T2S CHANGE REQUEST FORM		
General Information (Origin of Request) ☐ User Requirements (URD) or GUI Business Functionality Document (BFD) ☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Euroclear	**Institute:** CSD	**Date raised:** 01/07/2015
Request title: Provide Restriction Type name and description in reason code due to Market Specific Restriction Types		**Request No.:** T2S-0525-SYS
Request type: Common	**Classification:** Scope Enhancement	**Urgency:** Normal
1. Legal/business importance parameter[1]: High	**2. Market implementation efforts parameter**[2]: Low	
3. Operational/Technical risk parameter[3]: Low	**4. Financial impact parameter**[4]: Medium	
Requestor Category: CSD	**Status:** Implemented	

Reason for change and expected benefits/business motivation:

Highlights

CSDs are able to create MSRT (Market Specific Restriction Types) in T2S to implement rules that relate to their specific service offer or to their legal environment. When a settlement instruction is sent to a given CSD on T2S platform, T2S checks if this instruction is compliant with the MSRTs created by the CSD and may thus reject it or put it on hold. In case of rejection or 'on hold' status, T2S does not provide the detailed reason (as it would do for a 'standard' rejection). It only provides the generic 'rule set id' (which is a number with no business meaning) in A2A messages and provides no reason on the GUI.
The same happens whenever an instruction in T2S fulfils a positive Conditional Security Delivery (CoSD) Rule Set; the response message generated in both A2A and U2A modes only informs the rule set id along with the corresponding reason codes

Detailed description

When a CSD creates a restriction type on T2S, it provides the following elements:

1. The name of the restriction type

2. The description of the restriction type

3. The type of object, the restriction type refers to;

4. The type of processing T2S must put in place when the restriction type is triggered (e.g. rejection of a Settlement Instruction, blocking of a party, etc);

5. A validity period, specified by a mandatory initial date of validity and an optional final date of validity;

6. A positive/negative parameter according to which T2S should apply/should not apply the restriction (if "positive", the restriction is applied if the rules are satisfied);

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[1] Legal/business importance parameter was set to High because this new functionality will imply an important reduction of operational effort from the market when identifying the rule why settlement instructions/settlement restrictions have been rejected

[2] Market implementation effort parameter was set to Low because the nature of this change does not require to invest important resources in a testing campaign on the side of Participating CSDs, CBs and their communities

[3] Operational/technical risk parameter was set to Low because this change will only add additional information to an already reporting functionality, well tested so far

[4] Low < 100kEUR < Medium < 500kEUR

7. With reference to restriction types belonging to case one and two, a set of rules defining the criteria according to which T2S checks whether a restriction type has to be triggered or not.

When the rule is validated then T2S allocates a 'rule set id' which is a sequential number with no business meaning.

When a settlement instruction is rejected or on CSD validation hold due to an existing MSRT, the 'reject' message contains

A2A mode
1. only the identification number of the restriction type rule (the rule set id. Example: <Rjctd><Rsn><Cd><Cd>VALR</Cd></Cd><AddtlRsnInf>MVSR703-Settlement Instruction rejected due to a Restriction Type 300003245</Add

Restriction type name and description is not mentioned

U2A mode
2. Currently, neither the rule ID nor the restriction type name and description is provided. However, it was clarified by the 4CB that the rule ID will be included on the T2S GUI screen via a hot fix similar to the A2A mode (UT-PBR-040).

This creates reconciliation issues
In both A2A and U2A mode, based on the rule set id, the client would have to initiate many actions on the T2S GUI until he can find the actual reason
3. First the client has to go to the 'Restriction Type' search and search for market specific ones (General rule set to 'No'). This gives the list of all the MSRTs that have been created by the CSD
4. Then the client needs to export this result: in addition to information that are displayed in the screen, the client will also get the 'Rule set ID' of the first rule set that is described for the MSRT (but not the complete list)
5. In order to get the complete list, the client needs to consult Rule set detail for each Restriction Type. Then, in the 'Rule set' screen, he can also export the result (this is to be done once for each Restriction type)

In summary T2S reporting does not provide appropriate information to allow the client to understand the reason of the status. In particular, the rule ID does not have any business meaning and it is not enough clear for the clients.

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Description of requested change:

In case of MSRT rule rejection or validation hold during either business validation or revalidation, the reason code description should contain:

- the Restriction Type name ,

- the Restriction Type description,

in both U2A and A2A modes.

This should also apply to the scenario whenever an instruction fulfils a positive Conditional Security Delivery (CoSD) Rule Set.

Example: MVSR703-Settlement Instruction rejected due to a Restriction Type 300003245 RT25 – Check Compatibility between Party Type and Securities Movement Type.

The restriction Processing types to be included in the CR are: Rejection & CSD Validation hold both for positive and negative rules.

