



T2S CHANGE REVIEW GROUP

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Outcome

Meeting of the T2S Change Review Group (CRG)

16 October 2024 from 09:30 to 16:30 CET (held in hybrid mode)

1. Introductory remarks and approval of the agenda

Background documentation

- Recent resolutions on CRs since last meeting.

Outcome

Recent resolutions on CRs since last meeting

The CRG chairperson, Karen Birkel, welcomed the participants and introduced the meeting, held in a hybrid mode at the ECB premises and online via Microsoft Teams. The CRG Chairperson announced that the CRG representative from Danmarks Nationalbank, Jakob Holm Ullum, would be substituted by his colleague William Neerup Nielsen. Additionally, the CRG was informed that Alejandra Riveiro has recently joined the ECB as a trainee in the CRG Secretariat. The CRG members approved the agenda of the CRG Meeting.

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

- The following CRs were approved for implementation:
 - T2S-0806-URD – “Removal of T2S functionality for the identification of penalties related to a CCP”. The T2S Steering Level approved the implementation of CR-0806 within R2025.JUN on 7 October 2024.
 - T2S-0812-URD – “Party hold’ as a new category of restriction type case one rules”. The T2S Steering Level approved the implementation of CR-0812 in the scope of R2025.NOV on 26 September 2024. It was acknowledged that the table document shared for the meeting incorrectly stated that this CR was to be implemented with R2025.JUN.
 - T2S-0821-SYS – “Display name of secured groups in CRDM screens for access right management”. The T2S Steering Level approved the implementation of CR-0821 in the scope of R2025.JUN on 26 September 2024.
 - T2S-0827-SYS – “T2S should submit partially released instruction to settlement independent from T2S partial settlement windows”. The T2S Steering Level approved the implementation of CR-0827 in the scope of R2025.NOV on 6 September 2024.

2. Outcome of previous meetings

Background documentation:

- Outcome of the CRG meeting on 3 September 2024
- Outcome of the CRG Workshop on 28 August 2024 T2S Strategic Evolution



Outcome

Outcome of the CRG meeting on 3 September 2024

The CRG members approved the outcome of the CRG meeting on 3 September 2024.

Outcome

Outcome of the CRG Workshop on 28 August 2024 T2S Strategic Evolution

The CRG members approved the outcome of the CRG Workshop on 28 August 2024 T2S Strategic Evolution.

Follow-up actions

- *CRG Secretariat to publish the outcome of the 28 August 2024 and 3 September 2024 CRG meetings on the ECB website. [05 December 2024]*

3. Annual full review of the CRG ranking

3.1 Change requests under implementation.

Background documentation:

- Presentation on CR Ranking 2024 update exercise
- CRs included in CRG 2024 ranking exercise – Summary
- CR Ranking 2024 – excel and pdf file.
- 4CB prioritisation DA proposal

Outcome

Annual full review of the CRG ranking

The CRG members took note of the process for the 2024 full review of the CRG ranking and the applicable timeline. It was acknowledged that the first step of this annual ranking exercise was the written procedure to collect business values from all institutions for the considered change requests and T2S initiatives under investigation, which was finalised to procedure the ranking results. 45 institutions provided their business values during this CRG written procedure. Considering the feedback provided, the CRG discussed the updated CRG ranking results for 2024. The chairperson highlighted that the ISO Maintenance release 2025, shortening of the settlement cycle (T+1) and settlement efficiency initiatives, Onboarding of direct holding markets and T2S Strategic Evolution proposals supporting T+1/Onboarding (including performance) were among the highest ranked initiatives and change requests. The chairperson also emphasised the need for capacity to implement necessary change requests arising from the highly ranked T2S initiatives under investigation (T+1 and Onboarding of Direct holding markets) by 2026, or at the latest by 2027.

Additionally, it was highlighted that there is a mismatch between the ranking of the initiative “On-boarding of Euronext Securities Copenhagen (direct holding markets)”, which was ranked as #8/25, and CR-0837 “New Mechanism for handling queries and access rights management for Direct Holding Markets”, ranked #20/25. It was mentioned that CR-0837 is a necessary CR for the onboarding of direct holding markets to T2S. A CRG member mentioned that their lower ranking of CR-0837 was because the impact of not implementing the CR for other non-direct holding markets is low, while acknowledging that the onboarding of new direct holding markets received a higher ranking by the CRG.



