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Outcome

Meeting of the T2S Change Review Group (CRG)

17 October 2023 from 09:30 to 16:00 CET (held in hybrid mode)

ECB's main building GH C2.05 in Sonnemannstrasse 20, 60314 Frankfurt am Main

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 hybrid mode. The CRG chairperson introduced Carmelo Interisano, who was to replace Caroline Derocle from ESES as of CRG Meeting in December, as well as Christian Ulrich Dahlgaard Hansen, who was to become a regular member of T2S-CRG from the National Bank of Denmark, besides Jakob Holm Ullum and William Neerup Nielsen.

The CRG members approved the agenda of the meeting on 17 October 2023 and no additional items were proposed.

The CRG took note of the status of the following change request:

- The following CRs were approved for implementation:
 - T2S-0801-SYS – “Submission of DWH cash-related data in any specific currency/CB system entity to a CB analytical platform”. The Steering Level approved the implementation within R2024.JUN on 27 September 2023.
 - T2S-0772-SYS – “Export of T2S cash transactional data from the Data Warehouse to a Eurosystem’s monetary policy application”. The Steering Level approved the implementation within R2024.NOV on 27 September 2023.
 - T2S Recovery solution (T2S-CR-0774 / CR-0775 / CR-0776). The Steering Level approved the implementation with objective to start 4CB testing by mid 2024 and external testing by 2025Q1.
- The following CRs were already authorised / under detailed assessment
 - T2S-0809-SYS – “Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024”. The PMG agreed to request the detailed assessment in view of R2025.JUN.
 - T2S-0807-SYS – “Add new reason code in the sese.024 to identify that there is a mismatch in the partial settlement indicator”. The Steering Level agreed to authorise it on 11 October 2023. The PMG agreed to request the detailed assessment of CR-0807 in view of R2025.JUN on 18 October 2023.
 - T2S-0784-SYS – “Update in the Credit Memorandum Balance configuration to allow leveraging on the CCBM model”. The CSG and MIB written procedures are expected to be closed during this week, with the final allocation of these CRs within the scope of R2025.JUN

- T2S-0797-SYS – “T2S should support cross-border settlement via alternative Security CSD Links”. The CSG and MIB written procedures are expected to be closed during this week, with the final allocation of these CRs within the scope of R2025.JUN¹.
- The following ICNs have been approved by the CRG:
 - T2S-ICN-0042 – “CRDT code in the tag CdtDbtInd”. The CRG approved the note on 18 September 2023.
 - T2S-ICN-0050 – “Search for User Reference in screen “Data changes List” not working”. The CRG approved the note on 18 September 2023.
- The following SDDs have been approved by the CRG:

The CRG took note of the MIB recommendation to reschedule the Go-live of ECMS from April 2024 to preferably November 2024 due to insufficient reassurance for a successful deployment and that an Eurosystem decision on the new go live date, including a more detailed replanning, was expected by mid-November 2023.

The CRG was informed about the second meeting of the AMI-SeCo SEG Task Force on the optimisation of T2S message customisation (TFOS), held on 9 October 2023, with the focus on the ISO CR between MR2019 and MR2023. It had been reported that, in most cases, the ISO CRs were not relevant for T2S and some were covered by CR-0809 and CR-0807. However, two or three would need T2S CRs and the aim would be to assess whether an implementation of the changes with the ISO unfreeze R2025.JUN and MR2024 could be possible.

2. Outcome of previous meetings

Background documentation

- Outcome of the CRG meeting on 06 September 2023

Outcome

Outcome of the CRG meeting on 06 September 2023

The CRG members took note that during the written procedure to review the outcome of the meeting on 6 September 2023 the CRG Secretariat received a question about the way forward to INC-386927, related to DWH discussion. The 4CB confirmed that this incident was closed accordingly, as it was fixed by PBI-228830 on 16 September 2023. The CRG members approved the outcome of the CRG meeting on 6 September 2023.

Follow-up actions

- ECB team to publish in the ECB webpage the outcome from the CRG meeting on 6 September 2023.

