

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: ECB	Institute: ECB	Date raised: 15/05/2013
Request title: Definition of the allegation delay periods		Request ref. no: T2S 0340 URD
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: Medium	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: No cost impact	
Requestor Category: ECB	Status: Authorised at Steering Level	

Reason for change and expected benefits/business motivation:

The requirement T2S.11.545 (Allegation Period) states that T2S shall enable the T2S Operator to specify two predetermined delay periods for sending an allegation to the counterpart of the unmatched instruction. These harmonised delay periods have not been defined yet.

It is in the interest of all actors in T2S to have the harmonised allegation periods defined as early as possible. The definition of the allegation delay periods would allow T2S Actor to know when the allegation message will be pushed to the T2S Actors after an unsuccessful matching attempt of its settlement instruction so that they can better define their internal processes.

Description of requested change:

This Change Request defines the predetermined periods used to calculate the point in time upon which T2S sends a settlement allegation to the counterpart of the unmatched instruction as a consequence of an unsuccessful matching attempt.

These predetermined periods are T2S system parameters defined as follows:

- 'Standard delay period': 1-hour delay period from the first unsuccessful matching attempt of a settlement instruction.
- 'Before cut-off': 5-hour delay period measured backwards from the FOP cut-off time on the intended settlement date.

T2S will send out an allegation at the earliest point in time between the results of the calculation using each of the two predetermined delay periods.

Submitted annexes / related documents:

Proposed wording for the URD Change request:

A new requirement T2S.11.547 (Allegement period attribute requirements) should be added:

Allegement period attribute requirements

Reference ID	<u>T2S.11.547</u>
---------------------	-------------------

The following table specifies the attributes that T2S shall require for the allegement period.

Table 11-12 bis– Attribute Requirements for the allegement periods

Attribute	Description
<u>Allegement period</u>	This attribute shall specify the allegement period: <ul style="list-style-type: none"> • <u>Allegement from first unsuccessful matching attempt.</u> • <u>Allegement before intended settlement date.</u>
<u>Hours and minutes</u>	<u>This attribute shall specify the number of hours and minutes of the delay period.</u>

Based on the user requirements, the configuration parameters would consist of two entries.

Table 11-12 ter– Configuration parameters for the allegement periods

Recycling Type	Hours and minutes
<u>Allegement from first unsuccessful matching attempt</u>	<u>1h</u>
<u>Allegement before intended settlement date</u>	<u>5h</u>

Proposed wording for the SYS Change request:

The relevant section of the UDFS will be updated ((underlined or strike-through below)) along with the table providing their values as follows:

UDFS Section <1.5.1 Business application configuration>, page 242

General attribute domains: attribute domains provide a list of valid values for an attribute. The T2S Operator may define a set of general attribute domains that are applicable to all participants. This includes the following general configuration parameters: ~~allegement period for first unsuccessful matching attempt~~, allegement periods (standard and before cut-off), ~~before intended settlement date~~, recycling period for unmatched pending settlement instructions, acceptable time deviation period, settlement priority defaults, sequencing rules, duplicate check period (settlement instructions/restrictions, liquidity transfers, inbound files and messages, pools), billing information, retention period.

UDFS Section <1.6.1.3.4 Parameters Synthesis >, page 292

~~No specific configuration from T2S Actor is needed.~~ The following parameters are specified by the T2S Operator.

- Allegement for first unsuccessful matching attempt (Standard delay period): Defined as the standard delay period from the first unsuccessful matching attempt of a settlement instruction. It is calculated in hours and minutes.
- Allegement before Intended Settlement Date (Before cut-off): Defined as the standard delay period measured backwards from the FOP cut-off time on the intended settlement date. It is calculated in hours and minutes. T2S sends out an allegement at the earliest point in time between this period and the period defined by the allegement for first unsuccessful matching.

No specific configuration from T2S Actor is needed.

CONCERNED PROCESS	PARAMETER	CREATED BY	UPDATED BY	MANDATORY / OPTIONAL	STANDARD OR DEFAULT VALUE
Settlement Allegement	Standard delay period	T2S Operator	T2S Operator	M	To be defined <u>1 hour</u>
Settlement	Before cut-off	T2S	T2S	M	To be defined

Allegement		Operator	Operator		<u>5 hours</u>
------------	--	----------	----------	--	----------------

High level description of Impact:

The System Parameters and Technical Parameters are included, as described above, in the following UDFS sections:

- UDFS 1.5 Possible actions of T2S Operator <1.5.1> "Business application configuration", page 242
- UDFS 1.6.1.3 Allegement: update of section <1.6.1.3.4> "Parameters Synthesis", page 292

Outcome/Decisions:

* CRG meeting of 15 May 2013: The CRG decided to split the original Change request T2S-0407-URD (Definition of System parameters and technical parameters) into three and the CRG took the following decisions on them:

- Recommend the approval of Change Request T2S-0407-URD (Definition of parameters for duplicate checks and past-dated and future-dated instructions) for approval.
- Recommend that the Change Request T2S-0340-URD (Definition of allegement delay periods) should be sent to the T2S National User Groups for consultation.
- Postpone a decision on Change Request T2S-0408-SYS (Definition of technical parameters) until its next meeting.

* CRG Telco of 16 September 2013: A majority of CRG member recommended the approval of the Change Request with 'allegement delay period' of 1hour and 'allegement before cut-off' period of 5 hours. A minority view represented by few CRG members recommended the approval of the Change Request with 'allegement delay period' of 20 minutes and 'allegement before cut-off' period of 9 hours. Alternatively, the minority suggested that this allegement delay period could only be implemented for the first migration wave.

* Advisory Group's advice on 4 October 2013: Following a written procedure from 27 September to 4 October 2013, the AG was in favour of the Change Request.

* CSD Steering Group meeting of 26 September 2013: The CSG adopted the resolution to approve the Change Request.