A CRG member also mentioned that CR-0798, ranked #15/25, was important since this will have a large impact on T2S, bringing more volumes into T2S, and could be considered as a strategic development. It was mentioned by one CRG member that CR-0784, ranked #21/25, is important in the context of T+1. It was discussed that the lack of cash is almost never the reason for settlement failure and a CRG observer mentioned that failure of settlement due to a lack of cash might increase in the future.

It was also agreed that the T2S change requests raised for the yearly ISO maintenance release on the technical upgrade of messages should be considered as mandatory and assessed with urgency, what normally could imply to skip the preliminary assessment and be authorised with a fast-track approach. .

Outcome

4CB prioritisation DA proposal

The CRG members took note of the prioritisation proposal from 4CB on performing the detailed assessments for CRs. The CRG agreed to move CR-0813¹ from DA package 2 to DA package 3 since it had a workaround and operational procedure in place. The CRG agreed to check in written the priority of CR-0793² and to assess whether it should be moved package 2 so that the DA could be started earlier. Although it was confirmed that CR-0832 was deemed as not urgent, the CRG agreed to leave it in package 4 since 4CB confirmed that the resources to implement were not conflicting with other CRs.

Follow-up actions

- CRG Secretariat to launch a written procedure for the CRG to assess the priority of CR-0793 and whether the detailed assessment should be started with package 2 – November 2024 or package 3 – January 2024. [05 December 2024]

4. T2S Strategic Evolution

Background documentation:

- T2S Strategic Evolution - 4CB presentation (sent on 8.10.24)
- T2S Strategic Evolution Workshop - 1.16 - LCMM_SETT interface - Internal messages V04 (003) (sent on 8.10.24)
- T2S Strategic Evolution - 1.18 - [LCMM_SETT] SoD revalidation of D_N instructions V02 (sent on 8.10.24)

Outcome

T2S Strategic Evolution

The CRG members took note of the proposals for the T2S Strategic Evolution. The CRG agreed to put proposal 1.12 [SETT] “RTS improvements: partial settlement” on hold pending a review of the required partial settlement improvements related with T+1. They also took note that proposal 1.15 [SETT] SoD improvements could be implemented via a minor change to be tracked with a PBI and managed by the OMG.

Regarding proposals 1.14 [SETT] RTS improvements: optimisation process’, 1.16 [LCMM/SETT interface] Internal messages’, 1.17 [LCMM/SETT interface] Updates during RTS’ and 1.18 [LCMM/SETT interface] SoD revalidation of D+N instructions’, the CRG agreed to bundle them in two different change requests: one for the proposals related

¹ T2S-0813-SYS Cash Sweep for closed accounts with remaining Liquidity

² T2S-0793-URD Introduce party type Ancillary System in T2S



to RTS improvement (proposal 1.14), and another one for SoD improvements (proposals 1.15, 1.16 and 1.18). The 4CB agreed to draft the change requests and share them with the CRG in the December 2024 CRG meeting.

Follow-up actions:

- The 4CB to draft two T2S change requests for proposals 1.14, 1.16, 1.17, and 1.18, one for RTS improvement (proposal 1.14), and another one for SoD improvements (proposals 1.15, 1.16 and 1.18). [05 December 2024]

5. Proposal on yearly upgrade of ISO-20022 Maintenance releases

Background documentation:

- ISO MR Alignment CR versus functional CRs with XSDs impacts.
- Planning for the delivery of ISO MR2025 dedicated CR.
- Proposal to organise the ISO-20022 yearly upgrade.

Outcome

ISO MR Alignment CR versus functional CRs with XSDs impacts

The CRG were presented with the difference between an ISO maintenance release alignment change request and functional change requests with XSD impact. It was acknowledged that following the approved T2S customisation principles, all new fields made available in the base ISO messages would be pruned by T2S in the customised version if no business requirement was in place for them.. The CRG agreed to discuss and revisit the pruning mechanism approach in further details in the next CRG meeting.

Follow-up actions:

- The CRG to discuss the pruning mechanism approach in an ad-hoc CRG meeting in November 2024. [13 November 2024]

Outcome

Planning for the delivery of ISO MR2025 dedicated CR

The CRG took note of a 4CB presentation on the planning for the technical change request to upgrade the ISO messages with ISO-MR2025. The delivery of the draft change request was expected by 22 October 2024 and the start of the detailed assessment on 27 January 2025.

