

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: Migration Sub-group	Institute: ECB	Date raised:
Request title: Propagate Static Data changes		Request ref. no: T2S 0433 SYS
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: Critical	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: Medium	
Requestor Category: T2S Sub-group	Status: Authorised at Steering level	

Reason for change / expected benefits / business case:

Differences found in reconciliation processes or other migration related activities might require changes to static data objects during the migration weekend that have to be effective on the weekend already. However, some static data objects can be changed only as of a future business day. Without a possibility to propagate these changes immediately, a discrepancy in such a static data object could lead to a situation where the migration weekend needs to be cancelled. To mitigate this risk it is necessary to be in a position to update all static data objects in a way that ensures that those changes become effective on the same business day.

Description of Request:

Propagate Static Data Changes

Requirement ID	T2S MG.SDC.010
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The T2S Operator shall be in a position to propagate changes also for static data objects where changes become effective only as of a future business day. After the propagation T2S should operate as if these configurations would have been configured as of the start of the business day. The T2S Operator should be in a position to limit the propagation to certain entity types (i.e. groups of static data objects) and/or a specific system entity. The propagation of static data changes should be possible for all static data objects, with the exception of below operations on the respective objects which are not required from MSG point of view:

- Creation of auto-collateralisation eligibility link (used to determine whether a certain security is eligible for auto-collateralisation with a specific party);
- Creation, update and deletion of close links (used to determine whether a certain security is eligible for auto-collateralisation with a specific party);
- Creation, update and deletion of auto-collateralisation rule (used to determine the type of auto-collateralisation provided by central banks (i.e. pledge, pledge-sub, repo) or payment banks (i.e. repo);
- Creation of CMB securities account link.

Submitted annexes / related documents:

See attachment to this Change Request (Impact on settlement processes)

Proposed wording for the SYS Change request:

Outcome/Decisions:

- * Migration Sub-group meeting of 17 October 2013: The Migration Sub-group decided to submit the Change Request to the Change Review Group.
- * Change Review Group of 24 October 2013: The CRG decided to request the detailed assessment of the Change Request. The detailed assessment should be based on the outcome of the joint OMG-MSG workshop of 29 November 2013, therefore the detailed assessment could take longer than the usual 8 weeks.
- * Migration Sub-group meeting of 12-13 December 2013: The MSG agreed on the revised Change Request T2S-0433-SYS.
- * CRG meeting of 28 May 2014: The CRG recommended the approval of the Change Request and asked the Migration Sub-group to analyse what would be needed on top the scripts used to update static data in the context of this CR.
- * Advisory Group's advice on 20 June 2014: The AG was in favour of the Change Request via written procedure
- * CSG meeting on 2-3 July 2014: 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		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
				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)		
	X	Business operational activities		
	Technical operational activities			

Impact on major documentation			
Impacted GFS chapter			
Impacted UDFS chapter			
Additional deliveries for Message Specification			
UHB			
External training materials			
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>Proposed solution: Implementation of dedicated scripts to move forwards and backwards the validity dates of specific objects, completed by operational measures to mitigate the risks of discrepancies between static and dynamic data.</p> <p>32 dedicated scripts should be developed:</p> <ul style="list-style-type: none"> • The scripts would work by moving the validity dates (opening date/valid from and closing date/valid to) in the future by a set amount of days <i>i</i>. • This will allow the users to perform themselves any change on the relevant objects without being subject to the limitations on validity periods. Static Data will be updatable via the usual U2A/A2A relevant functionalities. • After the changes are complete, another script moves the object's validity dates back again by the same amount of days <i>i</i>. <p>The scripts would work by selecting objects by object type and either by individual technical identifier or system entity.</p> <p>Creations of new objects would work by creating the object in the future by a set amount of days and requesting the intervention of the T2S Operator.</p> <p>OT will insert the right values, execute the scripts and manage the relevant activities to (re)execute some steps in the settlement day.</p> <p>Moreover, some complementary procedures will be performed at operational level in order to ensure the consistency between the static and dynamic data. A high level assessment of these actions is provided in annex (CR433 - Impact analysis in SETT process v1.1.pptx).</p> <p>The tables and related attributes that will be modified by the scripts are the following:</p> <table border="1"> <thead> <tr> <th>Table</th> <th>Attribute</th> </tr> </thead> <tbody> <tr> <td>CMB NCB T2S Dedicated Cash Account</td> <td>Valid From</td> </tr> <tr> <td>CMB Receiving Securities Account</td> <td>Valid From, Valid To</td> </tr> <tr> <td>CMB Regular Securities Account</td> <td>Valid From</td> </tr> <tr> <td>CMB Securities Account Link</td> <td>Valid From, Valid To</td> </tr> <tr> <td>CoSD Rule</td> <td>Valid From, Valid To</td> </tr> <tr> <td>CoSD Rule Set</td> <td>Valid From, Valid To</td> </tr> <tr> <td>CSD Account Link</td> <td>Valid From, Valid To</td> </tr> <tr> <td>Eligible Counterpart CSD</td> <td>Valid From, Valid To</td> </tr> <tr> <td>External RTGS Account Restriction</td> <td>Valid From, Valid To</td> </tr> <tr> <td>Fee Schedule</td> <td>Valid From, Valid To</td> </tr> <tr> <td>Limit</td> <td>Valid From</td> </tr> <tr> <td>Liquidity Transfer Order</td> <td>Valid From, Valid To</td> </tr> <tr> <td>Liquidity Transfer Order Link Set</td> <td>Valid From, Valid To</td> </tr> <tr> <td>Message Subscription Rule</td> <td>Valid From, Valid To</td> </tr> </tbody> </table>		Table	Attribute	CMB NCB T2S Dedicated Cash Account	Valid From	CMB Receiving Securities Account	Valid From, Valid To	CMB Regular Securities Account	Valid From	CMB Securities Account Link	Valid From, Valid To	CoSD Rule	Valid From, Valid To	CoSD Rule Set	Valid From, Valid To	CSD Account Link	Valid From, Valid To	Eligible Counterpart CSD	Valid From, Valid To	External RTGS Account Restriction	Valid From, Valid To	Fee Schedule	Valid From, Valid To	Limit	Valid From	Liquidity Transfer Order	Valid From, Valid To	Liquidity Transfer Order Link Set	Valid From, Valid To	Message Subscription Rule	Valid From, Valid To
Table	Attribute																														
CMB NCB T2S Dedicated Cash Account	Valid From																														
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CMB Regular Securities Account	Valid From																														
CMB Securities Account Link	Valid From, Valid To																														
CoSD Rule	Valid From, Valid To																														
CoSD Rule Set	Valid From, Valid To																														
CSD Account Link	Valid From, Valid To																														
Eligible Counterpart CSD	Valid From, Valid To																														
External RTGS Account Restriction	Valid From, Valid To																														
Fee Schedule	Valid From, Valid To																														
Limit	Valid From																														
Liquidity Transfer Order	Valid From, Valid To																														
Liquidity Transfer Order Link Set	Valid From, Valid To																														
Message Subscription Rule	Valid From, Valid To																														

