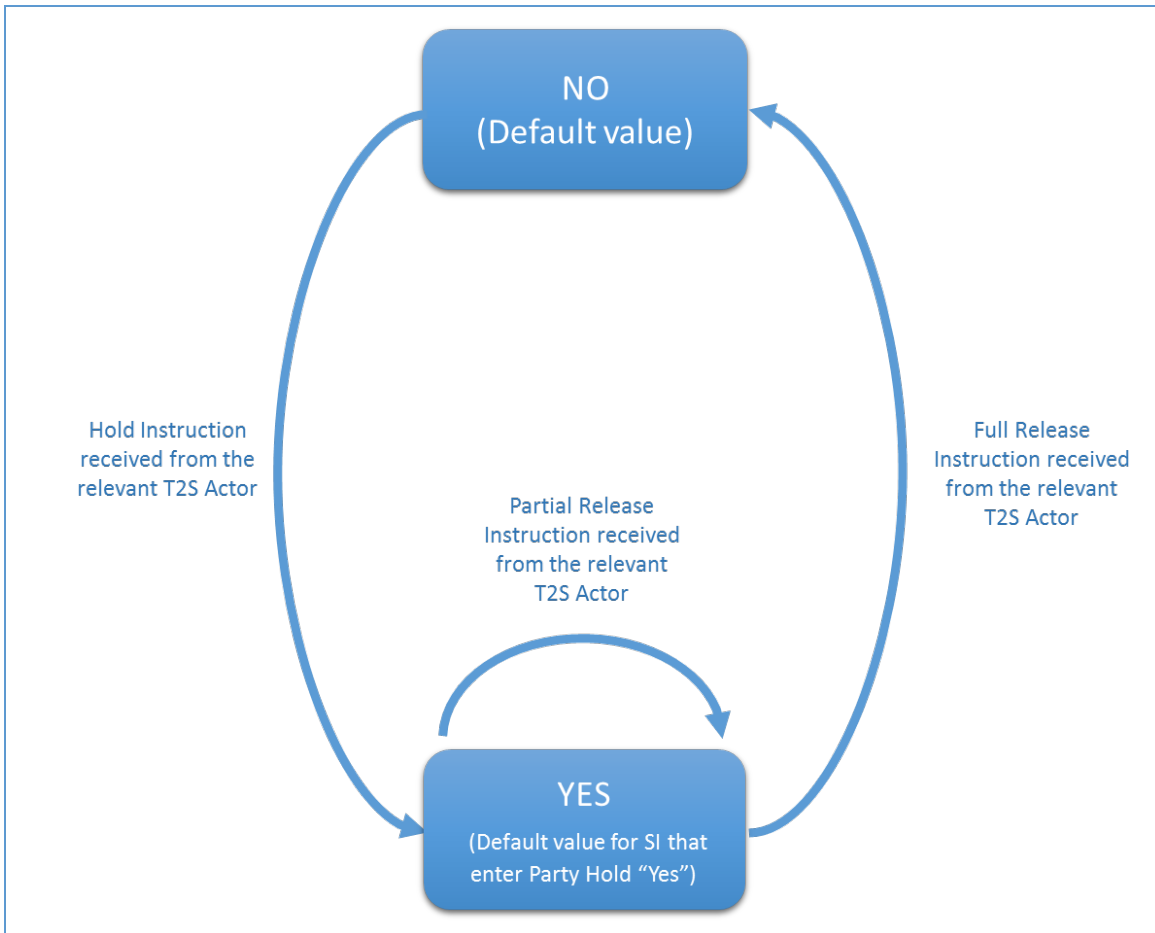


TABLE 2 - SETTLEMENT INSTRUCTION – PARTY HOLD STATUS VALUES DEFINITIONS

STATUS VALUES	DEFINITION
No	Default value. The relevant T2S Actor has not instructed the Settlement Instruction On Party Hold. The relevant T2S Actor releases the corresponding Settlement Instruction which was previously On Party Hold.
Yes	Default value when the relevant T2S Actor has instructed the Settlement Instruction On Party Hold. When a Party Hold request on the Settlement Instruction, originated by the relevant T2S Actor, is executed. The relevant T2S Actor instructs the Settlement Instruction and the “hold Release default” value of the Securities Account included in the Instruction is set to “Yes”. <u>When a Party Release request to partially release the Settlement Instruction, originated by the relevant T2S Actor, is executed.</u>

2.8.3.2 Referenced Settlement Instruction Status Check

...

- I **[Referenced Instruction Status Check OK]** If the Referenced Instruction does not fulfil any of the conditions, then T2S modifies the Referenced Instruction^x and sends an "[Executed](#)" [**Error! Bookmark not defined.**] [SecuritiesSettlementConditionModificationStatusAdvice](#) [**Error! Bookmark not defined.**] to inform the T2S Actor (Instructing party) that its Amendment Instruction has been executed.

^x In case the Referenced Instruction is under Partial Release Process and the Amendment Instruction adds a settlement link or disallows partial settlement, the Partial Release Process will be cancelled. Also, in case the Amendment Instruction adds a non-reciprocal link towards a different Settlement Instruction which is under Partial Release Process, this Partial Release Process will be cancelled.

2.10.3.2 Referenced Settlement Instruction Status Check

T2S checks the status of the Referenced Settlement Instruction to identify if the Hold Instruction can be executed. The result of this check can be:

- I **[Referenced Settlement Instruction Status Check NOK]** If the Referenced Settlement Instruction fulfils any of the following conditions:
 - The Settlement Status of the Referenced Settlement Instruction is "Settled";
 - The Cancellation Status of the Referenced Settlement Instruction is "Cancelled";
 - The relevant hold status (Party Hold Status^x / CSD Hold Status) of the Reference Settlement Instruction is already put to "Yes";
 - The Referenced Settlement Instruction is identified as CoSD.

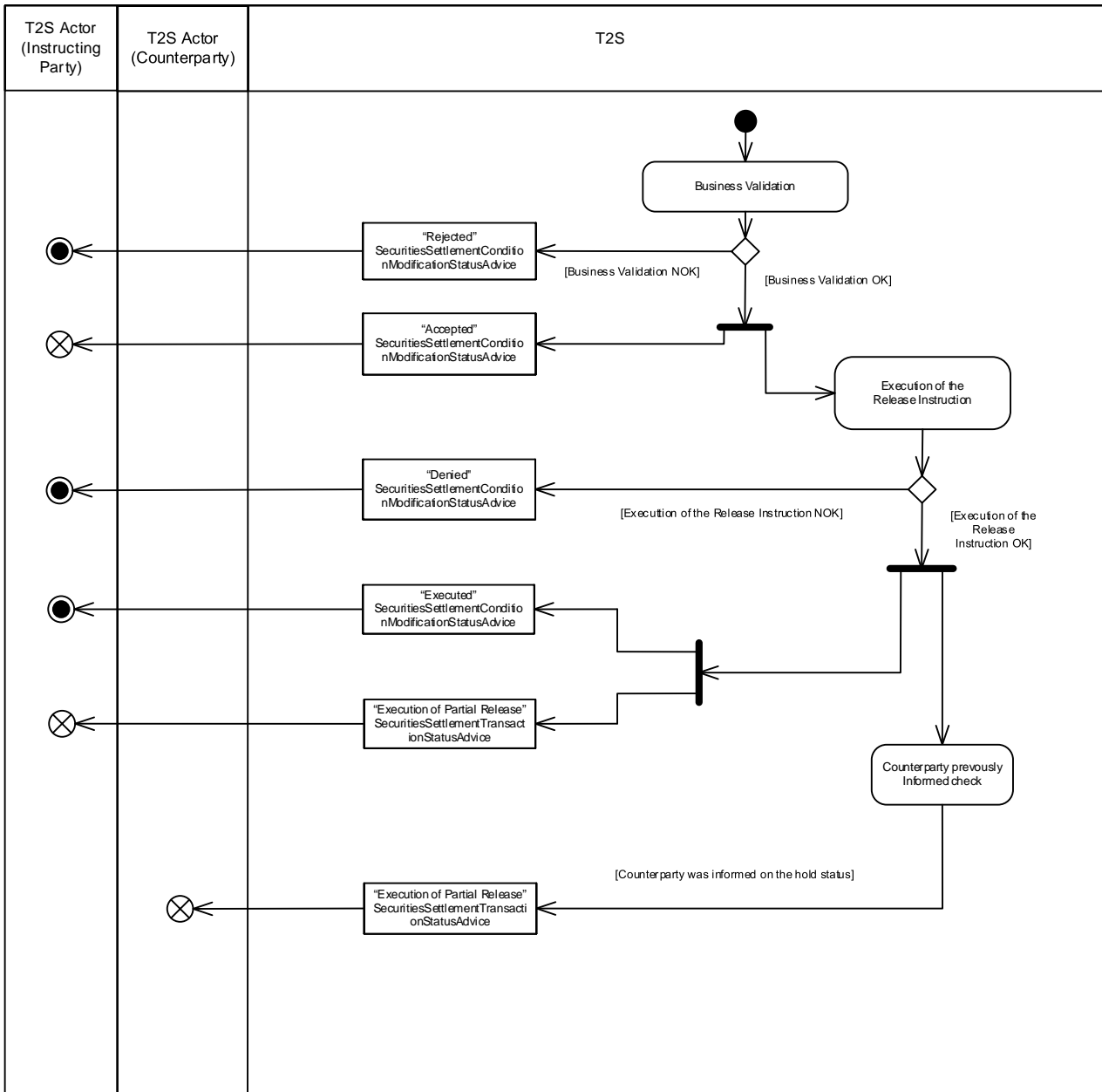
The Hold Instruction is rejected and T2S sends a "Denied"

[SecuritiesSettlementConditionModificationStatusAdvice](#) with the relevant code to inform the T2S Actor (Instructed Party) that this Hold Instruction has to be denied.

- I **[Referenced Settlement Instruction Status Check OK]** If the Referenced Settlement Instruction does not fulfil any of the conditions above, or Partial Release Process is activated, then T2S sends a "Party Hold" [Securities Settlement Transaction Status Advice](#) or "CSD Hold" [Securities Settlement TransactionStatusAdvice](#) to inform that its Settlement Instruction has been put on hold and consequently sends an "Executed" [SecuritiesSettlementConditionModificationStatusAdvice](#) to inform the relevant T2S Actor (Instructing party) that its Hold Instruction has been executed.