The object restriction types to be included in the CR are: settlement instructions & settlement restrictions. The sese.032 is also included (SecuritiesSettlementTransactionGenerationNotification message).

It concerns both A2A and U2A but queries and reports are excluded.

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Submitted annexes / related documents:

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Proposed wording for the Change request:

The request is to display the restriction type name and restriction type description in the reason of the rejection or validation hold status. It should apply both on the T2S GUI and in the messages.

The additional reason information should contain:

     1. The restriction type name + the restriction type description and the rule set ID.

UDFS

The following UDFS v7.2 sections should be modified:

3.3.3.21 IntraBalanceMovementStatusAdviceV01 1 (camt.067.001.01)

(…)

3.3.3.21.3 The message in business context

Message usage: Rejected

(…)

Specific message requirements

To inform about a rejection status, the *IntraBalanceMovementStatusAdviceV01* includes the following information:

I Rejected – status that corresponds to 'Rejected' with one or more reason codes listing the reasons of the rejection;

I Code – ISO code specifying the reason of the rejection;

I AdditionalReasonInformation – text comprising a combination of the associated business rule not fulfilled and a short description of the error. T2S also informs of the rule ID, the restriction type name and restriction type description of a positive rejection restriction rule fulfilled, if any.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ IntraBalMvmntStsAdvc /PrcgSts/Rjctd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description the rule id, restriction type name and description of a positive rejection restriction (if any)

(…)

Message usage: Accepted

(…)

Specific message requirements

To inform about an accepted status, the *IntraBalanceMovementStatusAdviceV01* includes the following information:

I AcknowledgedAccepted – status that corresponds to 'Accepted';

I Code – 'OTHR' ISO code when the Settlement Restriction is accepted fulfilling a rule of a negative rejection restriction;

I AdditionalReasonInformation –rule ID, the restriction type name and the restriction type description identifying the rule ID of a negative rejection restriction fulfilled.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ IntraBalMvmntStsAdvc /PrcgSts/AckdAccptd/ Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	When accepted fulfilling a rule of a negative rejection restriction, rule ID, restriction type name and description of the rule of a negative rejection restriction fulfilled

(...)

Message usage: Cancelled

(…)

Specific message requirements

To inform about a cancelled status, the *IntraBalanceMovementStatusAdviceV01* includes the following information:

I Cancelled – status that corresponds to successfully cancellation of the Settlement Restriction on Cash Balance with one reason code;

I Code – ISO code specifying the reason of the cancellation. No additional reason information is needed in such a case;

I AdditionalReasonInformation – in case the instruction was cancelled after the revalidation process, text comprising a combination of the associated business rule not fulfilled, a short description of the error, and the rule ID of a positive restriction rule fulfilled, the restriction type name and its description if any.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/IntraBalMv mntStsAdvc/PrcgSts/C anc/Rs n/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description, and rule ID, restriction type name, and description of a positive rejection restriction fulfilled (if any).

(...)

3.3.7.3 IntraPositionMovementStatusAdviceV06 (semt.014.001.06)

(…)

3.3.7.3.3 The message in business context

<u>Message usage: Rejected</u>

(…)

<u>Specific message requirements</u>

To inform about a rejection status, the *IntraPositionMovementStatusAdviceV06* includes the following information:

I Rejected – status that corresponds to 'Rejected' with one or more reason codes listing the reasons of the rejection;

I Code – ISO code specifying the reason of the rejection;

I AdditionalReasonInformation – text comprising a combination of the associated business rule not fulfilled and a short description of the error. T2S also informs of the rule ID, <u>the restriction type name and the restriction type description</u> of a positive rejection restriction rule fulfilled, if any.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ IntraPosMvmntStsAdvc/PrcgSts/Rjctd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description, and rule id<u>, restriction type name and the description</u> of a positive rejection restriction (if any)

(…)

<u>Message usage: Accepted</u>

(…)

<u>Specific message requirements</u>

To inform about an accepted status, the *IntraPositionMovementStatusAdviceV06* includes the following information:

I AcknowledgedAccepted – status that corresponds to 'Accepted';

I Code – 'OTHR' ISO code when the Settlement Restriction is accepted fulfilling a rule of a negative rejection restriction;

I AdditionalReasonInformation –rule ID, <u>the restriction type name and description</u> identifying the rule of a negative rejection restriction fulfilled.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ IntraPosMvmntStsAdvc/PrcgSts/AckdAccptd/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	When accepted fulfilling a rule of a negative rejection restriction, rule ID, restriction type name and description of the rule of a negative rejection restriction fulfilled

(…)

Message usage: Cancelled

(…)

Specific message requirements

To inform about a cancelled status, the *IntraPositionMovementStatusAdviceV06* includes the following information:

I Cancelled – status that corresponds to successfully cancellation of the Settlement Restriction on Cash Balance with one reason code;

I Code – ISO code specifying the reason of the cancellation;

I AdditionalReasonInformation – in case the instruction was cancelled after the revalidation process, text comprising a combination of the associated business rule not fulfilled, a short description of the error, and the rule ID, the restriction type name, and the description of a positive restriction rule fulfilled, if any.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/IntraPosMvmntStsAdvc/PrcgSts/Canc/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description and, rule ID, restriction type name, and description of a positive rejection restriction fulfilled (if any).

