

General Information (Origin of Request)		
<input type="checkbox"/> User Requirements (URD) <input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: Monte Titoli	Institute: CSD	Date raised: 08/12/2014
Request title: Include the transaction identification of the inbound settlement instruction in both Account Owner Transaction ID and Account Services Transaction ID in a rejection-related status advice		Request ref. no: T2S 0492 SYS
Request type: Common		Urgency: Fast-track
1. Legal/business importance parameter: Low	2. Market implementation efforts parameter: Medium	
3. Operational/Technical risk parameter: High	4. Financial impact parameter: Low	
Requestor Category: CSD	Status: Authorised at Steering Level	

Reason for change and expected benefits/business motivation:

Item 41 of the Change Request T2S-0470-SYS (Correction of typos and minor clarifications on the UDFS) aims to offer clarification on how the T2S platform will behave in the case of reporting the T2S Actor Reference in the event that an instruction is rejected. It specifically states:

“In case a Settlement Instruction is rejected, the related status advice will report back this reference in the Account Owner Transaction Identification”. Though this may have a soft impact on T2S participants, this would deeply impact the rejection messages managed by Monte Titoli and SIS.

The behaviour clarified by the item 41 of the Change Request 470 would imply a review of all the software and applications handling T2S rejection messages. A preliminary estimation has shown that this would impose a time commitment that supersedes the current implementation timeline. This raises an important issue about “clarifying” any of the UDFS specifications, as any such amendment should consider the overall impact on the software of Wave 1 participants.

The aim of this Change Request is to mitigate any impact on Monte Titoli and SIS caused by the clarification given in item 41 of the Change Request 470.

Description of requested change:

In a rejection-related Securities Settlement Transaction Status Advice (sese.024), T2S should include the transaction identification of the inbound settlement instruction in Account Services Transaction ID (AcctSvcrTxld), in addition to the existing behaviour of including it in the Account Owner Transaction ID (AcctOwnrTxld).

This behaviour also applies for Settlement Restrictions in T2S.

In an accepted-related Securities Settlement Transaction Status Advice (sese.024), there should be no change in the existing T2S behaviour i.e. it should remain in line with the UDFS v2.0.

Submitted annexes / related documents:

Proposed wording for the Change request:

UDFS section 4.3.1 Business References should be modified as follows:

4.3.1 Business References

- T2S Actor Reference: Unambiguous identification of the transaction as known by the Instructing Party. The T2S Actor Reference is:
 - Mandatory in any incoming Settlement Instruction. It is included in the Transaction Identification field of the sese.023 message (SctiesStlmTxInstr/TxId).
 - Unique: For each incoming sese.023 message, T2S checks that there is no pending instruction with the same combination of T2S Actor Reference and Instructing Party (Instructing Party BIC and Instructing Party Parent BIC). In case a sese.023 message conveys an already matched instruction, both Settlement Instructions created in T2S (i.e. delivering and receiving) will share the same T2S Actor Reference.
 - Used for the reporting of status changes of Settlement Instructions (i.e. status advices and confirmations). When an instruction is rejected, the related status advice will report back this reference always in the Account Owner Transaction Identification, as well as in the field Account Servicer Transaction Identification. Upon acceptance of a Settlement Instruction, all the related status advices and confirmations will include the T2S Actor Reference in either the Account Owner Transaction Identification, or in the Account Servicer Transaction Identification or in the Processor Transaction Identification. The T2S Actor Reference is reported back in the Account Owner Transaction Identification, Account Servicer Transaction Identification or Processor Transaction Identification depending on the Instructing Party of the instruction (see section 4.3.2 "Reporting of the T2S Actor Reference").
 - Used for referring to a Settlement Instruction for its maintenance (Cancellation, Hold/Release or Amendment Instruction) and for linking the Settlement Instruction (i.e. with, after or before) to another instruction.(...)

High level description of Impact:

Outcome/Decisions:

- * CRG decisions on 15 December 2014: The CRG recommended to launch the detailed assessment.
- * OMG on 13 January 2015: During a written procedure from 18 December 2014 to 12 January 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
- * Advisory Group's advice on 20 January 2015: Following a written procedure the AG was in favour of launching the detailed assessment on the Change Request.
- * CSG resolution on 21 January 2015: Following a written procedure, the CSG was in favour of launching the detailed assessment on the Change Request.
- * OMG on 12 January 2015: During a written procedure from 18 December 2014 and 12 January 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
- * CRG meeting of 6 February 2015: The CRG recommended the approval of the Change Request.
- * Advisory Group's advice on 26 February 2015: Following a written procedure, the AG was in favour of the Change Request.
- * CSG meeting on 26-27 February 2015: The CSG adopted the resolution to approve the Change Request.