^x In case the Referenced Settlement Instruction is under Partial Release Process the Hold Instruction is executed and the Partial Release Process is cancelled.

2.10.5 Lifecycle Processing Partial Release Instruction



2.10.5.1. Business Validation

T2S checks whether the Release Instruction that triggers the Partial Release Process passes the Business Validation, including privilege check. The result of this check can be:

- I **[Business Validation NOK]** If the Release Instruction is not valid, it is rejected and T2S sends a “Rejected” SecuritiesSettlementConditionModificationStatusAdvice with the corresponding reason code to inform the T2S Actor (Instructing party) that its Release Instruction has been rejected.

Among other standard validations, the following specific checks are performed:

- The Referenced Settlement Instruction exists;
- The quantity to be released is lower than the original quantity of the Referenced Instruction;
- The quantity to be released complies with the SUM;

- The number of decimals of the Settlement Quantity of a Party Release Instruction must be equal or lower to the number of decimals of the number of decimals of the Settlement Multiple of the related security
- The Settlement Quantity stated in the Party Release Instruction must be expressed using the same Settlement Type specified in T2S Reference Data
- The Referenced Settlement Instruction has reached its Intended Settlement Date;
- Underlying SI is not an internally generated instruction
- Underlying SI is delivering securities
-

I **[Business Validation OK]** If the Release Instruction passes the Business Validation and T2S sends an “Accepted” SecuritiesSettlementConditionModificationStatusAdvice to inform the T2S Actor (Instructing party) that its Release Instruction has been accepted, and continues with its processing.

2.10.5.2 Execution of the Release Instruction

T2S checks whether the accepted Release Instruction can be executed. The result of this check can be:

I **[Execution of the Release Instruction NOK]** If any of the following execution checks is not passed:

- The Referenced Settlement Instruction is a delivering Settlement Instruction;
- The Referenced Settlement Instruction is matched;
- The Referenced Instruction is not settled;
- The Referenced Instruction is not cancelled;
- The Referenced Instruction is not identified with CoSD Flag;
- The Party Hold status of the Referenced Settlement Instruction is “Yes”;
- The quantity to be released complies with partial settlement rules regarding MSU, SUM and cash threshold;
- No other hold applies to the Referenced Instruction or its counterparty instruction;
- None of the related realignment Settlement Instructions are on Hold;
- The Referenced Instruction and its counterparty instruction allow partial settlement;
- The Referenced Instruction and its counterparty instruction are not constrained by any settlement link;
- The Referenced Instruction and its counterparty instruction are not constrained by any non-reciprocal link;
- The Referenced Instruction and its counterparty instruction have not reached their cut-off time.

T2S cancels the Partial Release Process, denies the Release Instruction and sends a “Denied” SecuritiesSettlementConditionModificationStatusAdvice with the relevant reason code to inform the relevant T2S Actor (Instruction party) that its Release Instruction has been denied.

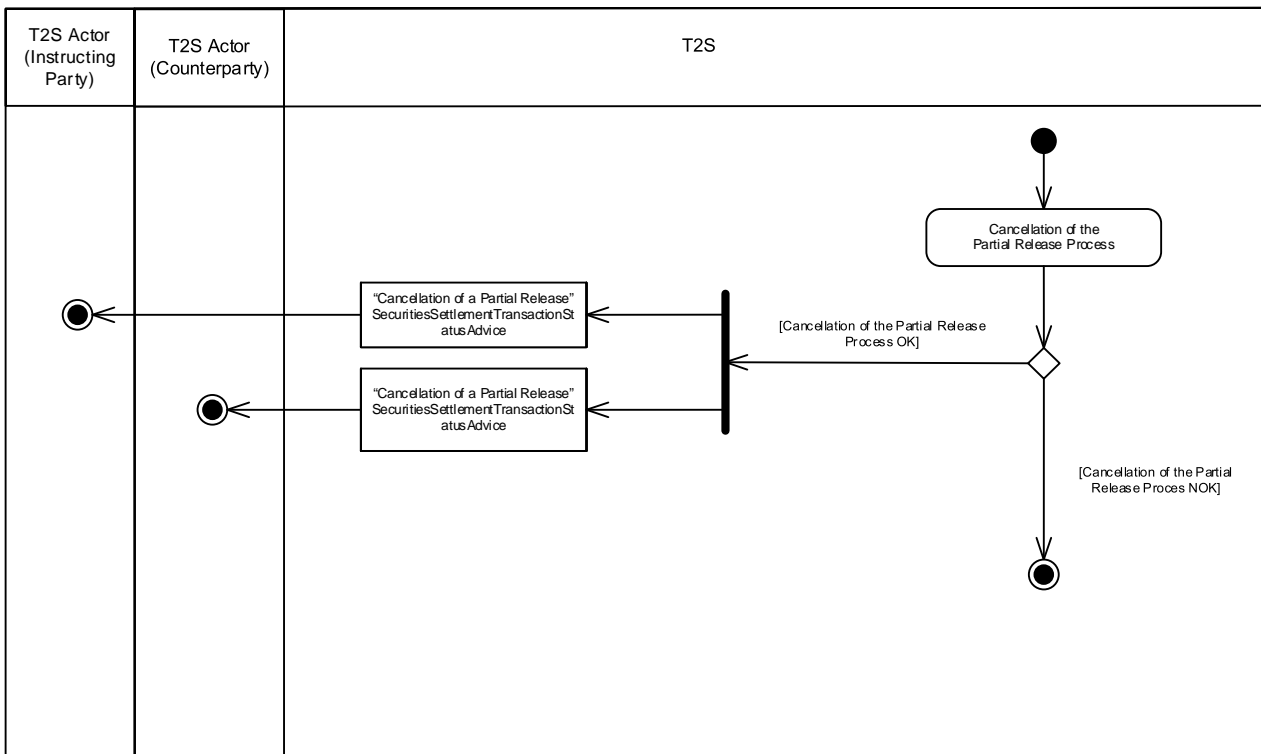
I **[Execution of the Release Instruction OK]** If all the relevant execution checks are passed T2S executes the Release Instruction and sends an “Executed” SecuritiesSettlementConditionModificationStatusAdvice to inform the relevant T2S Actor (Instructing Party) that its Release Instruction has been executed. T2S also sends a “Execution of Partial Release” SecuritiesSettlementTransactionStatusAdvice with the Party Hold indicator set to “True”, and including information on the partially released quantity and quantity remaining on hold to inform the relevant T2S Actor (Instructing party) that the Referenced Settlement Instruction still remains on Party Hold but is now under Partial Release Process.

2.10.5.3 Counterparty previously informed Check

T2S checks if the Referenced Settlement Instruction's Counterparty has been informed on the Hold status of its instruction. The result of this check can be:

- I **[Counterparty was informed on the Hold status]** If the T2S Actor (Counterparty) was previously informed on the pending status of its Settlement Instruction due to the Hold of its Counterparty's Settlement Instruction, T2S sends a "Execution of Partial Release" SecuritiesSettlementTransactionStatusAdvice with the Party Hold indicator set to "False", and including information on the partially released quantity and quantity remaining on hold to inform the relevant T2S Actor (Counterparty) that the Referenced Settlement Instruction is now under Partial Release Process.

2.10.5.4 Cancellation of the Partial Release Process



T2S checks that the conditions required for the Partial Release Process are always met while the process is in progress. The result of this check can be:

- I **[Cancellation of the Partial Release Process OK]** If any of the following cancellation conditions is fulfilled:
 - Any new holds apply to the Referenced Instruction or the counterparty instruction;
 - The Partial Settlement of the Referenced Instruction or the counterparty instruction is disallowed i.e. Partial Settlement Indicator set to 'NPAR';
 - A Business Link is added through an amendment or a non-reciprocal link;
 - The Partial Release Process has not fully settled the released quantity by the relevant cut-off time;
 - The released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction;
 - The referenced Settlement Instruction under ongoing partial Release is fully released.

T2S cancels the Partial Release Process and sends a “Cancellation of a Partial Release” SecuritiesSettlementTransactionStatusAdvice to inform the relevant T2S Actors (Instructing party and Counterparty) that their Settlement Instruction cannot be partially settled, including a dedicated error code describing that the hold status was reassigned by T2S due to the cancellation of the Partial Release Process.

- | **[Cancellation of the Partial Release Process NOK]** If none of the cancellation conditions is met the Partial Release Process remains in progress until the full settlement of the partially released quantity.

The relevant T2S actor (Instructing party) can also cancel the Partial Release Process by sending a Hold Instruction with “Party Hold” Status or a standard Release Instruction.

3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)

This chapter illustrates the *SecuritiesSettlementTransactionStatusAdviceV03* message. The *SecuritiesSettlementTransactionStatusAdviceV03* message, also known as Settlement Instruction Status Advice, is sent by T2S to a CSD or other directly connected T2S party. It is used to inform about the current status of a Settlement Instruction ([sese.023.001.03](#) [**Error! Bookmark not defined.**]) which has been previously sent to T2S. The status may be a processing, matching, or settlement status.

This message is sent by T2S in the following message usages:

- |
- | Cancellation Requested;
- | Partial Settlement (unsettled part);
- | Execution of a Partial release:
- | Partial Settlement (unsettled part) of a settlement instruction partially released
- | Settlement of a Partial release
- | Cancellation of a Partial release

These message usages are described in the section "The message in business context".

3.3.8.5.3 The message in business context

Message usage: Partial Settlement (unsettled part) of a settlement instruction partially released

This message usage relates to the usage of a status advice message, sent by T2S, when advising about the unsettled part of a Settlement Instruction that has been partially settled. This message usage informs about a pending status due to a partial settlement.

Specific message requirements

To inform about the unsettled part of a partial filling, the SecuritiesSettlementTransactionStatusAdviceV03 includes the following information:

- | Pending – status that corresponds to ‘Pending’ with one reason code to inform about the partial settlement;
- | Code – ‘PART’ ISO code indicating the partial settlement of the transaction;
- | HoldIndicator – set to “True” if the securities movement type of the settlement instruction is ‘DELI’.