Outcome

Proposal to organise the ISO-20022 yearly upgrade.

The CRG took note that the mandate of the AMISeCo TFOS was expiring end of 2024 and that they were having the last meeting at the end of November 2024. The ECB presented a proposal that the CRG would take over the work of the TFOS on ISO maintenance releases and if this would be accepted, it could be applied already now in view of the ISO Maintenance release 2025. The CRG agreed to take over the work of the TFOS and to organise an ad-hoc CRG meeting for this purpose in November. It was agreed to seek T2S Steering Level endorsement of this proposal in the November CSG meeting.

Follow-up actions:



- The ECB team to seek T2S Steering Level endorsement of the CRG taking over the task of the AMI-SeCo TFOS. [21 November 2024]

6. Analysis of change requests

6.1 Change requests under implementation

Background documentation

- CR-0812
 - T2S-0812-URD Party hold as a new category of restriction type case one rules

Outcome

T2S-0812-URD Party hold as a new category of restriction type case one rules

The CRG took note of the proposed editorial change to include “Party hold” as one of the restriction type processing rules described in the T2S Framework Agreement Schedule 5 – Service level description. The proposal to include the editorial change for the T2S Framework Agreement Schedule 5 in CR-0812 was rejected since it was argued that only the Steering Level could approve changes to the T2S Framework Agreement. It was agreed that these changes should follow the standard process that are proposed to the CSG on annual basis. It was acknowledged that the inclusion should be logged by the ECB team and should follow the standard process for incorporation into Schedule 5 in view of T2S release R2025.NOV.

Follow-up actions:

- The ECB team to log the relevant change in the log of changes for the T2S Framework agreement Schedule 5. [13 November 2024]

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

Background documentation

- CR-0825
 - T2S-0825-SYS Uprunning and formatting of Collateral References.
 - 4CB presentation on CR-0825.
 - Alignment of U2A and A2A channel for sese.023 message fields.
- T2S-0826-SYS T2S should use Pending Processing status to report hold on unmatched instructions. - oral update

Outcome

T2S-0825-SYS Uprunning and formatting of Collateral References

The CRG agreed to recommend to the PMG the implementation of CR-0825 with R2026.JUN. It was agreed to review the presentation shared by the ECB on the alignment between U2A and A2A channel for sese.2023 via written procedure.

Follow-up actions

- CRG secretariat to launch a written procedure to review the presentation shared by 4CB on the alignment between U2A and A2A channel for sese.023.



Outcome

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

The CRG took note that the SMPG had discussed the potential need to raise an ISO CR to address the blocking issue identified during the detailed assessment of CR-0826 and will come up with four options that will need to be discussed by the TFOS end of October. The CRG participants were informed that an explanation on why the SMPG was not in favour of raising an ISO CR will be provided after the TFOS meeting planned to be held in end October 2024.

6.3 Change requests not yet authorised at T2S Steering level

6.3.1 Change requests under preliminary assessment

Background documentation

- CR-0831
 - CR-0831-SYS T2S should enable PFOD as parameter for case 2 restrictions on securities
 - CR-0831 4CB preliminary assessment
 - CR-0831 preliminary assessment summary slide
- T2S-0837-URD New Mechanism for handling queries and access rights management for Direct Holding Markets

Outcome

T2S-0831-SYS T2S should enable PFOD as parameter for case 2 restrictions on securities.

The CRG members took note of the preliminary assessment findings for T2S-0831-SYS. The CRG approved the CR parameters and agreed to recommend T2S-0831-SYS for T2S Steering Level authorisation. It was acknowledged that the priority of this change was deemed as very low and that the detailed assessment should only be started once other more urgent change request had been detailed assessed. It was agreed to raise an action point to the OGPF-DG on whether the CRG views on the release allocation should be passed to the PMG.

Follow-up actions

- The ECB team to raise an action point to the OGPF-DG on whether the CRG views on the release allocation should be passed to the PMG.