3. Annual full review of the CRG ranking

Background documentation

- Presentation on CR Ranking 2023 update exercise

¹ After the CRG meeting was finished, the CSG written procedure was closed with no resolution reached on the implementation of CR-0797 since two CSG members objected to it arguing that this change should be allocated to an earlier release than R2025.JUN.

- CRs included in CRG 2023 ranking exercise – Summary
- Draft CR Ranking 2023 – excel and pdf file
- Provision of Business Values – Excel table

Outcome

The CRG members took note of the launch of the 2023 full review of CRG ranking and of the applicable timeline. It was acknowledged that a first step of this annual ranking exercise was a written procedure to collect all business values for the eligible change requests but there were four institutions that had not yet provided the values during this written procedure. Considering the feedback provided, the CRG discussed the updated CR Ranking for 2023, for the first time after the last full review in October 2022. The chairperson highlighted the mismatch between the low ranking of CR-794 'T2S settlement day processes for DKK' and the strategic importance of having a new currency to settle in central bank money. The CRG agreed that strategic aspects could not be always taken into account by CRG members when providing the business values by the members due to the fact that every member assesses the change requests from their own institution's business perspective. It was acknowledged that CR-794 was highly importance for the business.

Although CR-0810 'T2S should verify whether the certificate used to sign NRO is linked to the user initiating the signature' had not been part of the CRs eligible for ranking because it was not authorised by the Steering Level yet, it was acknowledged that, due to its importance, it should be ranked in the upper half of the CR Ranking.

The CRG agreed with the version of the CR Ranking and requested 4CB to provide a proposal for the delivery of the detailed assessments. It was acknowledged that this proposal, together with the CR ranking 2023, would be part of the background documents to be assessed by the PMG at the occasion of the December meeting when the baseline scope of R2025.JUN would be discussed.

The Clearstream representative highlighted that, with the implementation of CR-0809 'Alignment of T2S Messages with ISO Maintenance Release 2020 – 2024', there could be an issue related to the coexistence of the BIC format type. In particular, according to a Clearstream internal assessment, the foreseen BIC format type to be implemented with CR-0809 for the ISO2022 could allow BICs that were not compliance with the BIC format type allowed for the ISO15022. The potential effect, if the incompatibility was confirmed, would be that a BIC set up in compliance with ISO20022 could later be rejected by the ISO15022 standard. It was requested that 4CB should provide an assessment of the issue together with the assessment of CR-0809.

Follow-up action

- 4CB to provide a proposal for the detailed assessments in view of R2025.JUN.
- 4CB to perform an assessment on the potential incompatibility of BIC format type to be implemented with CR-0809, compared to the format type allowed with ISO15022.

4. Analysis of change requests

4.1 Change requests under implementation.

Background documentation

- T2S-0757-SYS T2S should apply a 20-day transformation period for instructions subject to COSD.

Outcome

T2S-0757-SYS T2S should apply a 20-day transformation period for instructions subject to COSD.

The CRG took note of the updated detailed assessment of CR-0757 by the 4CB due to the reason that the error text in one BR had exceeded the maximum characters allowed. The CRG was informed that the new error text had been reduced to comply with the maximum number of characters allowed.

Follow-up action

- The ECB team to publish the updated version of CR-0757 on the website.

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

Background documentation

- T2S-0789-SYS Handling automatic cancellation for T2S External Transactions
- 4CB presentation on CR-0789.
- Summary of DA-0789
- T2S-0802-URD Penalty Mechanism calculation and storage extension – oral update
- T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off.
- 4CB presentation on CR-0720.
- Summary of DA-0720
- T2S-0805-SYS ESMIG portal access rights redesign – oral update

Outcome

T2S-0789-SYS Handling automatic cancellation for T2S External Transactions

4CB presentation on CR-0789.