- | Hold Indicator/Code – ‘PTYH’ ISO Code that indicates that the instruction is on Party Hold only if the securities movement type of the settlement instruction is ‘DELI’.
- | SettlementQuantity – the unsettled part of the financial instrument;
- | SettlementAmount – the unsettled part of money to be paid or received in exchange for the securities;
- | SettlementInstructionProcessingAdditionalDetails – quantity released and the quantity remaining on hold. Only present if the instruction is under partial release process.
- | Supplementary Data – the T2S Matching Reference assigned by T2S to both Settlement Instructions.

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
Code Document/SctiesSttImTxStsAdvC/SttImSts/Pdg/Rsn/Cd/Cd	PendingReason2Code [] Error! Bookmark not defined.	The only possible value is PART
<u>Indicator</u> <u>Document/SctiesSttImTxStsAdvC/TxDtls/SttImParams/HldInd/Ind</u>	<u>YesNoIndicator</u>	<u>TRUE if the securities movement type of the settlement instruction is ‘DELI’</u> <u>Not present if the securities movement type of the settlement instruction is ‘RECE’</u>

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
<u>Unit</u> <u>Document/SctiesSttlmTxStsAdvc/TxDtls/SttlmQty/Qty/Unit</u>	<u>RestrictedFINDecimalNumber</u>	<u>Total quantity of securities to be settled</u>
<u>Amount</u> <u>Document/SctiesSttlmTxStsAdvc/TxDtls/SttlmAmt/Amt</u>	<u>RestrictedFINActiveCurrencyAndAmount</u>	<u>Total amount of money to be paid or received</u>
<u>SettlementInstructionProcessingAdditionalDetails</u> <u>Document/SctiesSttlmTxStsAdvc/TxDtls/SttlmInstrPrcgAddtlDtls /</u>	<u>RestrictedFINXMax350Text</u>	<u>Remaining released Quantity and quantity remaining on hold. The first 4 positions will represent a prefix PRQ/ followed by the settlement type (UNIT or FAMT) and by the digits of the "Partially released" quantity. After the last digit of the "partially released quantity", the next 4 positions will represent the settlement type (UNIT or FAMT) to separate both quantities followed by the digits of the "Quantity remaining on hold". This information is provided only if the instruction is still under partial release process.</u>
<u>RelatedTransactionIdentification</u> <u>Document/SctiesSttlmTxStsAdvc/SplmtryData/Envp/RltdTxId</u>	<u>SupplementaryData1</u>	<u>T2S Matching Reference assigned by T2S to both Settlement Instructions</u>

Message usage example: sese.024.001.03 T2S PartialSettlement of partially released quantity Example1.xml

Firstly CSD Participant A (PRTAFRPPXXX) with a securities account '1000000123' in T2S has instructed the delivery of 100000 securities ISIN000001 to its counterparty CSD Participant B (CSDPBBICXXX) and its CSD B (CSDBBIC1XXX) versus a payment of 575000, Euros for settlement on the 3/1/2015. The instruction is matched and on party hold. On the Intended Settlement Date, CSD Participant A requests a partial release of 20000 securities of its instruction 'T1290'. During the settlement process the Settlement Instruction is partially settled due to a lack of securities. In this example T2S informs Participant A about the current status of the Settlement Instruction, of its instruction with T2S reference 'T1290', informing the remaining part to be settled, the remaining released quantity, the remaining on hold quantity (Settlement Instruction Processing Additional Details) and providing the corresponding T2S

Matching Reference (Supplementary Data). The Settlement Instruction has 5000 securities remaining released, 80000 securities remaining on hold and 85.000 securities unsettled with a remaining part of 488750 euros to be credited to its cash account.

Message usage example: sese.024.001.03 T2S PartialSettlement of partially released quantity Example2.xml

Firstly CSD Participant B (CSDPBBICXXX) with a securities account '1000000456' in T2S has instructed the reception of 100000 securities ISIN000001 from its counterparty CSD Participant A (PRTAFRPPXXX) and its CSD A (CSDABIC1XXX) versus a payment of 575000, Euros for settlement on the 3/1/2015. The instruction is matched. On the Intended Settlement Date, CSD Participant A requests a partial release of 20000 securities of its instruction 'T1290'. During the settlement process, the Settlement Instruction is partially settled due to a lack of securities. In this example T2S informs Participant B about the current status of its Settlement Instruction, with T2S reference 'T1291', informing the remaining part to be settled, the remaining released quantity, the remaining on hold quantity (Settlement Instruction Processing Additional Details) and providing the corresponding T2S Matching Reference (Supplementary Data). The Settlement Instruction has 5000 securities remaining released, 80000 securities remaining on hold and 85.000 securities unsettled with a remaining part of 488750 euros to be debited to its cash account.

Message usage: Execution of a partial release

This message usage relates to the usage of a status advice message, sent by T2S, when a settlement instruction is partially released. A settlement instruction is partially released if a release instruction indicating a quantity lower than the quantity stated in the referenced Settlement Instruction is executed.

Specific message requirements^x

To inform about the execution of a partial release, the *SecuritiesSettlementTransactionStatusAdviceV03* includes the following information:

- I Pending – status that corresponds to 'Pending':
- I Code – 'FUTU' ISO code that indicates that the instruction is no longer on Hold just for the quantity partially released.
- I HoldIndicator – set to "True" if the securities movement type of the settlement instruction is 'DELI'
- I HoldIndicator/Code – 'PTYH' ISO Code that indicates that the instruction is on Party Hold only if the securities movement type of the settlement instruction is 'DELI'.
- I SettlementInstructionProcessingAdditionalDetails – quantity released and the quantity remaining on hold

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
<u>Code</u> <u>Document/ScitiesSttlmTxStsAdvC/SttlmSts/Pdg/Rsn/Cd/Cd</u>	<u>PendingReason2Code</u>	<u>The only possible value is FUTU</u>
<u>Indicator</u> <u>Document/ScitiesSttlmTxStsAdvC/TxDtls/SttlmParams/HldInd/Ind</u>	<u>YesNoIndicator</u>	<u>TRUE if the securities movement type of the settlement instruction is 'DELI'</u>

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
		Not present if the securities movement type of the settlement instruction is 'RECE'
Code Document/SctiesSttImTxStsAdvc/TxDtIs/SttImParams /HIdInd/Rsn/Cd/Cd	Registration2Code	"PTYH" if the securities movement type of the settlement instruction is 'DELI'. Not present if the securities movement type of the settlement instruction is 'RECE'
SettlementInstructionProcessingAdditionalDetails Document/SctiesSttImTxStsAdvc/TxDtIs/ SttImInstrPrcgAddtlDtIs /	RestrictedFINXMax350Text	Quantity released and quantity remaining on hold The first 4 positions will represent a prefix PRQ/ followed by the settlement type (UNIT or FAMT) and by the digits of the "Partially released" quantity. After the last digit of the "partially released quantity", the next 4 positions will represent the settlement type (UNIT or FAMT) to separate both quantities followed by the digits of the "Quantity remaining on hold".

Message usage example: [sese.024.001.03 T2S PartialRelease execution Example1.xml](#)
 Firstly CSD Participant A (PRTAFRPPXXX) with a securities account '100000123' in T2S has instructed the delivery of 100000 securities ISIN000001 to its counterparty CSD Participant B (CSDPBBICXXX) and its CSD B (CSDBBIC1XXX) versus a payment of 575000, Euros for settlement on the 3/1/2015. The instruction is matched and on party hold. On the Intended Settlement Date, CSD Participant A requests a partial release of 20000 securities of its instruction 'T1290'. T2S sends a pending status advice related to the Settlement Instruction informing the released quantity and the remaining quantity on hold.

Message usage example: [sese.024.001.03 T2S PartialRelease execution Example2.xml](#)

Firstly CSD Participant B (CSDPBBICXXX) with a securities account '100000456' in T2S has instructed thereception of 100000 securities ISIN000001 from its counterparty CSD Participant A (PRTAFRPPXXX) and its CSD A (CSDABIC1XXX) versus a payment of 575000, Euros for settlement on the 3/1/2015. The instruction is matched. On

the Intended Settlement Date, CSD Participant A requests a partial release of 20000 securities of its instruction 'T1290'. T2S sends a pending status advice to the counterpart Settlement Instruction with T2S reference 'T1291' informing the released quantity and the remaining quantity on hold.

Message usage: Settlement of a partial release

This message usage relates to the usage of a status advice message, sent by T2S, when a partially released quantity is fully settled.

Specific message requirements

To inform about the settlement of a partial release, the *SecuritiesSettlementTransactionStatusAdviceV03* includes the following information for the delivering side of the transaction:

- | Pending – status that corresponds to 'Pending';
- | Code – 'PREA' ISO code that indicates that the instruction is on Party Hold if the securities movement type of the settlement instruction is 'DELI'. 'PRCY' ISO code that indicates that the counterparty is on hold i if the securities movement type of the settlement instruction is 'RECE..
- | Additional Information: Business rule, error description informing that the instruction is on hold due to the settlement of a partially released quantity'
- | SettlementQuantity– Quantity remaining to be settled
- | HoldIndicator – set to "True"
- | HoldIndicator/Code – ISO Code that indicates that the instruction is on Party Hold ("PTYH"). Only present if the securities movement type of the settlement instruction is 'DELI'

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
<u>Code</u> <u>Document/ScitiesSttImTxStsAdvC/SttImSts/Pdg/Rsn/Cd/Cd</u>	<u>PendingReason2Code</u>	<u>PREA if the securities movement type of the settlement instruction is 'DELI'</u> <u>PRCY if the securities movement type of the settlement instruction is 'RECE'</u>
<u>Additional Information</u> <u>Document/ScitiesSttImTxStsAdvC/SttImSts/Pdg/Rsn/AdtlRsnInf</u>	<u>RestrictedFINXMax210Tex</u>	<u>Business rule, error description</u>
<u>Indicator</u> <u>Document/ScitiesSttImTxStsAdvC/TxDtls/SttImParams/HldInd/Ind</u>	<u>YesNoIndicator</u>	<u>TRUE if the securities movement type of the settlement instruction is 'DELI'</u> <u>Not present if the securities</u>

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
		movement type of the settlement instruction is 'RECE'
Code Document/SctiesSttlmTxStsAdvc/TxDtls/SttlmParams /HldInd/Rsn/Cd/Cd	Registration2Code	"PTYH" if the securities movement type of the settlement instruction is 'DELI'. Not present if the securities movement type of the settlement instruction is 'RECE'

Message usage example: [sese.024.001.03_T2S_PartialReleaseSettlement_Example1.xml](#)

Firstly CSD Participant A requested a partial release of 20000 securities of its instruction 'T1290'. During the settlement process the partially released quantity is fully settled. In this example T2S informs Participant A about the current status of the Settlement Instruction, with T2S reference 'T1290', and the remaining part to be settled providing the corresponding T2S Matching Reference (Supplementary Data).