Outcome

T2S-0837-URD New Mechanism for handling queries and access rights management for Direct Holding Markets

The CRG members took note of the preliminary assessment findings for T2S-0837-SYS and particularly that a new entity would be created to store the securities accounts for end-investor markets. It was discussed that some end-investor markets do not only have end-investor accounts but also professional client accounts. Therefore, the foreseen change CR-0837 should not separate end-investor accounts at market CSD level. The CRG approved the following CR parameters, agreed to recommend T2S-0837-SYS for T2S Steering Level authorisation, and asked the 4CB to also present the change request to the OMG.

CR Parameters:



- *Legal/business importance parameter was set to “High” since with this change implemented new direct holding markets could be on-boarding in T2S, fostering financial integration*
- *Market implementation efforts parameter was set to “Low” since this change is not expected to require a long implementation time and significant resources on the side of Participating CSDs, CBs and their communities for them to be able to take full benefit of the change.*
- *Operational/technical risk parameter was set to “Low” since this change is expected not to threaten the Service Level for Participating CSDs or CBs or to have no or insignificant operational impact on the Participating CSDs, CBs or 4CB.*

Follow-up actions:

- *The 4CB to present CR-0837 and the preliminary findings to the OMG [30 November 2024].*

6.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- CR-0828
 - T2S-0828-URD T2S should no longer release cash restrictions related to COSD blocking at real-time closure.
 - ECB presentation on CR-0828
- T2S-0829-URD T2S Eligible Counterparty CSD Links should no longer be ISIN specific.
- T2S-0834-SYS Un-prune additional attributes in T2S settlement messages to enhance STP processing.
- T2S-0835-SYS T2S should streamline business validations for intended settlement date in the past.
- T2S-0838-SYS Technical upgrade of the PROD environment to support increase in the number of Securities Accounts.

Outcome

T2S-0828-URD T2S should no longer release cash restrictions related to COSD blocking at real-time closure

The CRG members took note of the outcome of the CRG written procedure on the scope of CR-0828. The CRG decided not to extend the scope of CR-0828 to other regular settlement restrictions because if that was implemented, these funds would be blocked not only overnight but also during the rest of the business day, which was an approach different to the existing one that no CRG member had requested to change. It was agreed to update and extend the scope of CR-0828 to other currencies than EUR on T2S such that if a T2S currency had its own RTGS system, the CoSD balances are automatically released at EoD while if a currency is already migrated to T2 and does not use the mandatory cash sweep functionality, then the CoSD balances are kept blocked and not released at EoD. A CRG member highlighted the fact that the implementation of CR-0828 for DKK in T2S should not be before the decommissioning of the DKK mandatory cash sweep foreseen with the implementation of CR-0794 in R2025.NOV. Additionally, the CRG was presented with the monetary policy implication findings and was informed that a monetary policy impact had been identified, since CoSD blocking funds should be excluded from minimum reserves calculation. The CRG was informed that further monetary policy implications were still being discussed and that a T2 change request would be required for the implementation of CR-0828.

Follow-up action

- *CRG Secretariat to launch a written procedure for the CRG review of the updated scope of CR-0828 [05 December 2024].*



- ECB team to provide clarity on all the monetary policy implications and present T2S-0828-URD to the T2-WG [05 December 2024].

Outcome

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

The CRG took note of the status of CR-0829 and the potential impact for CSDs with the implementation of CR-0829. In addition, the CRG agreed that the CR should be enriched with additional business rationale and that the title should be updated to reflect the foreseen change. It was argued that CR-0829 was a complementary functionality of CR-0797³, since with CR-0797 a CSD that has the corresponding Eligible CSD link and the investor CSD link with CSD B, then when it comes to set-up an alternative securities CSD link with CSD C, there is still the need to set-up the corresponding Eligible Counterpart link, in case that the existing one is not covering the new ISIN. With CR-0829 this additional step would not be needed since the existing Eligible Counterpart link should cover also the new ISIN. The CRG agreed to include the details presented as a table document within the CR. One CRG member considered that the fast-track approach should be reviewed since a preliminary assessment of this change would be useful before assessing a potential recommendation for authorisation. Although the CR initiator said that their wish was to follow a fast-track approach, they agreed to change the urgency to 'Standard' considering the views from the CRG. The CRG agreed to launch a written procedure for the review of the scope and PA request of CR-0829, once the change request has been enriched.