(…)

3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV10 (sese.024.001.10)

(…)

3.3.8.5.3 The message in business context

Message usage: Rejected

(…)

Specific message requirements

To inform about a rejection status, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

l Rejected – status that corresponds to 'Rejected' with one or more reason codes listing the reasons of the rejection;

l Code – ISO code specifying the reason of the rejection;

l AdditionalReasonInformation – text comprising a combination of the associated business rule not fulfilled and a short description of the error. T2S also informs the rule ID, the <u>Restriction type name and description</u> of a positive rejection restriction rule fulfilled, if any.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/ PrcgSts/Rjctd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error, and rule id, the <u>restriction type name and the description </u>of a positive rejection restriction rule fulfilled (if any)

(…)

Message usage: Accepted

(…)

Specific message requirements

To inform about an accepted status, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

l AcknowledgedAccepted – status that corresponds to 'Accepted';

l Code – 'OTHR' ISO code when the Settlement Instruction is accepted fulfilling a rule of a negative restriction (rejection and/or CSD Validation Hold);

l AdditionalReasonInformation –rule ID, <u>Restriction type name and description </u>identifying a negative restriction fulfilled (rejection and/or CSD Validation Hold);

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	When accepted fulfilling a rule of a negative restriction (rejection and/or CSD Validation Hold), rule ID, <u>restriction type name and the description</u> of a negative restriction (rejection and/or CSD Validation Hold).
[...]		

(…)

<u>Message usage: Accepted with Hold</u>

(…)

<u>Specific message requirements</u>

To inform about an Accepted with Hold, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

l AcknowledgedAccepted – status that corresponds to 'Accepted';

l Code – "OTHR" ISO code when the Settlement Instruction is accepted fulfilling a rule of a negative restriction (rejection and/or CSD Validation Hold);

l AdditionalReasonInformation –rule ID, <u>restriction type name and description</u> identifying a negative restriction fulfilled (rejection and/or CSD Validation Hold);

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/ PrcgSts/AckdAccptd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	When accepted fulfilling a rule of a negative restriction (rejection and/or CSD Validation Hold), <u>rule ID, restriction type name and description</u> of a negative restriction (rejection and/or CSD Validation Hold).
[...]		

(…)

<u>Message usage: Accepted with CSD Validation Hold</u>

(…)

<u>Specific message requirements</u>

To inform about an Accepted with CSD Validation Hold status, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

I AcknowledgedAccepted – status that corresponds to 'Accepted';

I Code – 'OTHR' ISO code when the Settlement Instruction is accepted fulfilling a rule 1 of a negative rejection restriction;

I AdditionalReasonInformation –rule ID, <u>Restriction type name and description</u> identifying a negative rejection restriction fulfilled;

(…)

I Code – ISO Code that indicates that the instruction is on CSD Validation Hold ("CVAL"). Additionally, the message includes the ISO code "CSDH" for CSD Hold or/and "PREA" for Party Hold if applicable;

I AdditionalReasonInformation – text comprising a combination of the relevant Business Rule name<u>,</u> and the rule ID, the <u>restriction type name and description</u> of a positive CSD Validation Hold restriction fulfilled;

(…)

L HoldIndicator/Code – ISO Code that indicates that the instruction is on CSD Validation Hold ("CVAL"). Additionally, the message includes the ISO code "CSDH" for CSD Hold or/and "<u>PTYH</u>" for Party Hold if applicable.

I AdditionalInformation –Rule Id, <u>restriction type name and description</u> of a positive CSD Validation Hold restriction fulfilled ("CVAL").

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	When accepted fulfilling a rule of a negative rejection restriction, and rule ID, <u>restriction type name and the description</u> of a negative rejection restriction fulfilled
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Pdg/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description<u>,</u> and rule ID, <u>restriction type name and the description</u> of a positive CSD Validation Hold restriction fulfilled
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Flng/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description, and rule ID, <u>restriction type name and the description</u> of a positive CSD Validation Hold restriction fulfilled
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/TxDt ls/SttlmParam s/HldInd/Rsn/AddtlInf	RestrictedFINXMax210Text	Rule ID, <u>restriction type name and its description</u> (for CVAL)
[...]		