Summary of DA-0789

The CRG took note of the detailed assessment findings of CR-0789. It was acknowledged that, although the PMG had requested the detailed assessment in view of R2024.JUN, it was deemed feasibly only for R2024.NOV. The CRG was informed that the OMG had questioned whether a new CR should be raised to change the settlement optimisation processes so that the transaction in the scope of CR-0789 were exempted from these processes, with the objective to decrease the resource consumption. The CRG agreed not to extend the scope of CR-0789 and acknowledged that no risks were identified during the detailed assessment. The CRG also took note that the CRG Secretariat would debrief to the OMG about this decision.

The CRG took note that the OMG had agreed to perform a clean-up procedure two years after the implementation of CR-0789, with the objective to monitor the transactions under an external CSD scenario that were exempted from the automatic cancellation process. As stated in the detailed assessment, 4CB will send a report to the OMG on the external pending instructions to check the usage of system resources arising from the accumulation of these instructions. The OMG would review this report and take respective measures to protect the system performance.. Considering that the detailed assessment was provided with only one day before the meeting, it was agreed to launch a written procedure with five business days period for the review and potential recommendation.

Follow-up action

- The ECB team to launch a written procedure for the CRG members to review the findings of the detailed assessment of CR-0789 with a deadline of five business days.

- *The ECB team to inform the OMG Secretariat about the CRG decision to not raise a new change request to change the optimisation processes so that they would not process transactions under the scope of CR-0789.*

Outcome

T2S-0802-URD Penalty Mechanism calculation and storage extension

The CRG members took note that the planned delivery date of the detailed assessment for CR-0802 was 27 October 2023 and that 4CB had been able to reduce the annual running costs of the new solution compared to the first solution assessed.

Outcome

T2S-0720-URD Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off.

4CB presentation on CR-0720.

Summary of DA-0720

The CRG took note of the detailed assessment findings of CR-0720. It was acknowledged that, although the PMG had requested the detailed assessment in view of R2024.JUN, it was deemed feasibly only for R2025.NOV. It was acknowledged that no risks had been identified during the detailed assessment. It was agreed that a written procedure for the review should be launched, with a deadline of five business days for review and potential recommendation for implementation.

Follow-up action

- *The ECB team to launch a written procedure for the CRG members to review the findings of the detailed assessment of CR-0720 and to assess the recommendation for implementation.*

Outcome

T2S-0805-SYS ESMIG portal access rights redesign – oral update

The CRG was provided with an oral update of CR-0805. They were informed that the detailed re-assessment was planned to be delivered on 5 December 2023. It was triggered due to the need to have zero operational impact in the T2S users, as requested by the OMG.

Follow-up action

- *The 4CB to provide the detailed re-assessment of CR-805.*

4.3 Change requests not yet authorised at T2S Steering Level

4.3.1 Change requests under preliminary assessment

Background documentation

- T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account

Outcome

T2S-0735-SYS T2S to provide the CSDs the possibility to receive message transmission information grouped by Securities Account

The CRG was informed that, Iberclear, the CR initiator of CR-0735, had decided to withdraw it. Since no CRG member agreed to take full ownership of CR-0735, it was acknowledged that it was formally withdrawn.

Follow-up action

- *The ECB to publish the new “withdrawn” status of CR-0735 on the website.*

4.3.2 Candidates for preliminary assessment / Newly raised CRs

Background documentation

- T2S-08xx-SYS Mitigate risk of 3rd party flows under POA on T2S parties accounts
- Presentation on the new change request on Party hold functionality.
- T2S-0810-SYS T2S should verify whether the certificate used to sign NRO is linked to the user initiating the signature
- Presentation on CR-0806 – OMG and CSDR-TF Outcome
T2S-0806-URD Removal of T2S functionality for the identification of penalties related to a CCP
- T2S-0780-URD Identification of penalties related to a CCP participating in a CSD outside T2S
- New CR on cash accounts with remaining liquidity – oral update

Outcome

T2S-08xx-SYS Mitigate risk of 3rd party flows under POA on T2S parties accounts

Presentation on the new change request on Party hold functionality

The CRG took note of a presentation related to a new requirement raised by Euroclear and related to the need to have an automated functionality to put instructions on party hold when they were submitted to T2S by a particular Instructing party. The presentation provided the outcome of the 4CB assessment, with the conclusion that the existing functionality could meet this business requirement. It was agreed that the wording of the change request would be matured and planned to be discussed at the next CRG meeting on 5 December 2023. The ECB team proposed to provide some editorial updates to the wording of the change request.

