General Information (Origin of Request)		
☐ User Requirements (URD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Clearstream, ECAG	**Institute:** CSD	**Date raised:** 26 Nov 2014
Request title: Remaining to be settled quantity/amount in sese.024 after matching and partial settlement		**Request ref. no:** T2S-0480-SYS
Request type: Common	**Urgency:** Fast- track	
1. Legal/business importance parameter: Critical	**2. Market implementation efforts parameter:** Low	
3. Operational/Technical risk parameter: Low	**4. Financial impact parameter:** Low	
Requestor Category: CSD	**Status:** Authorised at Steering Level	

Reason for change and expected benefits/business motivation:

In case of partial settlement, T2S fills the settlement quantity attribute in the sese.024 message in the following way:

- Prior to a partial settlement, T2S provides the original settlement quantity
- In the sese.024 pending PART (i.e. Trade Settles in Partials) and subsequent sese.024 not related to CANCELLED, the remaining to be settled quantity is informed.
- In the sese.024 CANCELLED, T2S informs again the originally instructed quantity.

This behaviour is counterintuitive, as one would normally expect the remaining to be settled quantity to be informed always after the partial settlement.

A similar approach is applied for the settlement amount in the sese.024:

- Before matching, all status advices sent will include the 'Original Settlement Amount'
- On matching, the amount informed by T2S in the Matched Status advice is the matched amount.
- After this in all further status advices not related to CANCELLED, T2S informs the difference between 'Original Settlement Amount' and 'Settled Settlement Amount'.
- In the sese.024 CANCELLED, T2S informs again the matched amount.

This inconsistent reporting of settlement quantity and settlement amount should be resolved, i.e. the settlement quantity or settlement amount provided should be always the remaining to be settled. As a consequence in all sese.024 after a partial settlement (informing about PENDING, CANCELLATION REQUESTED as well as CANCELLED status), the remaining to be settled quantity will be provided.

This approach will also solve a problem that occurs in situations where an instruction is cancelled briefly after a partial settlement. In such cases, T2S will distribute a sese.025 PAIN (i.e. Partial Settlement) to confirm the partial settlement, followed by a sese.024 CANCELLED to inform about the cancellation. In the scenario T2S will send both messages within a short time period.

As the order of messaging is not ensured in the VAN, those messages might arrive in the wrong order at the T2S Actor. When then processing the sese.024 CANCELLED, T2S Actors (CSDs, DCPs, CCPs) cannot identify from the content of the sese.024 CANCELLED that a partial settlement has taken place before. Instead, from the content of the attribute "settlement quantity" (filled with the original quantity), the T2S Actors will assume no partial settlement occurred yet. As a result, they will process the cancellation confirmation, and when the late sese.025 PAIN arrives, it cannot be processed any more (as the instruction is already cancelled). This will lead to operational problems.

With the suggested adjustment, T2S will provide the "remaining to be settled quantity", and will thus enable the T2S Actors to identify from the content of the sese.024 CANCELLED that a sese.025 PAIN (i.e. Partial Settlement) is missing. This will enable the T2S Actor to process the messages in the correct order, and to avoid the operational problems.

In order to provide the remaining settlement amount after a partial settlement, instead of the difference between "Original Settlement Amount" and "Settled Amount", the "Remaining to be settled amount" should be provided as the difference between "Matched Amount" and "Settled Amount".

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Description of requested change:

T2S should report in all sese.024 messages the remaining to be settled quantity/amount in the settlement quantity/amount field respectively, whereby the following definitions should be applied:

- Remaining to be settled quantity = Originally instructed quantity – settled quantity
- Remaining to be settled amount = Originally instructed amount for unmatched instructions; or
                                    Matched amount – settled amount for matched instructions.

The Intra-Balance Movement Status Advice (camt.067) and Intra-Position Movement Status Advice (semt.014) should also be aligned accordingly.

Note: Neither queries i.e. semt.026 and semt.027 (where the Original instructed quantity/amount is used in the Settlement quantity/amount field respectively); nor reports i.e. semt.018 (where in the Original Settlement quantity/amount is used in the Posting quantity/amount field respectively) are affected by this CR.

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Submitted annexes / related documents:

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Proposed wording for the Change request:

i)   The "T2S Use" for the "Settlement quantity" attribute in the sese.024 should be updated as follows:

        AS IS:

                If the instruction is unmatched, the quantity informed is the 'Original Settlement Quantity'.