Message usage example: [sese.024.001.03_T2S_PartialReleaseSettlement_Example2.xml](#)

Firstly CSD Participant A requested a partial release of 20000 securities of its instruction 'T1290'. During the settlement process the partially released quantity is fully settled. In this example T2S informs Participant B about the current status of its settlement instruction with T2S reference 'T1291', and the remaining part to be settled providing the corresponding T2S Matching Reference (Supplementary Data).

Message usage: Cancellation of a partial release

This message usage relates to the usage of a status advice message, sent by T2S, when a partial released process is cancelled.

Specific message requirements

To inform about the cancellation of a partial release, the *SecuritiesSettlementTransactionStatusAdviceV03* includes the following information for the delivering side of the transaction:

- | Pending – status that corresponds to 'Pending';
- | Code – 'PREA' ISO code that indicates that the instruction is on Party Hold.

- | Additional Information: Business rule, error description informing the reason why the partial release process has been cancelled
- | SettlementQuantity– Quantity remaining to be settled
- | HoldIndicator – set to “True”
- | HoldIndicator/Code – ISO Code that indicates that the instruction is on Party Hold (“PTYH”)

MESSAGE ITEM	DATA TYPE/ CODE	UTILISATION
<u>Code</u> <u>Document/SctiesSttImTxStsAdvC/SttImSts/Pdg/Rsn/Cd/Cd</u>	PendingReason2Code	PREA if the securities movement type of the settlement instruction is 'DELI' PRCY if the securities movement type of the settlement instruction is 'RECE'
<u>Additional Information</u> <u>Document/SctiesSttImTxStsAdvC/SttImSts/Pdg/Rsn/AdDtI/RsnInf</u>	RestrictedFINXMax210Tex	<u>Business rule, error description</u>
<u>Indicator</u> <u>Document/SctiesSttImTxStsAdvC/TxDtIs/SttImParams/HldInd/Ind</u>	YesNoIndicator	TRUE if the securities movement type of the settlement instruction is 'DELI' Not present if the securities movement type of the settlement instruction is 'RECE'
<u>Code</u> <u>Document/SctiesSttImTxStsAdvC/TxDtIs/SttImParams/HldInd/Rsn/Cd/Cd</u>	Registration2Code	PTYH if the securities movement type of the settlement instruction is 'DELI'. Not present if the securities movement type of the settlement instruction is 'RECE'

Message usage example: sese.024.001.03 T2S PartialRelease cancellation Example1.xml

Firstly CSD Participant A requested a partial release of 20000 securities of its instruction 'T1290'. When the relevant cut-off is reached the partially released quantity remains unsettled, therefore the partial release process is automatically cancelled by T2S. In this example T2S informs Participant A about the current status of the Settlement Instruction, with T2S reference 'T1290', informing the remaining part to be settled and providing the corresponding T2S Matching Reference (Supplementary Data).

Message usage example: sese.024.001.03 T2S PartialRelease cancellation Example2.xml

Firstly CSD Participant A requested a partial release of 20000 securities of its instruction 'T1290'. When the relevant cut-off is reached the partially released quantity remains unsettled, therefore the partial release process is automatically cancelled by T2S. In this example T2S informs its counterpart (Participant B) about the current status of its Settlement Instruction, with T2S reference 'T1291', and the remaining part to be settled providing the corresponding T2S Matching Reference (Supplementary Data).

UHB Updates:

2.2.2.10 Hold/Release Instruction – New Screen

Context of Usage

This screen contains a number of fields regarding hold/release instructions. You can enter new data. Afterwards you can proceed further by clicking on the buttons below.

You can use this screen either in 2-eyes or in 4-eyes mode.

This screen is not relevant for CB users.

(...)

References

User Instructions Part

This screen is part of the following business scenarios:

- Put a settlement instruction on CSD hold [**Error! Bookmark not defined.**]
- (...)
- Release a settlement instruction from party hold [**Error! Bookmark not defined.**]
- Partially release a settlement instruction from party hold

Business Functionality Document

This screen corresponds to the following business function:

- Hold/release instruction (T2S.GUI.SESE.INX.0060)

Screenshot

Illustration 3: Hold/release instruction - new screen

Hold / Release
Release Types
(...)

Hold / Release	
CoSD Release	<p>Select the CoSD release allows you to send a hold/release instruction to T2S in order to release the referenced instruction which has been previously put on 'CoSD Hold' by the system.</p> <p>References for error messages [Error! Bookmark not defined.]:</p> <ul style="list-style-type: none"> ■ MMRI202 ■ MMRI204 ■ MVCP047 ■ MVRI584 ■ MVRI591 ■ MVRI593 ■ MVRI595
CoSD Rule Identification	<p>Enter the reference of the CoSD rule to be released by the hold/release instruction.</p> <p>Required format is: max. 35 characters (SWIFT-x)</p> <p>In case the referenced instruction is not on 'CoSD Hold', this field must be greyed out.</p> <p>References for error messages [Error! Bookmark not defined.]:</p> <ul style="list-style-type: none"> ■ MVCP043 ■ MVRI571 ■ MVRI572 ■ MVRI584 ■ MVRI595
<u>Quantity</u>	
<u>Released Quantity</u>	<p><u>Enter the quantity to be released if you want to partially release a delivering settlement instruction which has been previously put on party hold.</u></p> <p><u>This field is only available in case the released instruction is on 'Party Hold' and it is the delivering side of the transaction. If any other hold applies to the instruction, the released instruction is the receiving part of the transaction, it is unmatched, it is an internally generated instruction or its intended settlement date has not been reached, the field is greyed out.</u></p> <p><u>Required format is:</u></p> <p><u>For settlement type = Unit, max.15 digit(s) incl. decimal point (thereof max. 14 decimal places)</u></p>

Hold / Release	
	<p><u>For settlement type = Face amount, max. 15 digit(s) incl. decimal point (thereof max. 5 decimal places)</u></p> <p><u>References for error messages:</u></p> <ul style="list-style-type: none"> <u>MVRI598</u> <u>MVRI599</u> <u>MVRI600</u> <u>MVRI601</u> <u>MVRI602</u> <u>MVRI603</u> <u>MVRI604</u> <u>SPSA001</u> <u>SPSA002</u> <u>SPSA019</u> <p><u>In case the released quantity is not populated and the party release is selected, the party release instruction will be for the total quantity of the settlement instruction, or for the remaining to be settled quantity in case the settlement instruction has been already partially settled.</u></p>

Buttons

Buttons	
Submit	<p>This function enables you to create a new hold/release instruction. Upon clicking on the <i>submit</i> button you will be asked to enter your PIN for digital signature purposes (NRO). With the entry of the PIN, T2S attaches a digital signature to the instruction entered by the T2S actor.</p> <p>Next screen:</p> <ul style="list-style-type: none"> ■ <i>Hold/Release Instruction – New</i> screen <p>References for error messages [] Error! Bookmark not defined.:</p> <ul style="list-style-type: none"> ■ MMHI101 ■ ... ■ MVRI595 ■ <u>MVRI598</u> ■ <u>MVRI599</u> ■ MVRI600 ■ MVRI601 ■ MVRI602 ■ MVRI603 ■ MVRI604 ■ SPSA001 ■ SPSA002 ■ SPSA019

2.2.2.17 Settlement Instruction – Search/List Screen

Context of Usage

This screen contains a number of search fields. By inputting the relevant data, you can search for settlement instructions. The search results will be displayed in a list.

After selecting an entry, you can proceed further by clicking on the buttons below.

This screen is not relevant for CB users.

Screen Access

- Securities >> Settlement >> Settlement Instructions

Privileges

To use this screen, you need the following privilege [] **Error! Bookmark not defined.**:

- Settlement instruction query

References	<p>User Instructions Part</p> <p>This screen is part of the following business scenarios:</p> <ul style="list-style-type: none"> ■ Add a link for a settlement instruction [] Error! Bookmark not defined. ■ (...) ■ Release a settlement instruction from party hold [] Error! Bookmark not defined. ■ <u>Partially release a settlement instruction from party hold</u> ■ Remove a link for a settlement instruction [] Error! Bookmark not defined. <p>2.2.2.18 Settlement Instruction – Details Screen</p>
Context of Usage	<p>This screen displays detailed information on the selected settlement instruction. You can check the data and proceed further by clicking on the buttons below.</p> <p>You can perform the following foreseen actions: check the specific details of a settlement instruction, amend it, cancel it, hold it or release it, see its revisions/audit trail and status history or its related messages as well as copying the shown instruction to create a new similar one.</p> <p>This screen is not relevant for CB users.</p>
Screen Access	<ul style="list-style-type: none"> ■ Securities >> Settlement >> Settlement Instructions >> <i>Settlement instructions – search/list</i> screen >> Click on the <i>search</i> button >> <i>Settlement instructions – search/list</i> screen >> Click on the <i>details</i> button
Privileges	<p>To use this screen, you need the following privilege: [] Error! Bookmark not defined.</p> <ul style="list-style-type: none"> ■ Settlement instruction audit trail query
References	<p>User Instructions Part</p> <p>This screen is part of the following business scenarios:</p> <ul style="list-style-type: none"> ■ Add a link for a settlement instruction [] Error! Bookmark not defined. ■ (...) ■ Release a settlement instruction from party hold [] Error! Bookmark not defined. ■ <u>Partially release a settlement instruction from party hold</u> ■ Remove a link for a settlement instruction [] Error! Bookmark not defined. ■ View Alleged Cancellation Instructions [] Error! Bookmark not defined. ■ View settlement instruction details [] Error! Bookmark not defined. <p>Business Functionality Document</p> <p>This screen corresponds to the following business function:</p> <ul style="list-style-type: none"> ■ Display instruction details (T2S.GUI.SESE.INX.0030).
Screenshot	

Buttons

Amendment Instruction	<p>This function enables you to create a new amendment instruction of the selected settlement instruction.</p> <p>This button is not available in case any status of the settlement instruction does not allow the creation of the amendment instruction.</p> <p>Next screen:</p> <ul style="list-style-type: none"> Amendment securities instruction – new screen [Error! Bookmark not defined.]
Hold/Release Instruction	<p>This function enables you to create a new hold/release/<u>partial release</u> instruction of the selected settlement instruction.</p> <p>This button is not available in case any status of the settlement instruction does not allow the creation of the hold/release/<u>partial release</u> instruction.</p> <p>Next screen:</p> <ul style="list-style-type: none"> Hold/release instruction – new screen [Error! Bookmark not defined.]
(...)	(...)

