

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: 31/07/2012
Request title: Matching counterparties rather than T2S Securities Account owners as matching field		Request ref. no: T2S 0369 URD
Request type: Common		Urgency: Normal
1. Legal/business importance parameter: (C, H, M, L) Medium	2. Market implementation efforts parameter: (H, M, L) Low	
3. Operational/Technical risk parameter: (H, M, L) Medium	4. Financial impact parameter: (H, M, L) (to be filled in by 4CB)	
Requestor Category: CSD		Status: Rejected by Change Review Group

Reason for change and expected benefits/business motivation:

Ensure that the flexibility available to MT's participants in identifying the matching counterparties it is also possible in T2S. This would allow to avoid a service degradation for our participants but in addition to make this function available also to other CSDs where settlement instruction could be sent and matched by participants even if they don't hold a security account

Description of requested change:

The matching process in T2S requires to specify the owner of the securities account in the delivering party (basically the settlement agent).

While when there is a trading party who does not hold a security account but, thanks to an appropriate 'Power of Attorney', can send settlement instructions referring to the account of a settlement agent (namely a 'securities indirect participant'), it is not possible to specify the code of such indirect participant who in the end is the owner of the settlement instruction.

In T2S, this type of matching is not manageable:

- neither using the "Delivering Party" field because T2S validation rules require that in the Delivering Party field the owner of the securities account is used;
- nor using the optional matching field "Client of delivering CSD participant" as this would be filled with the actual "Client of the Trading Party" code.

It is therefore requested the same matching model is made available in T2S.

The direct participation to the MT matching system doesn't requires to be a participant to the settlement system, therefore the delivering party could be different from the party linked to the settlement account, the following combination, delivering party is a broker and the account is in the name of a settlement agent is not allowed by T2S where the settlement account must be linked to the delivering party.

The issue is affecting mainly the operations of an eventual Italian Direct participant in T2S that is in front to a decrease of efficiency.

Below the main combination creating the issue

Delivering party (marching field in MT system is the issuer of the instruction)	Final beneficiary (matching field)	Security account
Broker	Client of the broker	Account of the settlement agent

Submitted annexes / related documents:

Proposed wording for the SYS Change request:

Securities indirect participant's matching

High level description of Impact:

Outcome/Decisions:

CRG meeting of 1-2 October 2012: The Change Request is discarded.