Follow-up action

- CRG Secretariat to launch a written procedure for the CRG review of the updated CR-0829 and the preliminary assessment request, and to share the presentation from the meeting with the CRG. [05 December 2024]

Outcome

T2S-0834-SYS Un-prune additional attributes in T2S settlement messages to enhance STP processing.

The CRG took note of CR-0834 which was presented in the CRG in September 2024 and that the TFOS have approved editorial changes. The CRG agreed to request the preliminary assessment of CR-0834.

Outcome

T2S-0835-SYS T2S should streamline business validations for intended settlement date in the past

The CRG took note of the changes made to CR-0835 and agreed to request the preliminary assessment.

Outcome

T2S-0838-SYS Technical upgrade of the PROD environment to support increase in the number of Securities Accounts

The CRG took note that an update will be provided to the CRG in the coming weeks on the status and way forward for CR-0838 and the corresponding update to document the SAC capacity increase.

³ T2S-0797-SYS T2S should support cross-border settlement via alternative Security CSD Links.



Follow-up action

- *The CRG Secretariat to provide an update on CR-0838 and the way forward. [05 December 2024]*

6.3.3 Change requests raised in other TARGET Services

Background documentation: none

6.4 Editorial CRs

Background documentation: none

7. Clarification notes

Background documentation:

- External-CSD settlement scenario.

Outcome

External-CSD settlement scenario.

The CRG took note of an issue reported by one CSD and related to an unexpected credit in an issuance account in the context of a cross-CSD settlement that took place in T2S with an external CSD. It was confirmed that the scenario was not documented in the T2S Scope defining documents (T2S SDDs) and that it should be included together with the solution to avoid the issue (i.e., using blocking restrictions on the relevant ISINs). The CRG agreed to implement a phased approach with a short-term solution to modify the T2S SDDs to include this behaviour and a long-term solution to raise a T2S change request to solve the issue. It was agreed to share this presentation with the OMG for their awareness and that a feasible solution was to set-up restrictions on the issuance account.

Follow-up action

- *4CB to document the external-CSD settlement scenario in the T2S Scope Defining Documents for the next release R2025.JUN. [05 December 2024]*

8. T2S Change Notification Process

Background documentation:

- T2S Change Notification Template
- TARGET Services Change Notifications Framework
- 08.01 - 2024-10-16 CRG Meeting - T2S-CHN-001_ECMS-0039-UDFS

Outcome

T2S Change Notification Process

The CRG took note of the proposal of a new process “Change notifications” to handle cross-service impact to common components identified from CRs raised by other TARGET Services. The CRG agreed with the proposed new process and it was agreed to conduct a pilot phase for the new procedure once endorsed by all the technical groups and Steering Level approval.

9. CRG action points

Background documentation

- List of CRG Action Points

Outcome

List of CRG action points

The CRG did not go through the list of action points during the CRG meeting due to lack of time. It was agreed to extend the next CRG meeting on 5 December 2024 to make sure that the CRG action points could be reviewed. Additionally, the CRG agreed to assess during the next meeting a proposal to include within the agenda all the action points for which a resolution was sought by the CRG. This proposal should be implemented in the December meeting agenda so that the members could accept or reject it.

Follow-up action

- The CRG to review the CRG action point list and proposed way-forward during the next CRG meeting [05 December 2024].
- The CRG to review a proposal to include in the CRG agenda all the action points for which a resolution was sought by the CRG.

10. Any other business

Background documentation

- Delivery plan of change requests (table document)
- Upcoming releases and change requests (table document)
- Dashboard on cross-service impact of CRs (table document)
- The following CRG meetings are planned in 2024 and 2025 (to be confirmed at least 4 weeks in advance)

Outcome

Any other business

The CRG took note that an ad-hoc CRG meeting will take place on 13 November 2024 to go through the potential functional changes of ISO Maintenance release 2025.

13 November 2024	09:00-12:00	Teams
5 December 2024	09:30-15:00	Teams
23 January 2025	09:30-15:00	Teams
25 February 2025	09:30-15:00	Teams
8 April 2025	09:30-15:00	Teams
20 May 2025	09:30-15:00	Teams
1 July 2025	09:30-15:00	Teams
9 September 2025	09:30-15:00	Teams
16 October 2025	09:30-16:00	ECB Main Building
2 December 2025	09:30-15:00	Teams