



EUROPEAN CENTRAL BANK

EUROSYSTEM

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements (URD) or GUI Business Functionality Document (BFD)		
<input checked="" type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: CSD Steering Group	Institute:	Date raised: 14/01/2019
Request title: Extension of the 08:00 and 15:45 partial settlement windows		Request ref. no: T2S-0694-URD
Request type: Common	Classification: Maintenance	Urgency: Normal
1. Legal/business importance parameter: High	2. Market implementation efforts parameter: Low	
3. Operational/Technical risk parameter: Low	4. Financial impact parameter: Low	
Requestor Category: CSD	Status: Allocated to a release	

Reason for change and expected benefits/business motivation:

On the 29 November 2018, the second CSG workshop on Market Settlement Efficiency took place with the objective to analyse the simulation results in the context of T2S settlement efficiency and identify improvements which could contribute to settlement efficiency.

The analysis of the results of the following two simulation scenarios proved positive, improving the settlement efficiencies in both volume and value for Night Time Settlement (NTS) and Real-Time Settlement (RTS):

- Case 1: Extension of NTS via additional cycles with intervals and including partial settlement:
- Case 2: Extension of the duration of RTS partial settlement from 15 to 30 minutes during real time

For case 1, it was observed that higher settlement efficiency during NTS was reached because of the partial settlement inclusion and not due to the pure replication of NTS cycles. Simulation results show that unsettled settlement instructions could be eligible to partial during these timings

Based on case 2, the extension of the partial settlement windows of 08.00 and 15.45 is deemed necessary as the simulation results show that not all unsettled settlement instructions can be processed in the 15 minutes windows, thus an extension would allow processing more settlement instructions.

Considering the above results and an exceptional operational assessment performed at OMG level in March 2019, the CSG agreed that the first step should be to extend the duration of the already existing RTS partial settlement windows at 08:00 and 15:45 CET, and to continue monitoring the T2S Settlement efficiency.

Description of requested change:

Following the outcome of the CSG workshop on Market Settlement Efficiency on 29 November 2018, the CSG requests to change the duration of partial settlement windows at 08:00 and 15:45 to 30 minutes (08:00-08:30 and 15:30 – 16:00)

Submitted annexes / related documents:

Proposed wording for the Change request:**URD v6.0, section 3.1.2.6, page 58**

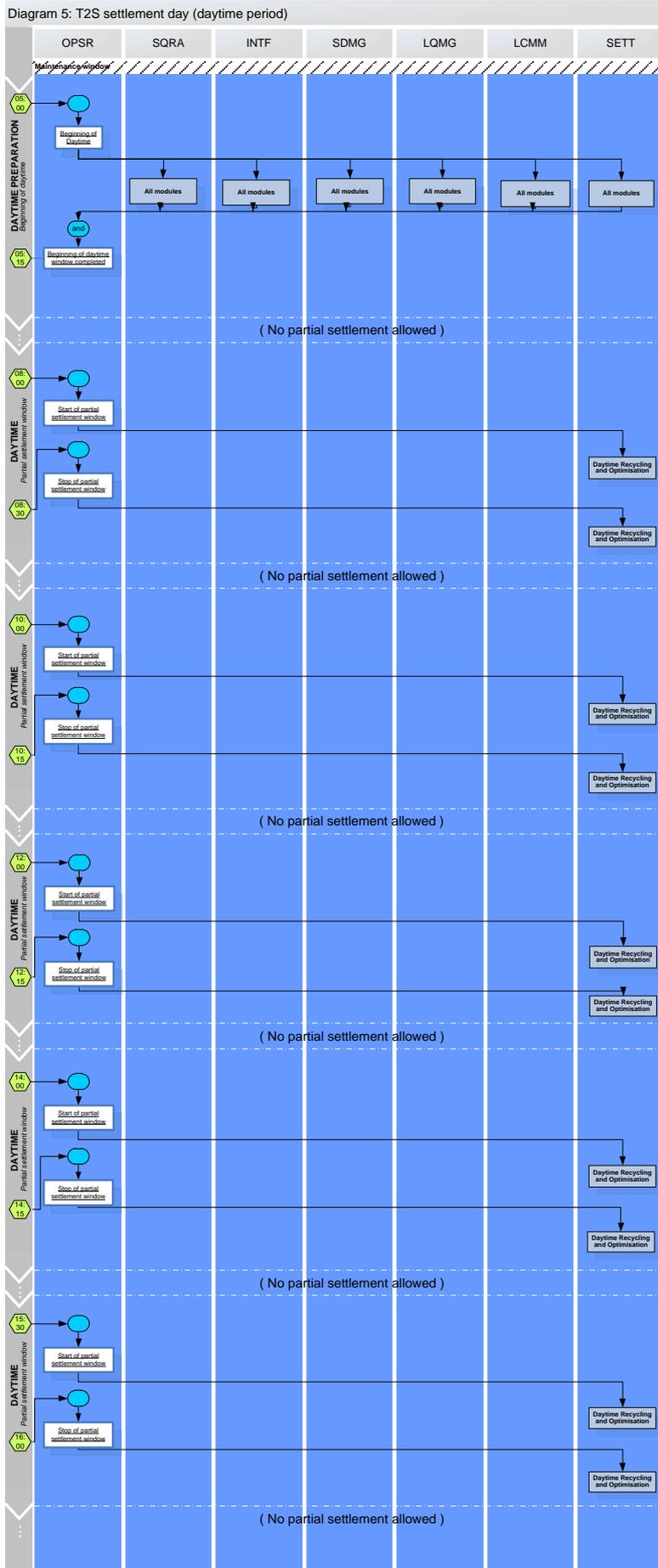
Reference ID	T2S.03.165
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T2S shall activate partial settlement procedure

- at 08:00 CET, with deactivation at 08:30 CET
- at 10:00 CET, with deactivation at 10:15 CET
- at 12:00 CET, with deactivation at 12:15 CET
- at 14:00 CET, with deactivation at 14:15 CET
- at 15:30 (30 minutes before the DVP cut-off time), with deactivation at the closure of the same day T2S DVP settlement.

GFS v7.0, section 2.1.1.2, page 18, Diagram “Daytime period”

The diagram is to be updated by extending the first and fifth partial settlement windows to 30 minutes (8:00 to 8:30 and 15:30 to 16:00).