                If the message is sent to inform about a pending status due to a partial settlement, the quantity informed is the quantity remaining to be settled, that is, the difference between 'Original Settlement Quantity' and 'Settled Settlement Quantity'.

        TO BE:

                T2S will inform the quantity remaining to be settled, that is the difference between the "Original Settlement Quantity" and the "Settled Settlement Quantity".

                I.e.:

                If no (partial) settlement took place yet, this will be identical to the "Original Settlement Quantity".

                If partial settlement(s) took place already, for all subsequent sese.024 messages (PENDING, CANCELLATION REQUESTED as well as CANCELLED) this will be identical to the applicable quantity remaining to be settled at the time where the sese.024 was created.

ii)   The "T2S Use" for the "Settlement amount" attribute in the sese.024 should be updated as follows:

        AS IS:

                The amount informed in the Unmatched Status, is the Original Settlement Amount.

                The amount informed in the Matched Status, is the matched amount.

                If the message is sent to inform about a pending status due to a partial settlement, the amount informed is the amount remaining to be settled, that is, the difference between 'Original Settlement Amount' and 'Settled Settlement Amount'.

        TO BE:

                T2S will inform the amount remaining to be settled, that is the "Original Settlement Amount" for unmatched instructions, or the difference between "Matched Settlement Amount" and the "Settled Settlement Amount" for matched instructions.

                I.e.:

                If the instruction is unmatched, the amount informed is the Original Settlement Amount.

                On and after matching:

                -   If no (partial) settlement took place yet, the amount informed will be identical to the "Matched Settlement Amount".
                -   If partial settlement(s) took place already, for all subsequent sese.024 messages (PENDING, CANCELLATION REQUESTED as well as CANCELLED) the amount informed

will be identical to the applicable Amount remaining to be settled at the time where the sese.024 was created.

The Intra-Balance Movement Status Advice (camt.067) and Intra-Position Movement Status Advice (semt.014) should also be aligned accordingly.

High level description of Impact:

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Outcome/Decisions:

* CRG Telco of 2 December 2014: The CRG agreed to extend the scope of the Change Request T2S-0480-SYS (Remaining to be settled quantity in sese.024 after matching and partial settlement), which modifies the 'settlement quantity' field, to cover the settlement amount as well in a consistent way. The CRG also agreed to put the Change Request on hold.

* CRG meeting of 15 December 2014: The CRG agreed to extend the scope of the Change Request to cover status advices of settlement restrictions as well. The CRG recommended to launch the detailed assessment of the updated Change Request.

* OMG on 13 January 2015: During a written procedure from 18 December 2014 to 12 January 2015, the Operations Managers Group did not identify any operational impact of the Change Request.

* Advisory Group's advice on 20 January 2015: Following a written procedure the AG was in favour of launching the detailed assessment on the Change Request.

* CSG resolution on 21 January 2015: Following a written procedure, the CSG was in favour of launching the detailed assessment on the Change Request.

* OMG on 12 January 2015: During a written procedure from 18 December 2014 and 12 January 2015, the Operations Managers Group did not identify any operational impact of the Change Request.

* CRG meeting of 6 February 2015: The CRG recommended the approval of the Change Request.

* Advisory Group's advice on 26 February 2015: Following a written procedure, the AG was in favour of the Change Request.

* CSG meeting on 26-27 February 2015: The CSG adopted the resolution to approve the Change Request.

ANALYSIS — GENERAL INFORMATION			

	Static data management		**Interface**	
Impact On T2S		Party data management	x	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**	
	x	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
			x	Status management
	Operational services		Instruction matching	
		Data Migration/Support tools		Instructions maintenance
		Scheduling	**Statistics, queries reports and archive**	
		Billing	x	Report management
		Operational monitoring	x	Query management
				Statistical information
				Legal archiving
	All modules (Infrastructure request)			
	No modules (infrastructure request)			
	Business operational activities			
	Technical operational activities			

