

General Information (Origin of Request)		
☒ User Requirements Document (URD) ☐ User Detailed Functional Specification (UDFS) ☐ User Handbook (UHB) ☐ Other User Functional or Technical Documentation (SYS)		
Request raised by: TCCG	Institute: ECB	Date raised: 06 June 2018
Request title: Removal of Whitelist concept and Implementation of enhanced payment cancellation functionality		Request ref. no: CLSD-0003-URD
Request type: common		
1. Legal/business importance parameter: Medium	2. Market implementation efforts parameter Stakeholder impact: Not applicable	
3. Operational impact: (H, M, L)	4. Financial impact parameter: (H, M, L)	
5. Functional/ Technical impact: (H, M, L)	6. Interoperability impact: (H,M,L)	
Requestor Category: Market participants		Status: Under assessment

Reason for change and expected benefits/business motivation:

The optional Whitelist concept foresaw, that a Party can restrict the accounts from which liquidity transfers are allowed to its account and to which liquidity transfers are allowed from its account. This concept was foreseen for both intra-service and inter-service liquidity transfers. During its meeting on 06 June 2018, the TARGET Consolidation Contact Group (TCCG) decided that there is no business case for the Whitelist in combination with the Liquidity Transfer Group, which defines between which accounts intra-service liquidity transfers are allowed. Therefore, the TCCG agreed to remove the Whitelist concept from the URD.

With regard to the cancellation of a payment in a market infrastructure two different concepts can apply. Either a (i) restricted payment cancellation functionality in form of a CancelTransaction message (camt.008) which is limited to the payment queue of the market infrastructure only, i.e. the payment cancellation is only processed successfully if the payment is not yet finally settled in the market infrastructure or (ii) an enhanced payment cancellation functionality in form of a FIToFIPaymentCancellationRequest message (camt.056) where the cancellation request is also forwarded to the receiver of the payment in case the payment to be cancelled has already been settled in the market infrastructure or for example is related to a previous business day. The latter case also includes the processing and forwarding of ResolutionOfInvestigation messages (camt.029) as a response to the forwarded payment recall request.

During its meeting on 06 June 2018, the TARGET Consolidation Contact Group (TCCG) decided that the payment cancellation functionality of the RTGS component shall be implemented in an enhanced way, i.e. via camt.056 instead of camt.008 message. For harmonisation reasons also in CLM the camt.056 message will be used instead of a camt.008 message. Nevertheless in CLM camt.056 will be used in the manner of a restricted payment cancellation functionality, i.e. the cancellation request is not forwarded in case the payment has already been settled or is not available for cancellation. For this purpose the RTGS and CLM URD need to be adapted accordingly.

Description of requested change:

Removal of references to Whitelist concept from all T2-T2S Consolidation URDs and Glossary and implementation of enhanced payment cancellation functionality via camt.056 message in the URDs for RTGS and CLM

Submitted annexes / related documents:

None

Proposed wording for the Change request:

- A) T2-T2S Consolidation Glossary – remove term Whitelist
- B) URD for Central Liquidity Management

- Section 1.2.2 Process Overview, Pre-conditions

Remove sentence “Moreover, Whitelists shall allow CLM participants to define for an MCA a list of DCAs with which they are authorised to work.”

- CLM.UR.CLM.LTSEN.020.040 “Whitelist check”

Remove the whole user requirement

- Section 1.3.2 Process Overview, Pre-conditions

Remove sentence “Moreover, Whitelists shall allow CLM participants to define for an MCA a list of DCAs with which they are authorised to work.”

- CLM.UR.CLM.LTRCV.020.030 “Whitelist check”

Remove the whole user requirement

- Section 1.4.2 Process Overview, Pre-conditions

Remove sentence “Moreover, Whitelists shall allow CLM participants to define for one MCA a list of DCAs with which they are authorised to work.”

- CLM.UR.CLM.ISLT.020.055 “Whitelist check”

Remove the whole user requirement

- CLM.UR.CLM.LTDCA.000.020 “Whitelist check”

Remove the whole user requirement

- Section 1.8.2 Business Process Model

Amend the text as follows: “The revocation-cancellation of a payment order linked to a Central Bank Operation or a Cash Withdrawal and the cancellation of a payment order in the RTGS shall be similar from a business process model point of view. The only difference is, that a cancellation request in CLM is never forwarded to the payment receiver, i.e. only cancellation requests on not yet finally processed payment orders can be successfully executed.”

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The business process RTGS.BP.HVP.PAYC in the RTGS URD shall therefore also apply to this section (with the exceptions described above).”

- Section 1.8.2 Process Overview, Expected results

Amend the text as follows: “The revocation-cancellation of a payment order shall result in the cancellation of the queued payment. In case the payment order has already been settled or cannot be found, the cancellation shall not be forwarded to the receiver quoted in the cancellation request (different approach than in the RTGS).”