3.15.3.4 Partially release a Settlement Instruction from Party Hold

Context of Usage

This business scenario describes how to partially release a settlement instruction from party hold. This is necessary if you want to partially release a settlement instruction that was previously put on party hold, in order to partially settle it. Settlement instructions put on party hold are not eligible for partial settlement until they are released or partially released.

Before you create a new partial release instruction for party hold, check whether the settlement instruction is eligible for the release from party hold. A business settlement instruction is eligible to be partially released for party hold if it is the delivering leg of the transaction, it is matched, its ISD has been reached, it is not cancelled, settled, already released for party hold and no other hold applies to the transaction. You can check the status of your settlement instruction before creating the partial release instruction through the details screen as described in the business scenario view settlement instruction details [**Error! Bookmark not defined.**].

This business scenario is not relevant for CB users.

Privileges

To carry out this business scenario, you need the following privileges:

- Settlement instruction query
- Settlement instruction current status query

- | [Settlement instruction status audit trail query](#)
- | [Release party hold settlement instruction on a securities account or on behalf of an external CSD](#)
- | [Release party hold auto-collateralisation instruction on a securities account](#)
- | [Send new instruction using a specific instructing party](#)

Reference

Further information on screens involved can be found in the screen reference part:

- | [Settlement instructions – search/list screen](#) [**Error! Bookmark not defined.**]
- | [Settlement instruction – details screen](#) [**Error! Bookmark not defined.**]
- | [Hold/release instruction - new screen](#) [**Error! Bookmark not defined.**]

Instructions

1. Go to the *settlement instructions – search/list* screen:
Securities >> Settlement >> Settlement Instructions
2. Enter at least one general search criterion known to you about the settlement instruction you want to release from party hold.
3. Click on the *search* button.
 - ⇒ A list containing the search results is displayed on the screen.
 - ⇒ If the search retrieves only one settlement instruction, the *settlement instruction - details* screen is displayed directly. Proceed with step 6.
4. Select the settlement instruction you want to release for a party hold by clicking on an entry in the list.
5. Click on the *details* button.
 - ⇒ The *settlement instruction – details* screen is displayed.
6. Check the details of the settlement instruction and click on the *hold/release* button.
 - ⇒ The *hold/release instruction – new* screen is displayed.
7. Enter all mandatory information in the 'General' subframe.
8. Select the 'Party Release' check box in the 'Hold/Release' subframe.
9. Insert the quantity to be released in the 'Released quantity' field.



Alternative

To set all fields to default value and blank out all optional fields, click on the *reset* button.

To cancel the process and return to the previous screen, click on the *cancel* button.

10. Click on the *submit* button.
11. Enter your PIN for digital signature purposes (NRO).
 - ➔ A new partial release instruction for party hold has been created.

- 3.15.3.45 Release a Settlement Instruction from CSD Hold
- 3.15.3.56 Release a Settlement Instruction from CoSD Hold
- 3.15.3.67 Release a Settlement Instruction from CSD Validation Hold
- 3.15.3.78 View Hold/Release Instruction Details
- 6.4.2.90 Hold/Release Instruction – New Screen

Reference for error message	Field or Button	Error Text	Description
...
MVRI595	<ul style="list-style-type: none"> Instructing Party BIC field Instructing Party Parent BIC field CoSD Release field CoSD Rule field CoSD Rule Identification field Submit button 	The Instructing Party is not the Administering Party of the CoSD Rule specified in the Condition Modification Instruction.	The Instructing Party of a CoSD Release Instruction must be the Administering Party of the CoSD Rule specified in the condition modification message.
MVRI598	<ul style="list-style-type: none"> <u>Released Quantity</u> <u>Submit button</u> 	<u>The Settlement Quantity of a Party Release Instruction is zero or higher than the Settlement Quantity of the referenced instruction.</u>	<u>If present, the Settlement Quantity indicated in a Party Release Instruction must be equal or lower than the Settlement Quantity stated in the referenced Settlement Instruction.</u>
MVRI599	<ul style="list-style-type: none"> <u>Released Quantity</u> <u>Submit button</u> 	<u>The Settlement Quantity of a Party Release Instruction is not a multiple of the Settlement Unit Multiple</u>	<u>If present, the Settlement Quantity indicated in a Party Release Instruction must be a multiple of the Settlement Unit Multiple.</u>
MVRI600	<ul style="list-style-type: none"> <u>Released Quantity</u> <u>Submit button</u> 	<u>The Settlement Quantity of a Party Release Instruction is not a multiple of the Settlement Unit Multiple</u>	<u>If present, the Settlement Quantity indicated in a Party Release Instruction must be a multiple of the Settlement Unit Multiple.</u>
MVRI601	<ul style="list-style-type: none"> <u>Released Quantity</u> 	<u>The Settlement</u>	<u>If present, the number of</u>

Reference for error message	Field or Button	Error Text	Description
	Submit button	Quantity stated in the Party Release Instruction is not expressed using the same Settlement Type specified in T2S Reference Data.	decimals of the Settlement Quantity of a Party Release Instruction must be equal or lower than the number of decimals of the Settlement Unit Multiple of the related Security
MVRI602	Submit button	The Intended Settlement Day of the referenced Settlement Instruction has not been reached yet.	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Intended Settlement Date of the referenced Settlement Instruction must have been reached
MVRI603	Submit button	The Securities Movement type of Referenced Settlement Instruction is not 'DELI'	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Securities Movement Type of the referenced Settlement Instruction must be 'DELI'
MVRI604	Submit button	The referenced Settlement Instruction of a Party Release instruction is a T2S generated Settlement Instruction	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction must not be a T2S generated Settlement Instruction
SPSA001	Released Quantity Submit button	Partial release instruction is denied	If the quantity present in a release Instruction is lower

Reference for error message	Field or Button	Error Text	Description
SPSA002	Released Quantity Submit button	because the relevant cut-off has been reached. Partial release instruction is denied because it does not comply with partial settlement rules.	than the settlement quantity stated in the referenced settlement instruction, the related cut-off must not have been reached. If the quantity present in a release instruction is lower than the settlement quantity stated in the referenced settlement instruction, it must comply with partial settlement rules.
SPSA019	Released Quantity Submit button	At least one associated realignment Settlement Instruction is on hold.	If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, none of the associated realignment Settlement Instruction must be submitted to any hold

High level description of Impact:**Outcome/Decisions:**

- * CRG meeting on 28 February 2017: The CRG agreed to put the Change Request on hold.
- * CRG meeting on 30 March 2017: The CRG agreed to share the Change Request with the DCPG for feedback.
- * CRG meeting on 24 April 2017: The CRG agreed to keep the Change Request on hold.
- * CRG meeting on 4 July 2017: The CRG agreed to have the Change Request updated and recommended the launch of the preliminary assessment of the updated Change Request.
- * OMG on 17 July 2017: During a written procedure from 6 July - 13 July 2017, the Operations Managers Group did not identify any blocking operational impact of the Change Request.
- * CRG meeting on 15 December 2017: The CRG agreed to initiate a written procedure for the CRG to provide feedback on the 4CB working assumptions and 4CB questions, and an indication of each institution's interest in the CR.
- * CRG meeting on 25 January 2018: The CRG agreed to update the CR and consider the updated Change Request complete and stable.
- * CRG on 1 February 2018: In a written procedure from 30 January to 1 February 2018, the CRG agreed to recommend to the Steering Level the launch of the detailed assessment of T2S-0653-URD in view of its potential inclusion in T2S release 3.0.
- * AMI-SeCo on 7 February 2018: In a written procedure from 2 to 7 February 2018, the AMI-SeCo was in favour of launching the detailed assessment on the Change Request.
- * CSD Steering Group on 9 February 2018: the CSD Steering Group was in favour of launching the detailed assessment on the Change Request.
- * CRG on 15 May 2018: in a written procedure from 11 to 15 May, the majority of CRG members recommended the approval and inclusion of CR 653 in R3.2. Two CRG members raised objections on the necessity of this CR and called for additional cost-benefit analysis.
- * OMG on 15 May 2018: in a written procedure from 14 to 15 May, the OMG did not identify any operational impact of CR-653 or object to its inclusion in R3.2
- * PMG on 17 May 2018: in a written procedure from 15 to 17 May, the PMG supported the allocation of CR-653 to the initial baseline scope of Release 3.2, subject to an adequate solution being found for volume testing on 6 June 2018.
- * AMI-SeCo written procedure ended 24 May 2018: Although the CR raised no concerns from a functional as well as a release planning perspective, a number of T2S stakeholders raised strong concerns regarding the actual business need/case as well as the potential impact that this CR may have on current market practices.
- * CSG on 14 June 2018: the CSG discussed the follow up steps on the CR and adopted a resolution in favour of the approval of CR-653 and its inclusion in T2S release 3.2
- * CRG on 28 November 2018: The CRG confirmed their recommendation to the PMG that CR-653, in its updated version, should be included in T2S R3.2

Preliminary Assessment:

- **Findings:**

LCMM/SETT:

The "partial release" process should be implemented as follows:

- "Partial release" instructions shall not be left "pending" until the Settlement Instruction is successfully partially settled. Consistently as for all the existing Maintenance instructions, the maintenance will be executed when the Settlement Instruction is updated accordingly and not when the settlement of the SI occurs (E.g. A partial settlement amendment is executed when the relevant attribute of the SI is updated and not when the SI is partially settled in T2S). Therefore, a "partial release" will be executed regardless the Settlement result.
- "Partial release" instructions will pass the necessary validations and execution checks to ensure that the content of the maintenance instruction is valid and that the current status of the underlying instruction and its counterpart allow such maintenance. The validation/execution checks will therefore be in line with the current process performed for any other maintenance instruction type.