(…)

<u>Message usage: CSD Validation Hold</u>

(…)

<u>Specific message requirements</u>

To inform about a CSD Validation Hold, the SecuritiesSettlementTransactionStatusAdviceV10 should have:

I Unmatched status indicating that the instruction is not matched;
I NoSpecifiedReason – 'NORE' ISO code when the Settlement Instruction accepted is unmatched;

l Pending/Failing – status indicating that the instruction is not settled. Depending on whether the instruction can settle on its ISD or not, the instruction is informed either with status Pending or Failing respectively;

l Code – ISO Code that indicates that the instruction is on CSD Validation Hold ("CVAL").

l AdditionalReasonInformation – text comprising a combination of the relevant Business Rule name, and the rule ID,restriction type name and the description of a positive CSD Validation Hold restriction fulfilled;

l HoldIndicator – set to "True";

l HoldIndicator/Code – ISO Code that indicates that the instruction is on CSD Validation Hold ("CVAL"). Additionally, the message includes the ISO code "CSDH" for CSD Hold.

l AdditionalInformation –Rule Id, restriction type name and the description and of a positive CSD Validation Hold restriction fulfilled ("CVAL").

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Pdg/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description and rule ID, restriction type name and the description of a positive CSD Validation Hold restriction fulfilled
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Flng/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description and rule ID, restriction type name and the description of a positive CSD Validation Hold restriction fulfilled
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/TxDt ls/SttlmParams/HldInd/Rsn/AddtlInf	RestrictedFINXMax210Text	Rule ID, restriction type name and description (for CVAL)
[...]		

(…)

Message usage: CoSD Hold

(…)

Specific message requirements

To inform about a CoSD Hold, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

l For each CoSD rule:

l Pending/Failing – status indicating that the instruction is not settled. Depending on whether the instruction can settle on its ISD or not, the instruction is informed either with status Pending or Failing respectively;

l Code – "PRSY" ISO Code that indicates that the instruction is on CoSD Hold;

l AdditionalReasonInformation – CoSD rule id fulfilled, rule set name and the description;

l HoldIndicator – set to "True";

l HoldIndicator Code – "CDEL" ISO reason code, specifying that the Hold type is CoSD Hold;

l AdditionalInformation – CoSD rule id fulfilled, rule set name and the description;

(…)

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Pdg/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Flng/Rsn /AddtlRsnInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/TxDt ls/SttlmPara ms/HldInd/Rsn/ AddtlInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
[...]		

(…)

Message usage: CoSD Awaiting from Administering Party

(…)

Specific message requirements

(…)

I Pending/Failing – status indicating that the instruction is not settled. Depending on whether the instruction can settle on its ISD or not, the instruction is informed either with status Pending or Failing respectively;

I Code – "CDLR" ISO Code indicating that the CoSD instruction is pending of a release from Administering Party;

I HoldIndicator – set to "True";

I HoldIndicator Code – "CDEL" ISO reason code, specifying that Hold type is CoSD Hold;

I AdditionalInformation – CoSD rule id fulfilled, rule set name and the description;

(…)

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/Tx Dt ls/SttlmParam s/HldInd/Rsn/ AddtlInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
[...]		

(…)

Message usage: Other Hold remain(s)

(…)

Specific message requirements

(…)

I AdditionalReasonInformation –Rule ID, restriction type name and the description of a rule of a positive restriction for a "CSD Validation Hold"; or CoSD rule fulfilled, for a "CoSD Hold".

(…)

I AdditionalInformation – text comprising a combination of a short description of the error, rule id, restriction type name and the description of the CSD Validation Hold rule fulfilled for a "CVAL" ISO Code or CoSD rule id, rule set name and the description for a "CDEL" ISO Code.

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/SctiesSttlmTxStsAdvc/SttlmSts/Pdg/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Rule ID, <u>restriction type name and the description</u> (for CVAL) Rule ID, <u>CoSD rule set name and the description</u> (for PRSY)
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Flng/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Rule ID, <u>restriction type name and the description </u>(for CVAL) Rule ID, <u>CoSD rule set name and the description</u> (for PRSY)
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/TxDt ls/SttlmParam s/HldInd/Rsn/AddtlInf	RestrictedFINXMax210Text	Rule ID, <u>restriction type name and the description</u> (for CVAL) Rule ID, <u>CoSD rule set name and the description</u> (for CDEL)
[...]		