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

Impact on major documentation		
Impacted GFS chapter		
Impacted UDFS chapter	3.3.7.3 IntraPositionMovementStatusAdviceV03 (semt.014.001.03)	To update the message documentation and the related examples within the UDFS
	3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)	To update the message documentation and the related examples within the UDFS
	3.3.3.21 IntraBalanceMovementStatusAdviceV01 (camt.067.001.01)	To update the message documentation and the related examples within the UDFS
	4.3.1 Business References	Clarify that in case of rejection the Account Servicer is also always filled in with the same information than the Account Owner reference. The same behaviour is applicable for Settlement Restrictions
Additional deliveries for Message Specification	SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)	To update the message documentation and the related examples within the UDFS
	IntraPositionMovementStatusAdviceV03 (semt.014.001.03)	To update the message documentation and the related examples within the UDFS
	IntraBalanceMovementStatusAdviceV01 (camt.067.001.01)	To update the message documentation and the related examples within the UDFS
UHB	No impact	

External training materials	T2S_FA_WS 2_Part1_SETT_INST_PTYS_IREF_STSS_DIAPO	Inclusion of rejection case with the corresponding Account Owner Reference and Account Servicer Reference.		
Other documentations				
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>This change request implies, at LCMM domain level, to update the function in charge of fulfilling the ISO messages in order to include the Account Servicer Reference in all rejection messages related to either Settlement Instructions or Settlement Restrictions. The Account Servicer Reference will contain the very same information than the Account Owner reference.</p> <p>References of cancelled Instructions due to invalid static data included in the instruction will not be changed.</p> <p>Accordingly, an update of the <u>UDFS</u> will be performed as follows:</p> <p>For SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03):</p> <ul style="list-style-type: none"> - Update the "T2S-use" of the fields "Account Owner Transaction ID" and "Account Servicer Transaction ID" in line with the description added ion UDFS Chapter 4 (i.e. "When an instruction is rejected, the related status advice will report back this reference always in the Account Owner Transaction Identification, as well as in the field Account Servicer Transaction Identification"); - Update the following two message examples included in section 3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03): <ul style="list-style-type: none"> o sese.024.001.03_T2S_Rejected_Example.xml o sese.024.001.03_T2S_RejectedPositiveRejectionRestriction_Example.xml <p>For IntraPositionMovementStatusAdviceV03 (semt.014.001.03):</p> <ul style="list-style-type: none"> - Update the "T2S-use" of the fields "Account Owner Transaction ID" and "Account Servicer Transaction ID" in line with the description added ion UDFS Chapter 4 (i.e. "When an instruction is rejected, the related status advice will report back this reference always in the Account Owner Transaction Identification, as well as in the field Account Servicer Transaction Identification"); - Update the following two message examples included in section 3.3.7.3 IntraPositionMovementStatusAdviceV03 (semt.014.001.03): <ul style="list-style-type: none"> o semt.014.001.03_T2S_Rejected_Example.xml <p>For IntraBalanceMovementStatusAdviceV01 (camt.067.001.01):</p> <ul style="list-style-type: none"> - Update the "T2S-use" of the fields "Account Owner Transaction ID" and "Account Servicer Transaction ID" in line with the description added ion UDFS Chapter 4 (i.e. "When an instruction is rejected, the related status advice will report back this reference always in the Account Owner Transaction Identification, as well as in the field Account Servicer Transaction Identification"); - Update the following message example included in section 3.3.3.21 IntraBalanceMovementStatusAdviceV01 (camt.067.001.01): <ul style="list-style-type: none"> o camt.067.001.01_T2S_Rejected_Example.xml <p>The <u>training materials</u> will be updated accordingly to include the new behavior for rejection messages.</p> <p>Regarding <u>testing activities</u>, already existing test-cases will need to be modified and executed for sese.024, semt.014 and camt.067. The corresponding Non-regression campaign will have to be performed. Furthermore, the updated INTF Inbound Processing rejections based on the above mentioned messages have to be tested in order to ensure consistent implementation.</p> <p>Although it is a specific request for Monte Titoli, the change will benefit to all users.</p>				
Summary of project risk				
Risk related to the late availability of the change compared to go-live date.				
Security analysis				

No security impact (do not entail any additional costs related to the implementation of security controls).

DG - MARKET INFRASTRUCTURE PAYMENTS / MARKET
INFRASTRUCTURE MANAGEMENT

ECB-PUBLIC

20 January 2015

COST ASSESSMENT ON CHANGE REQUESTS

T2S-0492-SYS Include the transaction identification of the inbound settlement instruction in both Account Owner Transaction ID and Account Servicer Transaction ID in a rejection-related status advice		
Project phase costs (total)	48,763.32	in Euro
Running costs (annual average over cost recovery period)	5,019.81	in Euro