The following list includes the checks to be performed on a partial release instruction (new checks are underlined and general checks on privileges and consistency are not included).

The Partial release will be accepted if:

- Underlying SI exists

- Underlying SI is not awaiting approval / revoked
 - Underlying Settlement SI is not identified with CoSD Flag
 - Underlying SI is on Party Hold
 - Underlying SI is not an internally generated instruction
 - No other hold must apply to the transaction (party and counterparty)
 - Quantity to be released shall comply with SUM check
 - Underlying SI is delivering securities, matched and its ISD has been reached
- Otherwise the partial release will be rejected.

The Partial release will be executed if:

- Quantity must comply with partial settlement rules regarding MSU & SUM
 - Underlying SI is not settled / cancelled
 - Underlying Settlement SI is not identified with CoSD Flag
 - Underlying SI is on Party Hold
 - No other hold must apply to the transaction (party and counterparty)
 - Underlying SI and counterpart must allow partial settlement
 - Underlying and/or counterpart SI is not involved in any pool or any business link
 - Quantity must be lower than the original and remaining quantity of the SI (Current BR MVR1565 need to be amended to allow informing quantity lower than the original quantity)
 - Underlying SI and counterpart have not reached their cut-off time
- Otherwise the partial release will be denied.

After the partial release is executed the settlement reason code FUTU will be informed together with the released quantity. The Party Hold status of the underlying SI should remain active.

- Changes over the partial release process of the SI must be allowed:
 - To cancel the “partial release” process; a Party Hold instruction should be sent.
 - A “full” release leads to also cancel the “partial release” process and trigger a settlement attempt.
 - To decrease the quantity initially defined for a “partial release” process; the initial partial release process needs to be cancelled and restarted: party hold instruction to be sent and then new partial release.
 - To increase the quantity initially defined for a “partial release” process, an additional partial release instruction with the additional quantity to be released will have to be instructed.
 - Additionally, the “partial release” process will be automatically cancelled in the following situations:
 - Any new holds apply to the underlying or the counterpart instruction or
 - Partial Settlement Indicator of underlying or counterpart instructions is set to “NPAR”, or
 - Business link added through an amendment or a non-reciprocal link, or
 - “Partial release” process has not fully settled the released quantity by the relevant cut-off time. The “partial release process” must not be active for an unlimited period of time in the system until the settlement or cancellation of the SI. Therefore a new process must be implemented in T2S in order to end the “partial release process” and update the settlement reason code back to PREA/PRCY

In any case, any amendment on an instruction leads to the triggering of new eligibility checks.

The cancellation of the “partial release” triggers eligibility checks.

Therefore any changes over the partial release process will lead to eligibility checks triggering:

- a Status advice informing PREA and other pending reason codes when applicable (i.e. : CSDH or CVAL) in case of:
 - Reception of a Hold instruction
 - Reception of an amendment of Partial Settlement indicator to NPAR
 - Reception of an amendment adding a business link or of non-reciprocal link
 - The SI has not reached its cut-off time
- A settlement attempt:
 - For the new released quantity in case of increase
 - For the whole quantity in case of full release

Matched SIs which are under “partial release” process must fulfil the following eligibility checks before being submitted to a settlement attempt:

- The partial release instruction is completed
 - Partial settlement is allowed i.e. Partial Settlement Window is open or sequence X is running
 - The released quantity is not fully settled
 - The SI has not been reached its cut-off time

Settlement of partially released instructions:

- “All or none” alternative should be dropped as it would create an exception to regular partial settlement process. Therefore the partial released quantity shall be allowed systematically to be partially settled, i.e. to settle it up to the quantity available on the delivering position (applying regular partial settlement rules)
- Standard partial settlement rules are applied
- Matched SIs partially released are recycled until the released quantity is fully settled or until they are no longer eligible

When all the released quantities have been successfully partially settled, in one or several settlement attempts, the matched SIs are submitted to an eligibility check and cease to be eligible,” leading to the Settlement reason code “PREA”.

The messages sent to the Interested Parties will be as follows:

- If rejected; sese.031 informing “rejected”
- If accepted; sese.031 informing “accepted”
- If denied; sese.031 informing “denied”
- If executed; sese.031 informing “completed”
- Additionally, sese.024 messages will be sent to inform the relevant settlement reason codes (i.e. FUTU/PART/PREA/PRCY/etc) when the settlement status of the underlying SI is modified

Messaging aspects as agreed in the SGMS of 26th and 30th of June 2017:

- SGMS Proposal for sese.030
 - Usage of field ‘Quantity’ in the Additional Information block, AddtInf/Qt to inform the quantity for which the partial release should be executed.
 - T2S will differentiate among a regular Party Hold release and a partial release if the quantity informed in this field is lower than the original quantity of the underlying Settlement Instruction.
- SGMS Proposal for sese.031
 - Not to inform field ‘Quantity’.
 - We understand that the SGMS proposal was made in order to avoid further impacts in T2S, however from T2S point of view we propose to include the relevant quantity which has been successfully released in the sese.031. Otherwise there is no way to differentiate between a normal sese.031 party hold release and a sese.031 for partial release.
- SGMS Proposal for sese.024
 - Use the Supplementary Data block for the reporting of the partially released quantity and quantity still on hold.
 - The proposal to tackle the reporting of the quantities of the partially release must be analysed from a broader point of view, meaning that the solution must be consistent for all communication modes. Additionally the use of the Supplementary data is not the preferred option by 4CB as we prefer that the “partial release process” is informed as a specific attribute of the message provided its importance in the lifecycle of the Settlement Instruction.
 - Such preference is not related to the possible impact in T2S (I.e. from the implementation point of view going for an ISO CR or the supplementary Data may not affect the overall impact) but to our understanding that from the user point of view the message should carry the information in a more standardised way.

Impacts in T2S:**LCMM**

- The creation of a new maintenance instruction type to allow this new functionality is required. Its definition in the LCMM database and the consequent update of the affected SDD and internal documentation are necessary as well.
- The communication process between LCMM and Settlement domains requires an update to properly address and process the new type of instruction.
- New validations need to be studied, defined and implemented for the proper processing of the new functionality « Partial Release » at LCMM level. The design of the new instruction shall allow its differentiation from a standard release, in order to allow its correct processing.
- The “partially released” condition will NOT be stored in T2S as a status for the SI and consequently changes in the quantity released will not be stored on its Status History.

- T2S messages need to be updated in line with the messaging implementation agreed. U2A screens need to be updated accordingly.

SETT:

- Handling of the new maintenance type and creation of the related execution checks.
- Adaptation of maintenance instruction management to handle interactions with the "partial release" process and its cancellation.
- Adaptation of communication between SETT & LCMM domains to handle new maintenance type.
- Adaptation of eligibility checks to add the specific checks related to partial release process adding the checks related to the period (partial settlement allowed) and to the released quantity.
- Adaptation of eligibility checks to handle all the cases where a cancellation of a "partial release" process may happen.

QUM/REM:

- Amendment Instructions instructing a Partial Release are handled the same way as other Hold/Release Instructions from QUM/REM point of view. This means, that
- these Amendment Instructions can be queried via U2A (via screen Securities - Settlement - Maintenance Instructions) and A2A (semt.030 message)
- they can be found when searching for Hold/Release Instructions for Settlement Instructions initiating a Party Hold Release
- additional search criteria are not envisaged
- these Amendment Instructions are also listed in the already existing Reports (Statement of pending Amendment Instructions for IPM and SI as well as Statement of executed Amendment Instructions for IPM and SI using semt.031 message)
- As with "normal" Hold/Release Instructions, rejected and denied instructions are not contained in these reports (neither complete nor delta) as defined in UDFS 2.3 (chapter 1.6.4.2.3, page 709ff)
- Affected SI can be queried like all other SI using the respective U2A and A2A queries
- Successful partial release instructions (the Amendment Instruction has status "Completed") will result in an entry in the Audit Trail of the respective Settlement Instruction like all other successful Amendments
- The delta Statement of Pending Instructions (semt.018) will show all SI for which a partial release instruction was completed during the reporting period (even if no successful partial settlement has taken place) - this is the same behaviour as for all other successfully executed Amendments.
- The Statement of Transactions (semt.017) will show successful partial settlements due to partial release instructions in the same way as "normal" partial settlements (no distinction is possible)

BILL

We assume that there is no requirement for a new service item and it will be reflected under the current Service item "Settlement Modification – Amendment" where partial settlement indicators are accounted for. Partial Release Instructions are counted in the same way as any other Hold/Release instruction. Therefore we assume that Billing is not impacted.

Open issues/ questions to be clarified by the originator:

- 4CB implementation proposal is not in line with SGMS proposal for sese.031 and sese.024.
- Reporting of the underlying SI (and counterpart SI) must be analysed from an exhaustive point of view: not only which information will the sese.024 include but also any other outbound notification (I.e. U2A, Q/R, flat file).
- **From QUM/REM perspective:**
semt.017, semt.018, semt.031, semt.027 (and respective screens and flat files): How should the partial release quantity be reported, also in case of successful partial settlement of the requested quantity?
semt.026, semt.030 (and respective screens): Are additional search criteria requested in order to search for example for the quantity to be partially released?

