

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: 4CB	Institute: 4CB	Date raised: 12/03/2015
Request title: Validity Dates for Investor Security CSD Link		Request ref. no: T2S 0510 SYS
Request type: Common	Urgency: Normal	
1. Legal/business importance parameter: Low	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: No cost impact	
Requestor Category: 4CB	Status: Authorised at Steering level	

Description of Requested Change:

The requested change is to modify the T2S application so that it performs no checks on the validity dates of Investor Security CSD Links with respect to the relevant Issuer Security CSD Link.

Reason for change / expected benefits / business case:

In the current software implementation, the creation of a Security CSD Link for an Investor CSD includes a check on the existence and validity period of the related Security CSD Link for the Technical Issuer CSD. If the two links are inconsistent, error DSC4042 is returned; for example, if the Technical Issuer does not have its own link to the specific ISIN, or if the Valid From of the Investor Link is earlier than the Valid From of the Technical Issuer Link.

Market participants raised a number of issues with this check. Firstly, the specific validation on dates is not explicitly foreseen in business rule DSC4042, which simply states: "When performing a Security CSD Link create request, the Technical Issuer Party, if specified, must be already linked to the Linked Security as Issuer/Investor."

In addition, a similar check is not performed during the modification or deletion of an existing Security CSD Link, making it possible to create situations that are inconsistent with the check performed at creation level. For example, it is currently possible to close or delete an Issuer link before all the related Investor links.

The consensus following the UTSG discussion was that such a check creates unnecessary dependencies that may complicate or hinder migration activities. Therefore, the 4CB proposal is to remove this check completely.

T2S performs the realignment chain analysis just after the validation and automatically cancels the instructions in case of impossibility to build the whole realignment chain. Therefore, there is no risk that T2S settles any instruction in case of incomplete security CSD link configuration.

Proposed wording for the SYS Change request:

UDFS, section 3.3.6.39 "SecurityCSDLinkCreationRequestV01 (reda.045.001.01)", page 1190

TechnicalIssuerCSD Document/SctyCSDLkCreReq/SctyCSDLk/TechIssrCSD	SystemPartyIdentification1Choice	<u>DSC4041</u> DSC4042
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Change in reda.045 message documentation:

Business Rule DSC4042 should be deleted from the element Document/SctyCSDLkCreReq/SctyCSDLk/TechIssrCSD in the related message documentation on MyStandards.

UDFS, section 4.1 "Index of Business Rules and Error Codes", page 1363

DSC4042	When performing a Security CSD Link create request, the Technical Issuer Party, if specified, must be already linked to the Linked Security as Issuer/Investor.	reda.045	reda.047	-	REJT	Issuer/Investor link not defined for specified Technical Issuer
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UHB, section 2.5.2.12 "Security CSD Link – New/Edit Screen", page 746

ISIN(*)	Shows the ISIN of the security.
	<p>This field is a mandatory select field in the <i>new</i> screen.</p> <p><u>References for error messages:</u></p> <ul style="list-style-type: none"> • DSC4002 • DSC4030 • DSC4042 • DSC4043 • DCS4049

UHB, section 2.5.2.12 "Security CSD Link – New/Edit Screen", page 747

Parent BIC	Shows the parent BIC of the technical issuer.
	<p>In the <i>new</i> screen, you can choose to either enter the parent BIC of the technical issuer or to select it from the suggested items in the drop-down menu.</p> <p>Required format is: max. 11 characters (SWIFT-x)</p> <p>If link type is 'Issuer', this field is disabled.</p> <p><u>References for error messages:</u></p> <ul style="list-style-type: none"> • DSC4041 • DSC4042 • DSC4048
Party BIC	Shows the BIC of the technical issuer
	In the new screen, you can choose to either enter the BIC of the

	<p>technical issuer or to select it from the suggested items in the drop-down menu.</p> <p>Required format is: max. 11 characters (SWIFT-x)</p> <p>If link type is 'Issuer', this field is disabled.</p> <p><u>References for error messages:</u></p> <ul style="list-style-type: none"> • DSC4041 • DSC4042 • DSC4047 • DSC4048
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UHB, section 2.5.2.12 "Security CSD Link – New/Edit Screen", page 749

<p>Submit</p>	<p>This function enables you to create or edit a security CSD link.</p> <p>Next screen:</p> <ul style="list-style-type: none"> • <i>Security CSD link – details screen</i> <p><u>References for error messages:</u></p> <ul style="list-style-type: none"> • DSC4001 • DSC4002 • DSC4020 • DSC4021 • DSC4030 • DSC4040 • DSC4041 • DSC4042 • DSC4043 • DSC4044 • DSC4045 • DSC4046 • DSC4047 • DSC4048 • DSC4049 • DSC4050
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	<ul style="list-style-type: none"> • DSU4001 • DSU4003 • DSU4021
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UHB, section 6.4.2.170 "References for Error Messages – Security CSD Link – New/Edit Screen", page 2497

Reference for error message	Field or Button	Error Text	Description
DSC4042	<ul style="list-style-type: none"> — Technical Issuer Parent BIC field — Technical Issuer Party BIC field — Submit button — ISIN field 	Issuer/Investor link not defined for specified Technical Issuer	When performing a Security CSD Link create request, the Technical Issuer Party, if specified, must be already linked to the Linked Security as Issuer/Investor

Outcome/Decisions:

- * CRG meeting of 12 March 2015: The CRG recommended the approval of the Change Request.
- * OMG on 27 March 2015: During a written procedure from 16 March 2015 to 27 March 2015, the Operations Managers Group did not identify any operational impact of the Change Request.
- * Advisory Group's advice on 20 April 2015: Following a written procedure, the AG was in favour of the Change Request.
- * CSG resolution on 21 April 2015: The CSG adopted the resolution to approve the Change Request via written procedure.