(…)

<u>Message usage: CoSD Rule Release, Other rule(s) remain(s)</u>

(…)

<u>Specific message requirements</u>

(…)

ǀ Pending/Failing – status indicating that the instruction is not settled. Depending on 1 whether the instruction can settle on its ISD or not, the instruction is informed either with status Pending or Failing respectively;

ǀ Code – "PRSY" ISO Code that indicates that the instruction is on CoSD Hold;

ǀ AdditionalReasonInformation – CoSD rule <u>id</u> fulfilled, <u>rule set name and the description</u>;

(…)

ǀ <u>HoldIndicator Code - "CDEL" ISO reason code, specifying that Hold type is CoSD Hold;</u>

ǀ <u>AdditionalInformation –CoSD rule id pending to be released, rule set name and the description;</u>

ǀ ReceivingSettlementParties – Account Owner reference and T2S reference of the counterparty if the securities movement type is DELI

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/ SttlmSts/Pdg/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/ SttlmSts/Flng/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	CoSD Rule id fulfilled, rule set name and the description
[...]		
AdditionalInformation Document/ SctiesSttlmTxStsAdvc/Tx Dt ls/SttlmParam s/HldInd/Rsn/AddtlInf	RestrictedFINXMax210Text	CoSD Rule id pending to be released, rule set name and the description
[...]		

(…)

Message usage: Matched

(…)

Specific message requirements

(…)

l AdditionalReasonInformation – in case the Code is CVAL, text comprising the relevant Business Rule name, and the rule ID, the restriction type name and the description of a positive CSD Validation Hold restriction fulfilled.

(…)

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Pdg/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	In case of Pending Reason CVAL: Business rule name, and rule ID, restriction type name and its description
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/SttlmSts/Flng/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	In case of Failing Reason CVAL: Business rule name, and rule ID, restriction type name and its description

(…)

Message usage: Cancelled

(…)

Specific message requirements

To inform about a cancelled status, the SecuritiesSettlementTransactionStatusAdviceV10 includes the following information:

l Cancelled – status that corresponds to successfully cancellation of the Settlement Instruction with one reason code;

l Code – ISO code specifying the reason of the cancellation.

l AdditionalReasonInformation – in case the instruction was cancelled after the revalidation process, text comprising a combination of the associated business rule not fulfilled, a short description of the error, and the rule ID, the restriction type name and the description of a positive rejection restriction fulfilled, if any;

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/ SctiesSttlmTxStsAdvc/PrcgSts/Canc/Rsn/ AddtlRsnInf	RestrictedFINXMax210Text	Business rule, error description, and rule ID, restriction type name, and the description of a positive rejection restriction fulfilled (if any).

(…)

3.3.8.12 SecuritiesSettlementTransactionGenerationNotificationV09 (sese.032.001.09)

3.3.8.12.3 The message in business context

Message usage: Realignment

(…)

Specific message requirements

Additional Reason Information – rule Id, restriction type name and description identifying a negative rejection restriction when applicable;

Additional Reason Information – indicating the rule id , restriction type name and description associated with a CSD Validation Hold when applicable;

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
Document/SctiesSttlmTx GnrtnNtfctn/SttlmParams /HldInd/Rsn/AddtlInf	RestrictedFINXMax210Text	Positive CSD validation rule id, restriction type name and description when CSD validation applies.
[…]		
AdditionalReasonInform ation Document/SctiesSttlmTx GnrtnNtfctn/StsAndRsn/ Prc gSts/AckdAccptd/Rsn/Ad dtlRsnInf	RestrictedFINXMax210Text	Negative CSD validation rule id, restriction type name and description when applicable
[…]		
AdditionalReasonInform ation Document/SctiesSttlmTx GnrtnNtfctn/StsAndRsn/ SttlmSts/Pdg/Rsn/AddtlR snInf	RestrictedFINXMax210Text	Positive CSD validation rule id, restriction type name and description when CSD validation applies.

Message usage: CoSD with use of restrictions in direct debit

(…)

Specific message requirements

Additional Reason Information – rule Id, restriction type name and description identifying a negative rejection restriction when applicable;

MESSAGE ITEM	DATA TYPE / CODE	UTILISATION
[...]		
AdditionalReasonInformation Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf	RestrictedFINXMax210Text	Negative CSD validation rule id, restriction type name and description when applicable

UHB

1.2.3 Validation

(…)

Error Message

(…)

In case a Settlement Instruction or Settlement Restriction fulfils a rejection restriction type one positive rule, the error message provided in the GUI will also contain the relevant rule id fulfilled, <u>the restriction type name and its description,</u> in addition to the relevant error message applicable as described in the error messages annex of the UHB (list of references for error messages).

(…)

Success Message

(…)

In case a Settlement Instruction fulfils a CSD validation hold restriction type one positive rule, the success message provided in the GUI will also contain the relevant rule id fulfilled<u>, the restriction type name and its description,</u> in addition to the relevant error message applicable as described in the error messages annex of the UHB (list of references for error messages).

If the Settlement Instruction fulfils a rejection and/or CSD validation hold restriction type one negative rule, the success message provided in the GUI will also contain the relevant rule id fulfilled<u>, the restriction type name and its description</u>. The same applies in case a Settlement Restriction fulfils a rejection restriction type one negative rule.