Follow-up action

- *ECB to provide an updated change request on the party hold functionality for the CRG meeting on 5 December 2023, once Euroclear and 4CB had reviewed it.*

Outcome

T2S-0810-SYS T2S should verify whether the certificate used to sign NRO is linked to the user initiating the signature

The CRG was informed about the new change request on the NRO new functionality and that, as requested by the CSG, this CR was to follow a fast-track approach.

The CRG agreed to approve the CR Parameters and the fast-track approach justification, as follows:

- *Fast-track justification: A fast-track approach is requested due to i. the importance of removing the operational security risk that could imply that a user (signing user) might sign a transaction in 4-eyes principle that was previously submitted by a different user (logged-in user) and ii. the need to have consistency between the implementation in other TARGET Services (since T2 already have this additional check).*
- *Legal/business importance parameter was set to 'High' because this change improves the safety of the application.*
- *Market implementation effort parameter was set to 'Low' because this change does not require any changes by T2S Actors. It is implemented purely on T2S side.*
- *Operational/technical risk parameter was set to 'Low' because this change does not imply any operational impact on T2S Actors. It is implemented purely on T2S side.*

The CRG agreed to recommend CR-0810 for T2S Steering Level Authorisation following a fast-track approach.

Follow-up action

- *The ECB team to launch a written procedure to collect the business values for CR-0810.*

Outcome

Presentation on CR-0806 – OMG and CSDR-TF Outcome

T2S-0806-URD Removal of T2S functionality for the identification of penalties related to a CCP

T2S-0780-URD Identification of penalties related to a CCP participating in a CSD outside T2S

The CRG was presented with an updated version of CR-0806, where no references to the workaround solution were included as agreed. This meant that the scope of the change would be to decommission the whole functionality related to the reporting of penalties when a CCP is party of the transaction. The CRG took note that the OMG agreed to process the workaround solution by emptying the CCP list table. It was acknowledged that the OMG did not agree to perform the test of the workaround solution due to the functional background it had. It was acknowledged that the PMG would discuss at the PMG meeting the day after, on 18 October 2023, whether the UTSG could perform this functional test of the workaround solution. Hence, it was acknowledged that the urgency to implement CR-0806 and decommission the functionality had decreased due to the feasibility of the workaround solution. The CRG agreed to request the preliminary assessment of CR-0806.

The CRG took note of the CRDR-TF decision to withdraw CR-0780, due to a regulation amendment introduced by ESMA. No CRG member agreed to take full ownership of CR-0780, hence, the status of CR-0780 was updated to withdrawn.

Follow-up action

- *The ECB to upload the status of CR-0780 to "Withdrawn" on the website.*
- *4CB to provide the preliminary assessment of CR-0806.*

Outcome

New CR on cash accounts with remaining liquidity – oral update

The CRG was informed about a new change request raised by the 4CB on the potential issue if a DCA was closed and there was liquidity that remained overnight due to the optional cash sweep. The CRG agreed to consult the OMG about the impact of this CR related to insolvency procedures, once the CR was formally registered.

4.3.3 Change requests raised in other TARGET Services

Background documentation:

- T2-0129-URD CRDM admin users access rights scope limitation
- Presentation explaining the changes on the Certificate DNs.
- T2-0118-SYS CRDM business rules preventing propagation filtering and improving data consistency
- T2S-0811-SYS Impact of ICN-061 - CRDM business rules on Party and Cash Accounts validity period.
Editorial CRs

Outcome

T2-0129-URD CRDM admin users access rights scope limitation

Presentation explaining the changes on the Certificate DNs.

The CRG took note of the updated scope of CR-T2-129, that foresaw to change the visibility of the Certificate DNs for the query operations. The CRG agreed with the scope of the change request and requested that once the detailed assessment was ready, it was sent for review. The CRG agreed that a new change request would be needed to track the testing of this T2 CR, due to the impact in the CRDM common functionality between T2 and T2S.