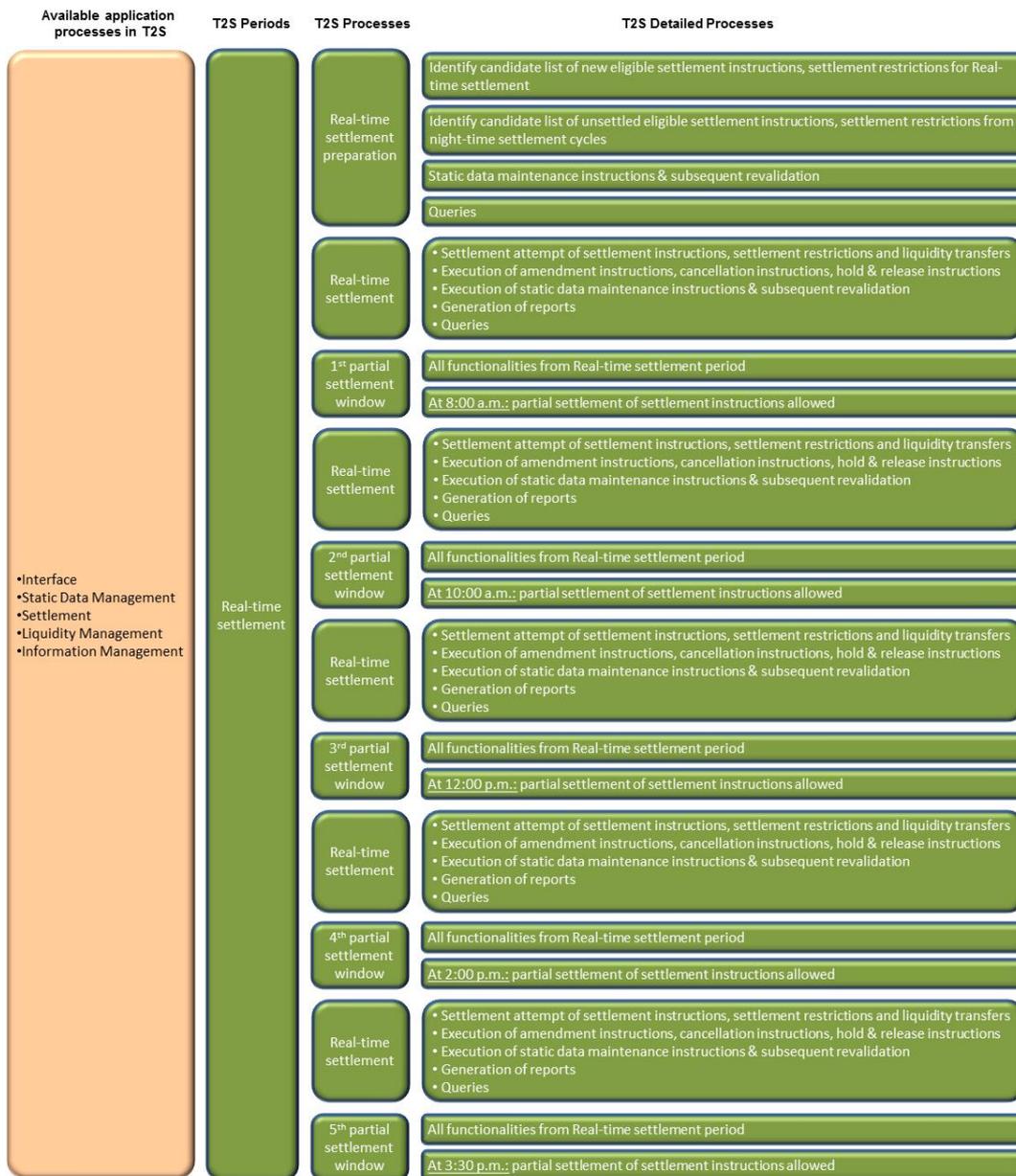
UDFS v4.0, section 1.4.4.4, page 259, lines 10-14

The real-time settlement period includes:

- The real-time settlement preparation;
- The real-time settlement with the five partial settlement windows to optimise maximum value and volumes of settlement transactions, which are unsettled because of lack of securities:
 - The first partial settlement window between 08:00 a.m. and 08:4530 a.m.;
 - The second partial settlement window between 10:00 a.m. and 10:15 a.m.;
 - The third partial settlement window between 12:00 p.m. and 12:15 p.m.;
 - The fourth partial settlement window between 2:00 p.m. and 2:15 p.m.;
 - The fifth partial settlement window is 30~~45~~ minutes before the beginning of the DVP cut-off time, then between 3:30~~45~~ p.m. and 4:00 p.m.