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

Impact On T2S	Static data management		Interface	
		Party data management		Communication
		Securities data management		Outbound processing
		T2S Dedicated Cash account data management		Inbound processing
		Securities account data management		
		Rules and parameters data management		
	Settlement		Liquidity management	
	X	Standardisation and preparation to settlement		Outbound Information Management
	X	Night-time Settlement		NCB Business Procedures
	X	Daytime Recycling and optimisation		Liquidity Operations
	X	Daytime Validation, provisioning & booking	LCMM	
		Auto-collateralisation	X	Instructions validation
			X	Status management
	Operational services			Instruction matching
		Data Migration	X	Instructions maintenance
		Scheduling	Statistics, queries reports and archive	
		Billing		Report management
		Operational monitoring	X	Query management
			X	Statistical information
				Legal archiving
		All modules (Infrastructure request)		
		No modules (infrastructure request)		
		Business operational activities		
		Technical operational activities		

Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter	SETT: 3.5.5.3 3 – Settlement Transaction Manager	SETT: Inclusion of partial release amendment within various sections.
	3.5.5.3 4 – Daytime Collection Generator	
	3.5.5.3 6 – Transaction Maintenance	
	3.5.5.3 7 – Cut-Off Processing	
	3.5.6.3 1 – Intraday Restriction Check	
	3.5.6.3 4 – Booking	
	3.5.7.2 Description of the module	
3.5.8.3 1 – Night-time settlement manager		
3.5.10.13 Processing of UC-SI-10c: Partial Release		
	LCMM	
	2.3.3.3 Instruction Maintenance	
	3.4.1 General Introduction	Add the possibility of partially release a settlement instruction.
		Add the possibility of partially release a settlement

	<p>3.4.2.6 Description of the data related to Condition Modification Instruction (Hold/Release and Amendment Instruction)</p> <p>3.4.3.3 Description of the functions of the module</p> <p>3.4.4.2 Description of the module</p> <p>3.4.4.3 Description of the functions of the module</p> <p>3.4.6.2 Description of the module</p> <p>3.4.10.3 Processing of UC-MI-2: Hold / Release Instruction</p>	<p>instruction in the Instruction Maintenance Module.</p> <p>Add the possibility of partially release a settlement instruction</p> <p>Add the possibility of partially release a settlement instruction in the Instruction Validation Module</p> <p>Add the possibility of partially release a settlement instruction in the Maintenance Module description</p> <p>Add the possibility of partially release a settlement instruction in the Maintenance Module description and the new validations to be performed when processing a release instruction that intends to partially release a settlement instruction</p> <p>Add the new reason codes of denied status that are applicable to the new partial release process.</p> <p>Add a new example c) to describe the processing of a Release Instruction received from a T2S Party to initiate a partial release process</p>
<p>Impacted UDFS chapter</p>	<p>SETT:</p> <p>1.1.1 Settlement</p> <p>1.4.4.2 Night-time settlement (NTS)</p> <p>1.4.4.2.4 First night-time settlement cycle processes</p> <p>1.4.4.2.7 Last night-time settlement cycle processes</p> <p>1.4.4.4.6 Real-time settlement closure dependencies</p> <p>1.6.1.8.2 Overview</p> <p>1.6.1.8.3 Eligibility check process</p> <p>1.6.1.9.3 Partial Settlement</p> <p>3.3.8.10 SecuritiesSettlementConditionModification RequestV03 (sese.030.001.03)</p> <p>3.3.8.10.2 The T2S-specific schema</p> <p>LCMM:</p> <p>1.1.1.3 Processing of maintenance instructions</p> <p>1.2.5.3 Maintenance Instruction</p> <p>1.6.1.1.3 Validation process</p> <p>1.6.1.6.1 Concept</p>	<p>SETT:</p> <p>Inclusion of partial release amendment within various sections.</p> <p>Inclusion of partial release details as regards the eligibility process and partial settlement process.</p> <p>Inclusion of the treatment of additional information quantity as regards partial release.</p> <p>Inclusion of additional message example for partial release for message sese.030</p> <p>LCMM:</p> <p>Include references to partial release process</p> <p>Include references to partial release process</p> <p>Include references to partial release process</p> <p>Include references to partial release process</p>

	<p>1.6.1.6.2 Overview</p> <p>1.6.1.6.6 Partial Release process</p> <p>1.6.1.6.6 Parameters Synthesis</p> <p>2.10.3.2 Referenced Settlement Instruction Status Check</p> <p>2.10.5 Lifecycle Processing Partial Release Instruction</p> <p>2.10.5 Inbound and outbound messages</p> <p>3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)</p> <p>4.1 Index of Business Rules and Error</p>	<p>Include references to partial release process and add a new footnote for clarification on table 120 scenario 9</p> <p>New chapter to explain the partial release process</p> <p>Change the number of chapter from 1.6.1.6.6 to 1.6.1.6.7</p> <p>Include references to partial release process and add new footnote</p> <p>New chapter to explain the Life Cycle processing of a partial release instruction</p> <p>Change the number of chapter from 2.10.5 to 2.10.6</p> <p>Add 3 new message usages for “partial release” and create 6 new examples: -execution of a partial release -settlement of a partial release -cancellation of a partial release</p> <p>Add new BRs.</p>
Additional deliveries for Message Specification	<p>SecuritiesSettlementConditionModificationRequestV03 (sese.030.001.03)</p> <p>SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)</p>	<p>MyStandards customisation and documentation of element ‘Additional Information/Quantity’</p> <p>Unprune the field SttlInstrPrcgAddtlDtls and update the T2S Use of this field.</p> <p>Create 8 new examples for the execution of a partial release and the cancellation of a partial release</p>
UHB	<p>2.2.2.10 Hold/Release Instruction – New Screen</p> <p>2.2.2.17 Settlement Instruction – Search/List Screen</p> <p>2.2.2.18 Settlement Instruction – Details Screen</p> <p>3.15.3.4 Partially release a Settlement Instruction from Party Hold</p> <p>6.4.2.90 Hold/Release Instruction – New Screen</p>	<p>Add a new field “Quantity to be released” to be inputted in case the user wants to send a partial release.</p> <p>Update the references to the user instruction part for partial release.</p> <p>Update the references to the user instruction part for partial release.</p> <p>New section to describe user instructions for the partial release business scenario.</p> <p>Add the new BRs to be checked in the new field ‘Quantity to be released’.</p>

Links with other requests			
Links	Reference		Title
OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT			
Summary of functional, development, infrastructure and migration impacts			
<p>After the implementation of this CR, a new functionality will be available, the possibility to partially release a delivering instruction in order to settle up to the quantity released.</p> <p>The impacts will be the following:</p> <p>SETT: The impacts are 3-fold:</p> <ul style="list-style-type: none"> • Handling of a new Maintenance Instruction type: Partial release • Handling of dedicated Eligibility checks • Handling of dedicated Settlement rules <p>Regarding the processing of the new Maintenance Instruction type: Partial release, LCMM domain will communicate the validated Partial releases to Settlement which will proceed to the following execution checks:</p> <ul style="list-style-type: none"> • Released quantity must comply with partial Settlement rules regarding MSU, SUM and cash threshold • Underlying SI is neither "settled" nor "cancelled" • Underlying SI is not identified as CoSD • Underlying SI and counterpart SI are allowed to partial settlement • Neither underlying nor counterpart SI is involved in any pool or any business link • Neither underlying SI nor counterpart SI has reached its cut-off time • None of the related realignment instruction must be on Hold <p>All the different checks will lead to issue dedicated Error Codes in case of denial of the Partial release. In the specific case where Released quantity is greater than or equal to Remaining quantity, the Partial release is handled as a full release.</p> <p>The eligibility checks will be enhanced to handle cancellation of ongoing Partial releases which will lead to render ineligible the Settlement Transaction. Cancellation of a Partial release can result from:</p> <ul style="list-style-type: none"> • Reception of a Hold instruction on underlying or counterpart SI • Reception of a release on underlying instruction • Reception of an amendment of Partial Settlement indicator to NPAR on underlying or counterpart SI • Reception of an amendment adding a business link on underlying or counterpart SI • Reception of an amendment of Partial Settlement indicator rendering the settlement transaction submitted to cash threshold • Reception of a non-reciprocal link targeting on underlying or counterpart SI • The Settlement Transaction has reached its cut-off time <p>On the other hand, new eligibility checks will detect if a transaction partially released is eligible to settlement, i.e. if:</p> <ul style="list-style-type: none"> • Partial settlement is allowed • Released quantity is not fully settled <p>The Settlement rules will also be modified, to allow settlement attempts on eligible partially released Settlement Transactions:</p> <ul style="list-style-type: none"> • In NTS, sequence X will also select partially released Settlement Transactions • In RTS: <ul style="list-style-type: none"> ○ At the opening of a partial settlement window, partially released Settlement Transactions will be submitted to a settlement attempt ○ They will be recycled while the whole released quantity is not settled or the eligibility conditions are not fulfilled anymore ○ At the closing of a partial settlement window, partially released Settlement Transactions are not submitted to settlement attempts anymore <p><u>Main cost drivers</u></p> <p>The implementation of the Partial Release impacts a significant number of functions inside the Settlement domain including the handling of instructions with LCMM, the eligibility check and the settlement. These functional changes imply multiple impacts on the development side: modification of central tables related to transactions in order to handle partial release functions, impacts in most of SETT modules, need to perform global and deep testing and integration campaign. A significant amount of test cases linked to those updated functionalities are to be performed during Real time and Night time settlement. Existing regression test cases need to be performed to check that no side effect</p>			

appears resulting from the implementation of the CR.

LTSI:

Include the treatment of partially released Settlement Transactions within data warehouse.

LCMM

Instruction maintenance:

The instruction maintenance module has to be enhanced in order to be able to process a partial party release. The difference between a "standard party release instruction" and a "partial party release instruction" is that in a "partial release", the quantity has to be informed and its value has to be lower than the quantity stated in the referenced settlement instruction and different to zero.

This option must be available A2A and U2A:

- A2A: filling in the block <AddtInf> in the sese.030 with the quantity to be released
- U2A: A new field "Quantity to be released" will be defined in the Hold/Release Instruction – New Screen to allow the user to input the quantity of the partial release.