Follow-up action

- The ECB to provide a T2S CR to track the testing of CR-T2-129.

Outcome

T2-0118-SYS CRDM business rules preventing propagation filtering and improving data consistency

T2S-0811-SYS Impact of ICN-061 - CRDM business rules on Party and Cash Accounts validity period.

Editorial CRs

The CRG was presented with the detailed assessment of T2-118, as previously agreed in the July 2023 CRG meeting to review it once it was ready. T2-118 aimed to change the creation and update of party and cash account reference data objects so that it was not possible to set them up to be effective for the same business date when the operation was performed. Clearstream representative objected to the scope of this change request arguing that other alternatives that would not impact T2S functionalities should be assessed.

The CRG agreed to reject the newly raised change request T2S-0811 to track the testing of the T2-0118. It was also agreed that new alternatives should be assessed by T2 community to reduce to zero the impact in T2S.

4.4 Editorial CRs

Background documentation: none

5. Clarification notes

Background documentation:

- CRG-CN-031 INC383880 – T2S DWH UHB screens and wording updates
- Annex CRG-CN_031T2S-UHB-R2024.JUN_Chapter 5

- Presentation on R2023.NOV SDD review feedback - INC382347 - Certificate Distinguished Names Export
- SDD-PBR-0101 PBI-229523 INX09 introduce End-to-End Reference

Outcome

CRG-CN-031 INC383880 – T2S DWH UHB screens and wording updates

Annex CRG-CN_031T2S-UHB-R2024.JUN_Chapter 5

The 4CB presented a clarification note related to incident-383880 where customer informed about discrepancies between the UHB documentation and the DWH GUI available in EAC and UTEST. Those discrepancies stem from the fact that an upgrade of the Cognos Version was needed due to incompatibility of the old version with a necessary upgrade of the DB2 version. In this regard, the T2S UHB was not adapted accordingly. To make sure that the users were able to test against the information in the T2S UHB a newer version of the T2S UHB chapter 5 was produced focusing on the following main points:

- Add screens of the actual T2S DWH and remove the Mock screens.
- Update of the navigation path within COGNOS to access the Predefined Reports
- Correction of the different user access rights for each report

The CRG agreed to launch a written procedure to review the provided new screens before they could be included in the next editorial change request for R2024.JUN.

It was also informed by 4CB that the proposed changes to the T2S UHB included the removal of the CSD Participants and Payment bank as potential users of the T2S Datawarehouse reports. 4CB informed that due to a human error, the scope of CR-0699 erroneously included these users as potential consumers of the reports. The CRG acknowledged that the current implementation of LTSI did not foresee that the Payment Banks or CSD Participants could query these reports and therefore it was agreed to remove them from the scope of CR-0699 and include the corresponding amendment in the T2S UHB.

4CB informed that as part of the resolution of a PBI related to the DWH user-defined reports functionality, an editorial change in the common part of the T2S DWH in the CRDM UHB would be included as part of the next editorial change request to to better specify that Cognos SQL would be available (as opposed to Native SQL).

Follow-up action

- The CRG secretariat to launch a written procedure to review the CRG-CN-0031 so that the T2S DWH new screens could be included in the next editorial change request for R2024.JUN.
- The CRG Secretariat to provide a draft version of CR-0699 removing any reference to Payment Banks or CSD Participants as potential users of the T2S DWH reports.
- 4CB to provide an editorial CR including an update in the CRDM UHB that will better specify that Cognos SQL would be available (as opposed to Native SQL).

