

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD) or GUI Business Functionality Document (BFD) <input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: ECB	Institute: ECB	Date raised: 28/02/2012
Request title: Removal of examples of life cycle types		Request ref. no: T2S 0332 URD
Request type: Common	Requestor Category: T2S Project team	
Status: Approved by the AG	Request Classification: Modification	
Criticality (S,H,M,L): M	Cost/Resource impact Indicator (+/-H, +/-M, +/-L) <i>TBD</i>	
Business risk indicator (H, M, L): <i>TBD</i>	Technical risk indicator (H, M, L): <i>TBD</i>	

Reason for change / expected benefits / business case:

The URD includes obsolete examples of life cycle types as they have not been fully updated when there were other change requests and in some cases they are not even in line with the User Requirements (e.g. it wrongly states that a payment-free-of-delivery instruction can be cancelled unilaterally or that it does not require matching).

The examples do not bring any value in addition to the User Requirements. On the contrary, they have unclear statements (e.g. it says that the Hold and Release process of DVP already matched instructions is "Standard with the limitation required by the specific instructing party"); and elements of confusion (e.g. it states that the cancellation of a DVP already matched instruction is "Standard with the limitation required by the specific instructing party").

Description of Request:

This change request removes the examples of life cycle types as they are not user requirements. It also amends other section of chapter 5 to bring consistency with the removal of the table.

Proposed wording for the URD Change request:

Proposed Implementation Release: URD version 5.02

1. The following section has to be deleted:

5.2.2 Life cycle types

The “life cycle type” concept refers to the processing characteristics of an instruction within T2S. This chapter combines information included in the instruction and other attributes stored in the database to present the life cycle type. Such combined parameters include:

- the instruction type;
- the instructing party (CSD participant, etc.);
- the ISO transaction code;
- conditionality rules as defined by the CSDs; and
- information from static data (e.g. related to the ISIN; the static data determines whether or not an ISIN requires registration).

In general, the T2S life cycle types (for details, see Table 5.7.1) have the following characteristics:

- ~~Instruction type: the life cycle types depend on the type of instruction received by T2S, e.g. deliver versus payment or free of payment.~~
- ~~Validation type: validation rules depend on the instruction type, the type of instructing party (CSD participant, CSD, etc.) and other circumstances (e.g. whether or not matching is required).~~
- ~~Matching type: matching fields depend on the type of instruction. Matching may or may not be required depending on the instructing party and depending on the transaction type (for example, corporate actions are dealt with in a particular manner in LCMM, as well as in settlement).~~
- ~~Eligibility rules: eligibility rules may vary in some special cases (e.g. linked instructions).~~
- ~~Instruction maintenance rules – e.g. cancellation and hold and release rules. Although the cancellation of matched instructions is bilateral, instructions that do not require matching may have different rules (as may others in special cases).~~

Section 5.7 describes the different life cycles that an instruction may follow from its receipt in T2S to its final settlement, as well as the relationship between life cycle types and transaction types. Please note that Section 5.7 does not yet contain a definitive list of life cycle types.

2. The following requirement has to be modified as follows:

Status after validation

Reference ID	T2S.05.240
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After the validation process, instructions entering T2S as “to be matched” or “~~matching not required~~” (e.g. ~~corporate actions~~) shall be given the status “accepted” “rejected”. Instructions entering T2S as “already matched” (e.g. pre-matched trades in CSDs) shall be given the status “rejected” or “matched”.

3. The section 5.7.1 (Examples of life cycle types) has to be removed:

5.7.1 Table: Examples of life cycle types

Instruction type	Life cycle type	Validation types	Matching types	Eligibility rules	Cancellation	Hold and release	CoSD
Settlement restriction	Settlement restriction	Standard with validations for instructions which do not require matching	No matching required	Standard	Unilaterally by instructing party	Unilaterally by instructing party	No
DVP	DVP	Standard	Standard DVP	Standard	Standard	Standard	No
	DVP conditional	Standard	Standard DVP	Standard	Standard and CoSD specific rules	Standard until the blocking	Yes
	DVP already matched	Standard with validations for instructions that do not require matching	No matching required	Standard	Standard with the limitation required by the specific instructing party	Standard with the limitation required by the specific instructing party	No
FOP	FOP	Standard	Standard FOP	Standard	Standard	Standard	No
	FOP conditional	Standard	Standard FOP	Standard	Standard and CoSD specific rules	Standard until the blocking	Yes
	FOP already matched	Standard with validations for instructions that do not require matching	Matched by the CSD	Standard	Standard with the limitation required by the specific instructing party	Standard with the limitation required by the specific instructing party	No
	FOP for special purpose (same owner or corporate actions)	Standard with validations for instructions that do not require matching	No matching required	Standard	Unilaterally by instructing party	Unilaterally by instructing party	No
PFOD	Payment	Standard with validations for instructions that do not require matching	No matching required	Standard	Unilaterally by instructing party	Unilaterally by instructing party	No

4. The section 5.7 will not have any sub-section and the title of section 5.7 has to be amended as follows:

5.7 Examples of life cycle and transaction types

This section provides examples of the different life cycle and transaction types in T2S.

(...)

~~5.7.2 Table: Examples of transaction types (i.e. examples of possible business cases)~~

Submitted annexes / related documents:

High level description of Impact:

Outcome/Decisions:

* Interim-CRG meeting on 12 March 2012

Recommendation for approval

* Advisory Group meeting on 27 March 2012:

Approval of change request