Quantity validation

In order to be able to process release instructions informing a quantity lower than the quantity stated in the referenced instruction the following validations should be performed:

- The business rule MVR1565: 'The Settlement Quantity of the Condition Modification Instruction is not the same as the Settlement Quantity of the referenced instruction in T2S' must not apply to party release instructions.
To add clarity in this respect, the BR will be reworded to: 'If present, the Settlement Quantity indicated in a Condition Modification Instruction (that is not a party release) must be the same as the Settlement Quantity stated in the referenced Settlement Instruction.'
And the Error text to: 'The Settlement Quantity of the Condition Modification Instruction is not the same as the Settlement Quantity of the referenced instruction in T2S and the condition modification is not a party release.'
- A new business rule has to be created to reject partial release instructions indicating a quantity higher than the original or zero.
 - MVR1598: If present, the Settlement Quantity indicated in a Party Release Instruction must be equal or lower than the Settlement Quantity stated in the referenced Settlement Instruction.
- A new business rule has to be created to reject partial release instructions indicating a quantity not compliant with the SUM:
 - MVR1599: If present, the Settlement Quantity indicated in a Party Release Instruction must be a multiple of the Settlement Unit Multiple.
- A new business rule has to be created to reject partial release instructions informing a quantity with a number of decimals not compliant with the SUM.
 - MVR1600: If present, the number of decimals of the Settlement Quantity of a Party Release Instruction be equal or lower than the number of decimals of the Settlement Unit Multiple of the related Security
- A new business rule has to be created to reject partial release instructions informing a quantity not compliant with the settlement type of the security.
 - MVR1601: If present, the Settlement Quantity stated in a Party Release Instruction must be expressed using the same Settlement Type as the one specified in T2S Reference Data for the ISIN Code of the referenced Settlement Instruction.

Instruction Validation:

The instruction validation module has to be modified in order to execute new validation checks over a partial party release instruction.

If a partial release instruction (i.e. indicating a quantity lower than the quantity stated in the referenced settlement instruction) is received by LCMM, as for a standard release instructions, it has to pass the relevant validation checks. Additionally, the following new checks have to be performed at validation level:

- MVR1602: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Intended Settlement Date of the referenced Settlement Instruction must have been reached.
- MVR1603: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the Securities Movement Type of the referenced Settlement Instruction

must be 'DELI'.

- MVRI604: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction must not be a T2S generated Settlement Instruction.
- The referenced settlement instruction exists. The quantity informed in a partial release instruction has to be equal or lower than the original settlement quantity of the underlying settlement instruction. For this purpose, the existing Business Rule MVCP004 will be used

If these checks are successful, the partial release instruction is accepted, otherwise it will be rejected.

Once the partial release instruction is accepted, new validations have to be performed in the maintenance module to check if the maintenance instruction should either be executed or denied: For that purpose, the following new BRs have to be created.

- MMRI206: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, neither the referenced Settlement Instruction must be partially released nor a pending Release Instruction of the same Hold type must be present in the system.
- MMRI207: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the matching status of the referenced Settlement Instruction must not be 'Unmatched'.
- MMRI208: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no other holds must apply neither on the referenced Settlement Instruction nor on the counterpart.
- MMRI209: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, the referenced Settlement Instruction and its counterpart must allow partial settlement.
- MMRI210: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no settlement links must apply neither on the referenced Settlement Instruction nor on its counterpart.
- MMRI211: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, no non-reciprocal links must apply neither on the referenced Settlement Instruction nor on its counterpart.
- **MMRI212: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, neither the referenced Settlement Instruction nor its counterpart must be on CoSD hold**
- SPSA001: If the quantity present in a release instruction is lower than the settlement quantity stated in the referenced settlement instruction, the related cut-off must not have been reached.
- SPSA002: If the quantity present in a release instruction is lower than the settlement quantity stated in the referenced settlement instruction, it must comply with partial settlement rules.
- SPSA019: If the quantity present in a Release Instruction is lower than the Settlement Quantity stated in the referenced Settlement Instruction, none of the associated realignment Settlement Instruction must be submitted to any hold

All the different checks (either at validation level or at maintenance level) will lead to issue dedicated Error Codes in case of rejection or denial of the Partial release instruction that will be reported in the sese.031.

Status Management

Status Management module has to be updated to adapt the status advice reporting to the new functionality.

- **Execution of a partial release:**

Any time a partial release is executed, a status advice will be sent to the relevant parties with the "party hold status" set to "Yes" and settlement reason code "FUTU". Information about the "partial released quantity" and the "remaining quantity on hold" will be reported in the field <SttlmInstrPrcgAddtlDtls> of the sese.024:

- **Settlement of a partial release transaction:**

- When the quantity partially released settles in partials, a status advice has to be sent to the interested parties informing a pending status and the relevant pending reason code. The "remaining released quantity" and "remaining quantity on hold" will be informed in the field <SttlmInstrPrcgAddtlDtls> of the sese.024. The remaining released quantity represents the released quantity that remains unsettled.

- When the quantity partially released is fully settled, the status of the underlying settlement instruction has to be updated in order to set back the settlement status to "PREA" / "PRCY". A new status advice will be sent to the interested parties informing the new settlement status and the remaining quantity to be settled. In this

case, the <SttlInstrPrcgAddtlDtls> information will not be present in the sese.024.

Additionally, a dedicated error code with a corresponding text to specify that the hold status was generated by T2S, following the settlement of a partially released transaction will be provided in the "Additional Reason Information". For that purpose, new BRs have been created.

SPSA003: ' Settlement Instruction is on hold due to the settlement of a partially released quantity'
SPSA004 Counterparty Settlement instruction is put on hold after the settlement of a partially released quantity.

The behaviour of the "settlement confirmation" advice remains unchanged.

- **Cancellation of the partial release process:**

If the partial release process is cancelled for one of the following reasons (cut-off has been reached, another hold applies, partial settlement no longer applies, a full release is received or a link applies) , the "PREA"/"PRCY" settlement status of the settlement instruction should be restored.

A new status advice will be sent to the interested parties informing the "PREA"/"PRCY" status. Additionally, dedicated error codes describing that the hold status was reassigned by T2S due to the cancellation of the partial release process for one of the reasons listed above will be provided in the "Additional Reason Information. For that purpose, the following BRs have been created:

- SPSA005: Partial release process is stopped when the related cut-off has been reached.
- SPSA006: Partial release process is stopped when the related cut-off has been reached.
- SPSA007: Partial release process is stopped when another hold applies on the referenced Settlement Instruction or its counterpart.
- SPSA008: Partial release process is stopped on the counterpart when another hold applies on the referenced Settlement Instruction or its counterpart.
- SPSA009: Partial release process is stopped when the referenced Settlement Instruction or its counterpart no longer allows partial settlement.
- SPSA010: Partial release process is stopped when the referenced Settlement Instruction or its counterpart no longer allows partial settlement.
- SPSA011: Partial release process is stopped when a settlement link applies to the referenced Settlement Instruction or its counterpart,
- SPSA012: Partial release process is stopped when a settlement link applies to the referenced Settlement Instruction or its counterpart,
- SPSA013: Partial release process is stopped when a non-reciprocal settlement link applies to the referenced Settlement Instruction or its counterpart,
- SPSA014: Partial release process is stopped when a non-reciprocal settlement link applies to the referenced Settlement Instruction or its counterpart,
- SPSA015: Partial release process is stopped when the released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.
- SPSA016: Partial release process is stopped when the released quantity is less than the quantity resulting from the cash threshold equivalent in the underlying settlement instruction.
- SPSA017: Partial release process is stopped when the referenced Settlement Instruction is released.
- SPSA018: Partial release process is stopped on the counterpart when the referenced Settlement Instruction is released.

In this case, the <SttlInstrPrcgAddtlDtls> information will not be present in the sese.024

LCMM messages

- Status Advice message sese.024

To inform the "Partially released" quantity and the "Quantity remaining on hold" , initially it was proposed to use new fields in the Supplementary Data. The use of the Supplementary Data is a temporary solution until an ISO CR in the message is approved; however there is no clear certainty on its approval. For that reason we have analysed the possibility of using the field TransactionDetails/SttlInstrPrcgAddtlDtls which is currently pruned in the message.

It is proposed to inform the "Partially released" quantity and the "Quantity remaining on hold" with the following structure:

The first 4 positions will represent a prefix PRQ/ followed by the settlement type (UNIT or FAMT) and by the digits of the "Partially released" quantity. After the last digit of the "partially released quantity", the next 4 positions will represent the settlement type (UNIT or FAMT) to separate both quantities followed by the digits of the "Quantity remaining on hold". Ex. PRQ/FAMT25FAMT36.

The "Partially released quantity" informed in the sese.024 would represent the released quantity that remains unsettled.

LCMM screens

The new "New Hold and Release Instruction" has to be enriched with a new field to input the released quantity in case of a partial release.

The SI Details Screen will not be updated with the quantities as during the DA it was confirmed that this information will be available in the Audit Trail Screen.

LCMM Testing

- The testing campaign should focus firstly on the correct processing of the new validation fields for the maintenance instructions and the proper reporting the new validation errors when fulfilled; secondly, on the new fields in the sese.024 messages informing the "Partially released" and the "Quantity remaining on hold" quantity and thirdly on status updates taking place along and at the completion or cancellation of the partial release.

- Additional testing to verify the correct functioning of the newly created process that ends the partial release process is also needed.

- The communication between modules changes posing a risk of other functionalities being affected, so that regression testing needs to be performed. The same applies to the new message fields to be added to the sese.024 messages as this modification could affect the other fields within the message.

Main cost drivers:

-Enhance the Maintenance Module to be able to process the new partial release functionality.

-Add all the new validation checks needed for processing a release instruction that triggers a partial release process.

-Modify the Status Management Module and all flows affected to guarantee a consistent status communication.

-Change the current business logic for the management of hold and releases between LCMM and SETT.

-Testing the new partial release functionality involves a high number of test cases to be performed during different settlement day phases.

-Testing all the different possible scenarios for the cancellation of the partial release process.

-As nearly all LCMM modules are impacted by this CR, an exhaustive regression tests campaign must be performed.

Query Management

The Revisions/Audit Trail Screens are generic screens that can show any changes made to transactional as well as static data. In order to be able to reflect the changes made to Settlement Instructions through the partial release process, two new attributes will be added for "Remaining released Quantity" and "Remaining Quantity" which will then be filled with the respective values retrieved from LCMM in the "Old values" and "New values" section of the Revisions/Audit Trail Details Screen.

Further to the above described changes, 4CB recommend to perform volume testing, as close as possible to production conditions, with user participation.

Summary of project risk
None.
Security analysis
No adverse effect has been identified during security assessment.



27 April 2018

Cost assessment on Change Request

T2S-653-SYS – Partial release functionality			
One-off	Assessment costs*		
	- Preliminary	2,000.00	Euro
	- Detailed	10,000.00	Euro
One-off	Development costs	1,499,457.21	Euro
Annual	Operational costs		
	- Maintenance costs	146,020.66	Euro
	- Running costs	0.00	Euro

*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).