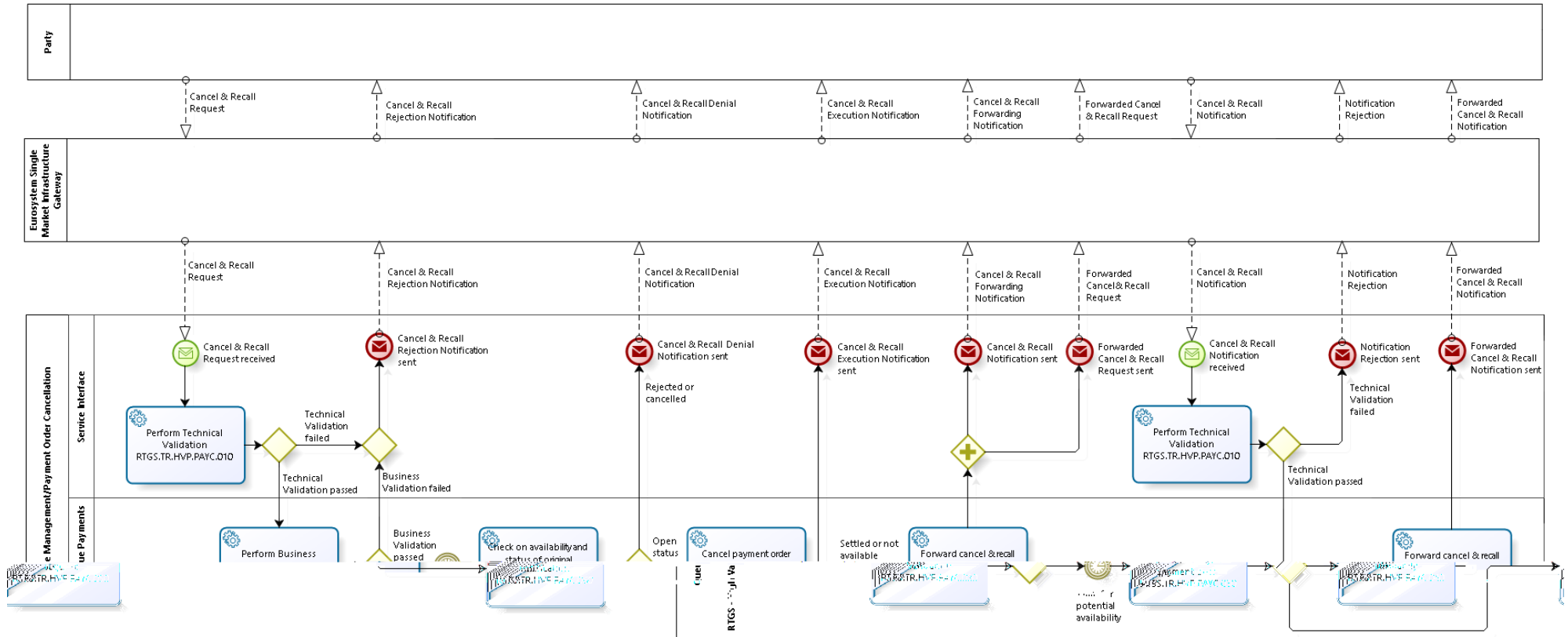
- Section 4.1 Entities and Attributes

Remove from the list “Whitelist”

C) URD for Future RTGS

- Section 1.4.1 Business Process Model

Exchange existing diagram by the following:



- Section 1.4.2 Process Overview, Process goal

Amend the text as follows: "If the message content is valid and reference data checks have been passed successfully, the Service will perform a cancellation attempt of the original payment order the cancellation & recall request message is referring to. If the original payment order has not yet reached a final status, the original payment is cancelled and a cancel & recall execution notification is sent to the sender of the cancel & recall request and a payment cancellation notification is sent to the initial sender of the original payment order. If the original payment order has a negative final status (rejected or cancelled) a denial notification with appropriate error code is sent to the sender of the cancel & recall request. If the original payment order has a positive final status (settled) or the original payment order cannot be found in the list of payments of the current business day, the cancel & recall request is forwarded to the payment receiver quoted in the request. A notification is sent to the sender of the cancel & recall request informing that the request has been forwarded. The receiver of the forwarded cancel & recall request is expected to respond either with a payment return or with a cancel & recall notification. An incoming payment return is processed in the same way as any other payment order. An incoming cancel & recall notification is forwarded to the receiver quoted in the notification."