Impact on major documentation		
Impacted GFS chapter	No impact	
Impacted UDFS chapter	3.3.7.3 IntraPositionMovementStatusAdviceV03 (semt.014.001.03)	To update the message documentation
	3.3.7.7 SecuritiesTransactionPendingReportV03 (semt.018.001.03)	To update the message documentation
	3.3.7.13 SecuritiesSettlementTransactionQueryResponse V01(semt.027.001.01)	To update the message documentation
	3.3.8.5 SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)	To update the message documentation
	3.3.3.21 IntraBalanceMovementStatusAdviceV01 (camt.067.001.01)	To update the message documentation
Additional deliveries for Message Specification	SecuritiesTransactionPendingReportV03 (semt.018.001.03)	To update the message documentation
	SecuritiesSettlementTransactionQueryResponse V01(semt.027.001.01)	To update the message documentation
	SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03)	To update the message documentation

	IntraPositionMovementStatusAdviceV03 (semt.014.001.03)	To update the message documentation	
	IntraBalanceMovementStatusAdviceV01 (camt.067.001.01)	To update the message documentation	
UHB	2.4.1.14 Available Report – Statement of Pending Instructions – Details Screen	Update of Field Description for the Remaining Amount field	
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

The impacts of this change request on the T2S **domains/modules** are the following:

LCMM:
Update of the LCMM function in charge of providing the settlement amount and settlement quantity in the messages related to pending status: for Settlement instructions, sese.024, and for settlement restrictions semt.014 and camt.067.
Update of the related T2S use in order to clearly specified the reported quantity and amounts.

Update of the related T2S Mapping for the reported remaining amounts in semt.018 and semt.027

Query Management:
Update of Query Management specification in order to correctly describe the calculation of the Remaining Settlement Amount for the query responses of the three settlement instruction queries (semt.027) in A2A.

Report Management:
Update of Report Management specification in order to correctly describe the calculation of the Remaining Settlement Amount for the Statement of Pending Instructions.

The impacts on the **documentation** are listed hereafter:

UDFS
Update of the following messages:

- For SecuritiesSettlementTransactionStatusAdviceV03 (sese.024.001.03):
  - Update the "T2S-use" of the fields "Settlement Amount" and "Settlement Quantity" in line with the description included in L2 assessment;

- For SecuritiesTransactionPendingReportV03 (semt.018.001.03):
  - Update the "T2S-Mapping" of the field "Posting Amount" to read the following:
  'Original Settlement Amount: Settlement Instruction – for unmatched instructions;
  or
  Matched Settlement Amount: Matching Object – Settled Settlement Amount: Settlement Instruction – for matched instructions';

- For SecuritiesSettlementTransactionQueryResponseV01 (semt.027.001.01):
  - Update the "T2S-Mapping" of the field "Remaining Settlement Amount" to read the following:
  'Original Settlement Amount: Settlement Instruction – for unmatched instructions;
  or
  Matched Settlement Amount: Matching Object – Settled Settlement Amount: Settlement Instruction – for matched instructions';

- For IntraPositionMovementStatusAdviceV03 (semt.014.001.03):
  - Update the "T2S-use" of the field "Settlement Quantity as: T2S will inform the quantity remaining to be settled, that is the difference between the "Original Settlement Quantity" and the "Settled Settlement Quantity".
  I.e.:
  If no (partial) settlement took place yet, this will be identical to the "Original Settlement Quantity".
  If partial settlement(s) took place already, for all subsequent semt.014 messages (PENDING as well as CANCELLED) this will be identical to the applicable quantity remaining to be settled at the time where the semt.014 was created.

- For IntraBalanceMovementStatusAdviceV01 (camt.067.001.01):
  - Update the "T2S-use" of the field "Settlement Amount" as: T2S will inform the amount remaining to be settled, that is the difference between "Original Settlement Amount" and the "Settled Settlement Amount".
  I.e.:
  If no (partial) settlement took place yet, the amount informed will be identical to the "Original Settlement Amount".
  If partial settlement(s) took place already, for all subsequent camt.067 messages (PENDING as well as CANCELLED) the amount informed will be identical to the applicable Amount remaining to be settled at the time where the camt.067 was created.

UHB
For Available Reports – Statement of Pending Instructions – Details Screen the description of the field Remaining Amount has to be corrected as presented above in section "Proposed wording for the Change request".

The **internal specifications and software** will be adapted accordingly. Relevant **testing** activities will be performed as well.

Summary of project risk
Risk of side effects on T2S stability before T2S go-live due to late change implementation.

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

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COST ASSESSMENT ON CHANGE REQUESTS

T2S-0480-SYS Remaining to be settled quantity/amount in sese.024 after matching and partial settlement		
Project phase costs (total)	88,843.29	in Euro
Running costs (annual average over cost recovery period)	8,884.67	in Euro