(…)

GFS

No impact

_____

High level description of Impact:

_____

Outcome/Decisions:

*CRG meeting of 9 July 2015: The CRG decided to put the Change Request on hold for discussion in the September 2015 CRG and agreed that the Change Request T2S-0525-SYS could be a potential candidate for fast-track Release 1.2.

*CRG meeting of 17-18 September 2015: The CRG agreed to put the Change Request on hold and agreed to include it in the list of Change Requests for Release 1.2. The 4CB clarified that the rule ID will be included on the T2S GUI screen via a hot fix as it was provided in the A2A mode and therefore the Change Request was updated to remove a part of the CR that requests including a rule ID in T2S GUI screen.

*CRG Telco of 1 October 2015: The CRG agreed to put the Change Request on hold and the CRG agreed to consider this Change Request for the next release (i.e. either Release 1.3 or Release 2.0).

* CRG meeting of 8-9 February 2016: The CRG decided to put the Change Request on hold for T2S Release 2.0 potentially.

* CRG meeting on 6 September 2016: The CRG recommended to launch the preliminary assessment on the Change Request from 26 September 2016 to 17 October 2016 (batch 1).

* OMG on 05 October 2016: During a written procedure from 14 September 2016 to 06 October 2016, the Operations Managers Group did not identify any blocking operational impact of the Change Request.

* CRG meeting on 26 October 2016: The CRG took note of the T2S functionalities/modules impacted by the Change Request following the 4CB preliminary assessment.

* CRG on 28 February 2022: the CRG agreed to recommend CR-525 for authorisation by the T2S Steering Level

*AMI-SeCo on 10 March 2022: the AMI-SeCo agreed with the CRG recommendation of CR-525 for T2S Steering Level Authorisation.

*CSG on 11 March 2022: the CSG agreed to authorise CR-525.

*NECSG on 11 March 2022: the NECSG agreed to authorise CR-525.

*MIB on 22 March 2022: the MIB agreed to authorise CR-525.

*PMG on 14 December 2022: the PMG agreed to launch the detailed assessment of CR-525 with a view of scoping in Release R2024.JUN.

*OMG on 10 April 2023: the OMG identified no operational impact from the inclusion of CR-525 in R2024.JUN.

*CRG on 18 April 2023: the CRG agreed to recommend to the PMG the inclusion of CR-525 in the scope of R2024.JUN.

*PMG on 19 April 2023 the PMG agreed to recommend the inclusion of CR-525 in the scope of R2024.JUN.

*CSG on 28 April 2023: the CSG approved the inclusion of CR-525 in the scope of R2024.JUN.

*NECSG on 28 April 2023: the NECSG approved the inclusion of CR-525 in the scope of R2024.JUN.

*MIB on 2 May 2023: the MIB approved the inclusion of CR-525 in the scope of R2024.JUN.

Preliminary assessment:

1. Impacted functionality/module: A2A, U2A, LCMM, LTSI, SD

2. **Findings (as already provided within the R1.2 high level impact analysis):**
    1. Recommendation to use an exported list of the Restriction Types and the Rules for each Restriction Type(Described in the CR).
    2. High performance impact on core modules LCMM, T2S GUI and A2A processing.
    3. Side-effects on performance and stability of the system likely.

3. **Following issues have to be clarified before the start of detailed assessment:**
    1. Update CR name to "Provide Restriction Type name <u>and description</u> in reason code due to Market Specific Restriction Types"
    2. Which use cases or messages have to be considered? Is it only for writing requests from A2A and U2A resulting in status notifications (which ones) or are even Q&R affected?
    3. In the CR there is no reference to whether rejection or CSD Validation hold NEGATIVE rules' name and description should as well be stored, even though they are not informed in the 'reject' message or in the GUI. What would happen in case a specific SI/SR fulfills two different rules (i.e. one negative for rejection and one positive for CoSD hold for instance)? In the UDFS section 2.3.3.2 it says that also when negative rules are applied the Rule ID should be informed.
    4. What about Settlement Restrictions? They are also affected by MSRT.
    5. The A2A field mentioned in the CR <Rjctd><Rsn><Cd><Cd>VALR</Cd></Cd><AddtlRsnInf> has a maximum length of 210 characters. But 'T2S Restriction Type description' which is configured via T2S GUI has a maximum of 350 characters. The proposal is to keep 350 characters in U2A but cut description text in A2A after approx. 150 characters (with other fixed codes and text in the field this comes then to 210 characters).
    6. The current CR states that in the GUI no rule ID is provided at all. Due to the agreement reached on UT-PBR-040 it was decided to report this rule ID in the GUI as well. CR needs to be updated accordingly.
    7. What about the SecuritiesSettlementTransactionGenerationNotification message (sese.032)? It also informs the current Rule ID associated with a CSD Validation Hold when applicable.

