

<b>General Information (Origin of Request)</b>		
<input checked="" type="checkbox"/> User Requirements (URD) <input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
<b>Request raised by:</b> ECB	<b>Institute:</b> ECB	<b>Date raised:</b> 30/09/2013
<b>Request title:</b> Removal of the T2S automatic check on remaining holdings or active transactions at the time of deletion of a Security, Party, Securities Account or Dedicated Cash Account		<b>Request ref. no:</b> T2S 0425 URD
<b>Request type:</b> Common		<b>Urgency:</b> Normal
<b>1. Legal/business importance parameter:</b> Medium	<b>2. Market implementation efforts parameter:</b> Low	
<b>3. Operational/Technical risk parameter:</b> Low	<b>4. Financial impact parameter:</b> No cost impact	
<b>Requestor Category:</b> ECB	<b>Status:</b> Authorised at Steering Level	

**Reason for change and expected benefits/business motivation:**

1. Active transactions at the time of deletion

There is no need of checking whether there are any active instructions at the time of deletion of a Security, Party, Securities Account or Dedicated Cash Account since any pending settlement instruction or settlement restrictions will be cancelled by T2S after the closing of the relevant Static Data occurrence is effective.

2. Remaining holdings at the time of deletion

There is no need of checking any remaining holdings at the time of deletion of a Security, Party, Securities Account or Dedicated Cash Account because:

- Remaining position after the closure or deletion of a Security: The CSD can still send instructions (in case of deletion, the CSD should restore the Security first) with a current business date and an Intended Settlement Date on or after the Maturity date of the ISIN in order to perform a Corporate Action.
- Remaining position after the closure or deletion of a Payment Bank: The closure or deletion of a Payment Bank is not possible if there is an active T2S dedicated cash account still linked to it.
- Remaining balance after the closure or deletion of a DCA: There cannot be any remaining balance after the closing of the account (i.e. the repatriation of liquidity to T2 takes place before the end of day while the closing is effective afterwards at end of day). In case the repatriation went wrong, a MOP procedure would be in place.
- Remaining position after the closure or deletion of a CSD Participant: The closure or deletion of a CSD participant is not possible if there is an active Securities account still linked to it.
- Remaining position after the closure or deletion of a Securities Account: Once a Securities Account is closed, it is not possible for anyone including the CSD to remove a position from that Securities Account.

T2S checks that a Securities Account is closed before executing a deletion request and therefore, it is not possible to delete an account which has not been closed previously.

Implementing this check (i.e. there is no position in the Securities Account) at the time that T2S receives the Static Data request to set the closing date is meaningless as the CSD can set the closing date of the account much ahead when there are still positions on the Securities Account (e.g. the CSD can set the closing date even when it opens the account).

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**Description of requested change:**

T2S will not automatically check whether there are any remaining holdings or active transactions at the time of deletion of a Security, Party, Securities Account or Dedicated Cash Account.

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**Submitted annexes / related documents:**

**Proposed wording for the URD Change request:**

The requirement T2S.16.280 (Validation and Logical Deletion) should be deleted:

**Validation and Logical Deletion**

<b>Reference ID</b>	T2S.16.280
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~~A logical deletion of an occurrence of static data shall be possible only when there are no active transactions or holdings in T2S for that occurrence. When an authorised T2S system user or application initiates the deletion of an occurrence in static data, the deletion function must ensure that there are no un-settled instructions and only zero positions pertaining to that data. If this is the case, then the deletion status of the occurrence shall be set from "active" to "deleted". Un-settled instructions or active positions for the data, subject to deletion, shall result in the rejection of the deletion.~~

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**High level description of Impact:****Outcome/Decisions:**

- \* CRG meeting of 24 October 2013: The CRG decided to put the Change Request on hold pending of a clarification from the T2S PO regarding the remaining position after the deletion of a Securities Account
- \* CRG meeting of 16 December 2013: The CRG decided to recommend the approval of the Change Request.
- \* Advisory Group's advice on 3 February 2014: Following a written procedure from 27 January to 3 February 2014, the AG was in favour of the Change Request.
- \* CSG resolution on 5 February 2014: Following a written procedure from 27 January to 5 February 2014, the CSG adopted the resolution to approve the Change Requests.