Outcome

Presentation on R2023.NOV SDD review feedback - INC382347 - Certificate Distinguished Names Export

The CRG took note of a presentation from 4CB related to the Certificate Distinguished Names functionality. In particular, it explained that while the functionality to query and update Certificate DNs was decommissioned from the T2S SDMG and moved to the CRDM GUI, the implementation had not changed. This meant that the Certificate DNs query displayed all the DNs in T2S without filtering by system entity of the object. The update and delete operations were possible only inside the requestor’s system entity. The T2S UHB did not explicitly mention this datascope for

DNs. In order to keep clarity on this software behaviour, the following sentence was added: "The Certificate Distinguished Names are visible to all the users with no data scope restriction". However, the same content was never inserted into T2S UHB, despite the underlying functionality being the same. The content of the CRDM UHB later was applied also to the T2S scope with R2023.NOV following the so-called Split Book approach. In addition, it was also informed that a new change request T2-0129-URD 'CRDM admin users access rights scope limitation' foresaw to adjust the visibility of this reference data objects according to T2S and T2 needs.

The CRG agreed to leave the implementation as it was and wait for T2-0129 to be implemented. Regarding the CRDM UHB, it was agreed to leave the sentence as it was included.

The 4CB also informed that it had been identified an issue related to the billing of the download functionality on the search/list Certificate DN screen. Billing was wrongly counting the quantity to consider in fee calculus of each Certificate export/download operation, it was counting the fee for each returned row instead of charging it once for each export/download operation. The CRG agreed to wait for the 4CB final assessment of the issue and once completed, that the CRG Secretariat liaised with the ECB financial team to know how to proceed with the past invoices' correction.

Follow-up action

- The 4CB to provide the final assessment of the issue related to the wrongly billing of Certificate DNs search/list screen.

Outcome

SDD-PBR-0101 PBI-229523 INX09 introduce End-to-End Reference

The CRG took note of SDD-PBR-0101 and approved it. The CRG agreed to the underlying SDD updates, to be formalised in an editorial CR, and took note that the CRG secretariat would inform the OMG accordingly.

Follow-up action

- The CRG Secretariat to inform the OMG about the CRG approval of SDD-PBR-0101.
- 4CB to include the editorial changes of SDD-PBR-0101 in the editorial change request of the release where PBI229523 would be implemented.

6. CRG action points

Background documentation

- List of CRG action points

Outcome

List of CRG action points

The CRG took note that the proposed resolutions on the action points were not made available for the meeting and it was agreed to launch a written procedure to review them.

Follow-up action

- The CRG secretariat to initiate a written procedure to review the list of CRG action points.

7. Mandate and CRG observers' nomination

Background documentation

- CRG revised mandate.

- List of CRG observers.

Outcome

CRG revised mandate.

List of CRG observers.

The CRG took note of the updated CRG mandate including some editorial changes stemming from the CSG and MIB secretariat review. It was acknowledged that the updated mandate would be made available for the CSG meeting on 15-16 November 2023 to seek the CSG approval and for the MIB meeting on 22-23 November 2023.

The CRG took note that the AMI-SeCo secretariat had triggered a written consultation to seek the nomination of the new CRG observers. The CRG took note of the updated list of observers. Two CRG observers highlighted that their names were not included in the list since their AMI-SeCo members might have overlooked the related written procedure. It was acknowledged that the AMI-SeCo secretary would be receiving two additional requests to include these CRG observers in the list. The CRG secretary agreed to inform the AMI-SeCo secretary accordingly.

The CRG took note that the MIB would be invited to appoint the suggested list of CRG observers at the MIB meeting on 22-23 November 2023.

Follow-up action

- The CRG secretariat to inform the AMI-SeCo secretariat that two additional CRG observers would be nominated by the AMI-SeCo.

8. 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 2023 and 2024 (to be confirmed at least 4 weeks in advance):

Outcome

The CRG was informed about the dates of the next CRG meetings that would be held online via MS Teams and took note that they would receive the details in due course.

5 December 2023	09:30-15:00	Teams
30 January 2024	09:30-15:00	Teams
28 February 2024	09:30-15:00	Teams
16 April 2024	09:30-15:00	Teams
29 May 2024	09:30-15:00	Teams
3 July 2024	09:30-15:00	Teams
3 September 2024	09:30-15:00	Teams
17 October 2024	09:30-16:00	ECB Main Building
3 December 2024	09:30-15:00	Teams