Detailed Assessment:

EUROSYSTEM ANALYSIS – GENERAL INFORMATION	
T2S Specific Components	**Common Components**

T2S Specific Components	Common Components
LCMM	
Instructions validation	
X Status management	
Instruction matching	
Instructions maintenance	
Penalty Mechanism	
Settlement	
Standardisation and preparation to settlement	
Night-time Settlement	
Daytime Recycling and optimisation	
Daytime Validation, provisioning & booking	
Auto-collateralisation	
Liquidity Management	
Outbound Information Management	
NCB Business Procedures	
Liquidity Operations	
T2S Interface *(as of June 2022 without Static Data Management, Communication for SDMG, Scheduler, Billing)*	**Eurosystem Single Market Infrastructure Gateway** (from R6.0 June 2022)
Communication	Communication
Outbound Processing	Outbound Processing
Inbound Processing	Inbound Processing
Static Data Management *(until June 2022)*	**Common Reference Data Management** *(from R6.0 June 2022)*
Party data management	Party data management
Securities data management	Securities data management
Cash account data management	Cash account data management
Securities account data management	Securities account data management
Rules and parameters data management	Rules and parameters data management
Statistics and archive	**Statistics and archive**
Statistical information (until June 2022)	Short term statistical information
Legal archiving (until June 2022)	Legal archiving (from R6.0)
	Data Warehouse (from R6.0)
Information *(until June 2022 containing reference data)*	**CRDM business interface** *(from R6.0 June 2022)*
Report management	Report management
Query management	Query management
	Communication
	Outbound Processing
	Inbound Processing
Operational Services	
Data Migration (T2S DMT)	Data Migration (CRDM DMT, from R6.0)
Scheduling (until June 2022)	Business Day Management (from R6.0)
	Business Day Management business interface (from R6.0)
Billing (until June 2022)	Billing (from R6.0)
	Billing business interface (from R6.0)
Operational Monitoring	Operational and Business Monitoring
MOP Contingency Templates	

Impact on major documentation		
Document	**Chapter**	**Change**
Impacted GFS chapter		
Impacted UDFS chapter	**LCMM:** 3.3.3.21.3.IntraBalanceMovementStatus AdviceV011 (camt.067.001.01) - The message in business context	The Specific Message Requirements description of the following message usages of the camt.067 described above in the CR needs to be updated to list the additional information of the RT to be reported in the AdditionalReasonInformation field:
	3.3.7.3.3.IntraPositionMovementStatusA dviceV06 (semt.014.001.06) - The message in business context	The Specific Message Requirements description of the following message usages of the semt.014 described above in the CR needs to be updated to list the additional information of the RT to be reported in the AdditionalReasonInformation field:
	3.3.8.5.3.SecuritiesSettlementTransactio nStatusAdviceV10 (sese.024.001.10) - The message in business context	The Specific Message Requirements description of the message usages of the sese.024 described above in the CR needs to be updated to list the additional information of the RT and the CoSD rule set to be reported in the AdditionalReasonInformation field:
	SETT: 3.3.8.12.3 SecuritiesSettlementTransactionGenerat ionNotificationV09 (sese.032.001.09 – The message in business context	The Specific Message Requirements description of the following message usages of the sese.032 described above in the CR needs to be updated to list the additional information of the RT to be reported in the AdditionalReasonInformation field:
Additional deliveries for Message Specification (UDFS, MyStandards, MOP contingency templates)	MyStandards; Sese.024, semt.14 and camt.067 Usage Guidelines.	The T2S use of the Additional Information tag must be updated to indicate that the restriction type or CoSD rule set name and description is going to be reported together with the rule id.
	Examples of camt.067, semt.014 and sese.024	Some examples need to be updated to add the new information to be provided in the AdditionalReasonInformation For Camt.067: - camt.067.001.01_T2S_Rejected_Example For Semt.014: - semt.014.001.06_T2S_Rejected_Example For Sese.024: - sese.024.001.10_T2S_AcceptedPendingWith CSDValidationHold_Example - sese.024.001.10_T2S_FailingCSDValidation Hold_Example - sese.024.001.10_T2S_PendingCoSDHold_E xample - sese.024.001.10_T2S_PendingCoSDRuleRe leaseOtherRemain_Example

		- sese.024.001.10_T2S_PendingCoSDWaiting FromAP_Example - sese.024.001.10_T2S_RejectedPositiveReje ctionRestriction_Example
	MyStandards; Modifying description for the tag AddtlRsnInf in the sese.032	Modification in the following path; /Document/SctiesSttlmTxGnrtnNtfctn/StsAndRs n/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf
UHB	1.2.3. Validation	The description of the validation process in U2A mode must be amended in order to add that both the Error and the Success Validation Messages will indicate the Restriction Type name and its description, along with the Rule Set ID already informed, in case the relevant instruction fulfils a restriction type case 1 rule.
External training materials	n.a.	
Other impacted documentation (FA Sch. 05, FA Sch. 07)	No impact	
Impacted GDPR message/ screen fields	No impact	
Other documentations	n.a.	
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