Id	RTGS.UR.HVP.PAYC.030.010
Name	<u>Availability and status of original payment order</u>
Description	The payment order to be cancelled with the respective instruction has to be in an intermediate (i.e. not end) state to be eligible for cancellation (e.g. queued). Thus, cancellation of payment orders is not feasible if they are already in an end state (settled, rejected or cancelled). RTGS must reject the cancellation & recall request which refers to a payment order the Service has already rejected, settled or cancelled and to which the payment cancellation refers to. <u>A denial notification with appropriate reason code is sent to the sender of the cancel & recall request.</u> A payment order eligible for cancellation can either be a queued payment order, an order for which the From Time is <u>was</u> not reached yet or a warehouse payment. Payment orders which are captured in an optimisation cycle must also be treated as "potentially settled" and are therefore not available to an immediate cancellation. The check for <u>availability status</u> should also wait for a short period of time until a currently ongoing optimisation cycle is over, so that the payment orders not settled within this settlement attempt reached again an intermediate state. <u>Payment orders which are already settled cannot be cancelled anymore. In this case or when the payment order cannot be found in the system, the cancel & recall request received via A2A is forwarded to the receiver quoted in the request. Cancellation requests via U2A are not forwarded in case the cancellation did not succeed in the system.</u>

- Section 1.4.3.4 ~~Revoke instruction~~ Cancel payment order ultimately

Amend section headline (see above).

Amend RTGS.UR.HVP.PAYC.040.010 as follows:

Id	RTGS.UR.HVP.PAYC.040.010
Name	Revoke instruction <u>Cancel payment order</u> ultimately
Description	RTGS shall cancel the original payment order according to the valid cancellation & recall instruction request. <u>A cancel & recall execution notification is sent to the sender of the cancel & recall request and a payment cancellation notification is sent to the initial sender of the original payment order.</u>

- New section 1.4.3.5 Forward cancel & recall request

Add complete new section:

Task Ref: RTGS.TR.HVP.PAYC.050

Id	RTGS.UR.HVP.PAYC.050.010
Name	Forward cancel & recall request
Description	RTGS shall forward the cancel & recall request to the receiver quoted in the request in case the original payment has been settled or if the original payment cannot be found. A notification is sent to the sender of the cancel & recall request informing that the request has been forwarded.

- New section 1.4.3.6 Forward cancel & recall notification

Add complete new section:

Task Ref: RTGS.TR.HVP.PAYC.060

Id	RTGS.UR.HVP.PAYC.060.010
Name	Forward cancel & recall notification
Description	RTGS shall forward the cancel & <u>recall</u> notification to the receiver quoted in the received notification.

- Section 1.5.2 Process Overview, Process goal

Amend the text as follows: “From one RTGS DCA to another RTGS DCA within the same Liquidity Transfer Group, ~~or within the Whitelist if defined.~~”

- RTGS.UR.HVP.LIQT.020.020 “Business Validation – Whitelist check”

Remove the whole user requirement

- Section 1.6 Process inter-service liquidity transfer order from MCA to DCA-RTGS part

Remove the paragraph: “~~The Whitelist check (see RTGS.UR.HVP.LIQT.020.020) applies to both the sender and the receiver sides. For inter service checks (same comment for the next two processes), it will be decided during the realisation phase whether they are both performed in the first step (in CLM), or only on the sender in the first step, and on the receiver in the second step.~~”

- Section 2.1.5.2 Settlement on dedicated Liquidity Accounts (Real-Time)

Table 9: Features for “Settlement on dedicated Liquidity Accounts (real-time)”

Remove the sentence: “~~The Whitelist functionality ensures that only authorised ACHs can send Cross-AS payments to a specific account.~~”

- Section 4.2.2 Actions

Amend RTGS.UR.RTGS.UI.150 as follows:

Id	RTGS.UR.RTGS.UI.150
Name	Cancel a payment
Description	RTGS shall provide the functionality to revoke <u>cancel</u> a payment (including warehoused payments) currently available in the system through U2A and A2A interface. <u>Via U2A the cancellation should is only be possible for payments not having reached a final status yet. Via A2A a cancel & recall request is also forwarded to the payment receiver in case the payment has already been settled.</u>

- Section 5.1 Entities and Attributes

Remove from the list “Whitelist”

D) URD for Shared Services

- SHRD.UR.CRDM.UI.300 “Create a Whitelist”

Remove the whole user requirement

- SHRD.UR.CRDM.UI.310 “Amend a Whitelist”

Remove the whole user requirement

- SHRD.UR.CRDM.UI.320 “Delete a Whitelist”

Remove the whole user requirement

- Section 8.3.2 Action

Table 6: Summary of queries and actions in U2A and A2A mode for Common Reference Data Management

Remove the whole line “Create/Amend/Delete a Whitelist”

- SHRD.UR.BDD.115 “Liquidity Transfer Group”

Remove the sentence: “~~See also: Whitelist~~”

- SHRD.UR.BDD.170 “Whitelist”

Remove the whole user requirement

High level description of Impact:

Impacts on other projects and products:

No impact on other Eurosystem projects and services

Outcome/Decisions:

02/10/2018 – MIB agreed to invite the service provider to prepare the assessment of the change request (MIB-T2-WP-2018-046 – by 2/10/2018)