Message Subscription Rule Set	Valid From, Valid To
Party	Opening Date, Closing Date
Party Securities Account Relationship	Valid From, Valid To
Report configuration Party Link	Valid From, Valid To
Restriction type	Valid From, Valid To
Restriction type rule	Valid From, Valid To
Securities	Issue date, Final maturity-expiry date
Securities Account	Opening date, Closing date
Securities Account Restriction	Valid From, Valid To
Securities Code	Valid From
Securities Name	Valid From
Securities Restriction	Valid From, Valid To
Securities Valuation	Securities Valuation Date, Valid From Timestamp
Security CSD Link	Valid From, Valid To
T2S BIC Directory	Valid From, Valid To
T2S Dedicated cash account	Opening date, Closing date
T2S Dedicated Cash Account Restriction	Valid From, Valid To
Tolerance Amount	Valid From

Other assumptions:

- The scripts will update the active and the staging DB2 tables, but not the relevant dynamic data (audit trail, revision information ...).
- After moving back the validity date of the SD objects, no revalidation will be triggered.
- Instructions made invalid due to the Static data changes will not be automatically cancelled by T2S.
- This CR does not consider the impact of avoiding the settlement of incorrect transactions (i.e. containing no longer valid static data).
- SD updates are not possible during the execution of a NTS sequence (queued during the running of an NTS cycle and then applied between the end of a NTS sequence and the start of the next one).
- The update with immediate effect of the following static data categories via CR433 would not be supported by Settlement in case the corrected data involve pending reverse collateral instructions:
 - o The following attributes of the entity "Securities": Settlement Unit Multiple, Minimum Settlement Unit, Deviating Settlement Unit, Settlement type.
 - o Restriction type, T2S BIC directory, Eligible counterpart, Securities CSD links, CSD account link.
 Indeed, the last level interventions that would be required in such cases for the manual cancellation of pending reverse collateral instructions are considered too complex and therefore not feasible from a technical point of view. Therefore, in case the SD listed above would need to be updated with immediate effect, the only valid solution would be the return to the saving point #1 foreseen in the Migration Storyline.

The cost of this solution is related to:

- the development and testing of scripts,
- the definition and the testing of operational procedures,
- the execution of scripts and the application of the corresponding procedures during the migration week-ends.

Summary of project risk

No risk on the project itself, however the operational risks are considered by the 4CB as very high, as highlighted in the cover letter (risk of inconsistencies between static data and dynamic data notably). Furthermore, the time needed to execute these contingency measures (Propagate static data) may not fit with the migration week-end timeframe (assessment to be coordinated with the market).

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

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T2S PROGRAMME OFFICE

ECB-PUBLIC

9 April 2014

COST ASSESSMENT ON CHANGE REQUESTS

T2S-0433-SYS (Propagate Static Data changes)		
Project phase costs (total)	280,039.99	in Euro
Running costs (annual average over cost recovery period)	0.00	in Euro