Whenever an instruction in T2S fulfils a Market Specific Restriction Type (MSRT) of rejection or of CSD Validation Hold, either positive or negative, the response message generated by T2S via A2A and U2A modes provides the rule id, which is a sequential number with no business meaning for the users, together with the relevant business rule and error text. The same happens whenever an instruction in T2S fulfils a positive Conditional Security Delivery (CoSD) Rule Set; the response message generated in both A2A and U2A modes only informs the rule set id along with the corresponding reasons.

This change request aims at enriching the information provided when a rule is fulfilled with:

- The 'Restriction Type name' and the 'Restriction Type description' (in case of MSRT) or the 'CoSD Rule Set name' and the 'CoSD Rule Set description' (in case of CoSD) stored in T2S for the relevant rule id, in the following order:

  - the Rule Set ID;
  - the Restriction Type name or the CoSD Rule Set name;
  - the Restriction Type description or the CoSD Rule Set description.

Example of reporting in case of rejection:

MVSR703-Settlement Instruction rejected due to a Restriction Type 300003245, RT25 – Check Compatibility between Party Type and Securities Movement Type

This additional reason code information must be extracted from the data base during the outbound messages composition so that it can be displayed via A2A and U2A.

A2A

This information is provided in the camt.067 (in case of MSRT), semt.014 (in case of MSRT). sese.024 (in case of MSRT and CoSD) and sese.032 (in case of MSRT) messages in the following paths depending on the restriction type fulfilled and the applicable message:

- Positive Rejection rule: PrcgSts/Rjctd/Rsn/AddtlRsnInf (Reason code VALR)
- Negative Rejection rule:
  - PrcgSts/AckdAccptd/Rsn/AddtlRsnInf (Reason code OTHR)
  - StsAndRsn/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf (Reason code OTHR)
- Positive CSD Validation Hold rule:
  - SttlmSts/Pdg/Rsn/AddtlRsnInf or SttlmSts/Flng/Rsn/AddtlRsnInf (Reason code CVAL)
  - TxDtls/SttlmParams/HldInd/Rsn/Addtllnf (Reason code CVAL)
  - SttlmParams/HldInd/Rsn/Addtllnf (Reason code CVAL)
- Negative CSD Validation Hold rule:
  - PrcgSts/AckdAccptd/Rsn/AddtlRsnInf (Reason code OTHR)
  - StsAndRsn/PrcgSts/AckdAccptd/Rsn/AddtlRsnInf (Reason code OTHR)
- Positive CoSD rule:
  - SttlmSts/Pdg/Rsn/AddtlRsnInf or SttlmSts/Flng/Rsn/AddtlRsnInf (Reason code PRSY/CDLR)
  - TxDtls/SttlmParams/HldInd/Rsn/Addtllnf (Reason code CDEL)
-
- The maximum length of these fields is 210 characters. If this length is exceeded with the new information to be filled in, T2S will cut the 'Restriction Type description' (in case of MSRT) or the 'CoSD Rule Set description' (in case of CoSD) text so that the message is schema compliant.

U2A

In U2A, the information provided is limited to 350 characters in the Settlement Instruction screen when a rejection, a CSD Validation hold or a CoSD rule is fulfilled and in the Intrabalance Movement Screen and Intraposition Movement screen whenever a rejection rule is fulfilled.

Main Cost Drivers:

1. Enrichment of the corresponding internal Flow between LCMM and INTF with the 'Restriction Type or CoSD rule set name' and the 'Restriction Type or CoSD rule set description' corresponding to each applicable rule Id of rejection, of CSD Validation Hold or CoSD Hold, if any, so that the relevant outbound message can display this information.

2. Testing of the abovementioned enhancements via U2A and A2A and adaptation of the testing tool.

Impact on other TARGET Services and projects
No impact on other Eurosystem Services or Projects has been identified (ECMS, CSLD, TIPS).
Summary of project risk
No risks have been identified during detailed assessment. No GDPR impact has been identified.
Security analysis
No adverse effect has been identified during security assessment.

target | T2S

28 March 2023

Cost assessment on Change Requests

T2S-525-SYS – Provide Restriction Type name and description in reason code due to Market Specific Restriction Types			
One-off	Assessment costs* - Preliminary - Detailed	 2,000.00 10,000.00	 Euro Euro
One-off	Development costs	311,145.60	Euro
Annual	Operational costs - Maintenance costs - Running costs	 29,258.59 0.00	 Euro 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).