# Customisation of ISO20022 securities messages – Potential harmonisation topic

AMI-SeCo

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# Overview

# Background

- Some T2S Directly Connected Actors (CSDs, DCPs) are considering ISO20022 for communication with their own community.

- DiCoAs may need fields which are part of the ISO base message, but not included in the T2S-customised message specifications (due to not being used by T2S)

- As a result, the T2S-customised messages cannot be re-used *as is* by all DiCoAs

- Instead, each DiCoA will apply their own customisation to the ISO20022 base messages, leading to a situation where a customer of two DiCoAs must follow two different specifications, for the same end result in T2S

# Possible options

The following approaches could be considered as responses to the fact that the T2S-customised messages cannot be re-used *as is* by all DiCoAs

1. Each DiCoA applies its own customisation to the ISO20022 base messages.

2. A common approach is adopted across the AMI-SeCo community so users have one guideline / one set of standards to follow

# Option 1 – One XSD customisation per actor

This is the default approach: each CSD, NCB, Custodian bank can define its own message specifications

1. Complies with the ISO20022 standard, which foresees that the base messages can be customised to the needs of each community using them, as long as it remains consistent with the ISO base message

2. Implies that the relevant "community" is composed of the users/customers of one particular actor

3. This could lead to a situation where a customer of two DiCoAs needs to follow two different specifications, for the same end result in T2S thus implying extra costs and complexity

# Option 2 – Common approach across the AMI-SeCo community

Such a harmonised approach would be new in the area of securities settlement messages but consistent with the approach taken in other AMI-SeCo initiatives e.g. collateral management harmonisation.

1. Complies with the ISO20022 standard

2. Implies that the relevant "community" is the AMI-SeCo community, i.e. broader than the users/customers of one particular actor

3. The target would be that, for the same end result in T2S, the clients of custodian banks / CSDs need to cater for only one customised message, regardless of the custodian bank / CSD is considered.

4. T2S message specifications/customisation principles may need to be revised, to be re-usable "as is" by the community

# Possible scope of messages

If option 2 is supported, a harmonisation initiative would have to define which messages should be in scope, for instance:

- Securities Settlement (sese)
  - sese.024 Securities Settlement Transaction Status Advice (as per T2S CR-768)
  - sese.025 Securities Settlement Transaction Confirmation (from discussions around CR-768)
  - sese.028 Securities Settlement Transaction Allegement Notification ?
  - Other sese messages?

- Securities Management (semt)
  - Reporting messages (semt.002, semt.016, semt.017, semt.018, semt.019)?
  - Intra-position management messages (semt.013, semt.014, semt.015)?

# Next steps

- AMI-SeCo views on the customisation of ISO20022 Securities messages

- If AMI-SeCo has a preference for a harmonised solution, the next steps could be, similar to other AMI-SeCo harmonisation initiatives, to assign an AMI-SeCo Group to:
  - Identify / define additional message elements which should be unpruned to facilitate wider market usage and define common rules/standards
  - Define whether the preferred approach is for the AMI-SeCo community to "re-use" T2S specifications throughout the settlement chain, or to define common specifications per type of actor (e.g. 'for T2S', 'for CSDs' or 'for custodians')

- Scope of messages to be defined by the group in charge of harmonisation

- Timeline: medium term, implementation not before the end of the TARGET Services message freeze period in 2024