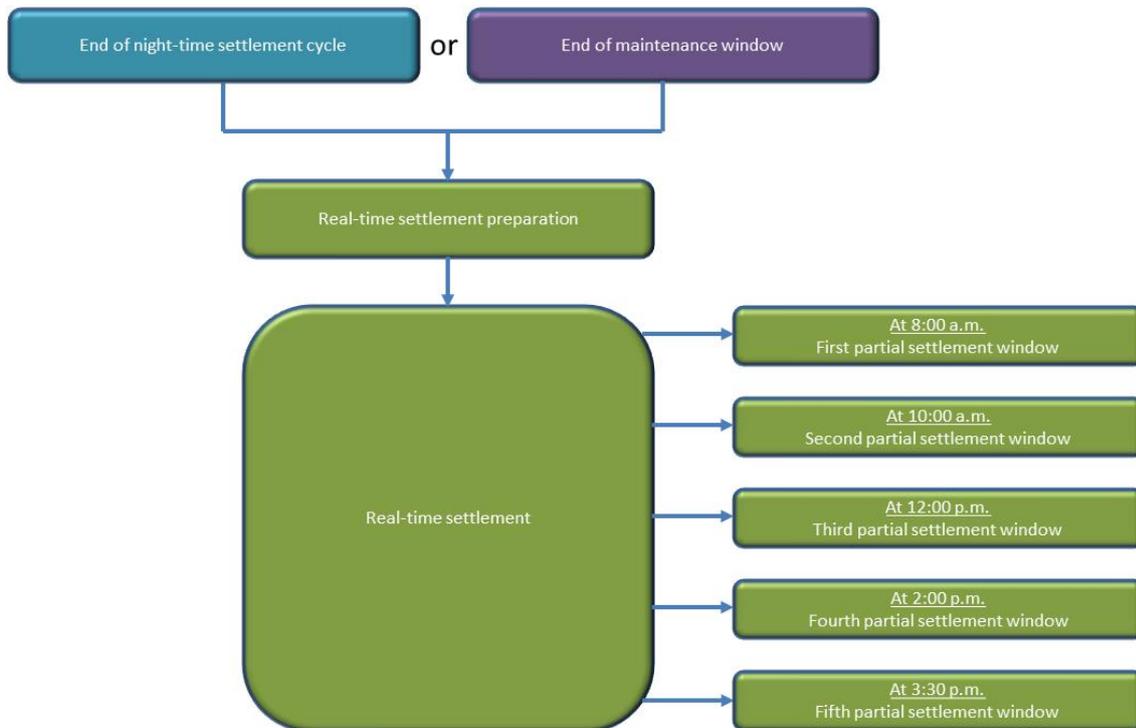
UDFS v4.0, section 1.4.4.4.2, page 260 Diagram 63

The diagram is to be updated to change the start time of the 5th partial settlement window to 3:30 pm instead of 3:45 pm.



UDFS v4.0, section 1.4.4.4.3, page 261, Diagram 64

The diagram is to be updated to change the start time of the 5th partial settlement window to 3:30 pm instead of 3:45 pm.



UDFS v4.0, section 1.4.4.4.3, page 262, Table 101

T2S DETAILED PROCESSES	DEPENDENCIES	
	TYPE OF DEPENDENCY	DESCRIPTION
...
Fourth partial settlement window	Time: 2:00 p.m.	This process does not start before 2:00 p.m.
Fifth partial settlement window	Time: 3:30 45 p.m.	This process does not start before 3:30 45 p.m.

High level description of Impact:

Outcome/Decisions:

- * CRG on 1 February 2019: The CRG has agreed to recommend CR-694 for authorisation by the T2S Steering Level.
- * CSG on 3 April 2019: Considering the results of an operational assessment by the OMG, the CSG agreed to revise the initial scope of the CR.
- * CRG on 9 April 2019: The CRG confirmed its previous recommendation, for an updated version of CR-694.
- * AMI-SeCo on 17 April 2019: The AMI-SeCo has agreed to the recommendation of the CRG to authorise this Change Request in its updated version.
- * CSG on 18 April 2019: The CSG has agreed to authorise this Change Request in its updated version via a written consultation.
- * NECSG on 18 April 2019: The NECSG has agreed to authorise this Change Request in its updated version via a written consultation.
- * CRG on 15 May 2019: The CRG has agreed to recommend this Change Request to the PMG for its inclusion in R3.2.
- * MIB on 17 May 2019: The MIB has authorised this Change Request via a written consultation.
- * PMG on 5 June 2019: The PMG proposed to the T2S Steering Level the Change Request for R3.2.
- * CSG on 13 June 2019: The CSG agreed to approve the STP for R3.2 including CR-694.
- * NECSG on 14 June 2019: The NECSG agreed to approve the STP for R3.2 including CR-694.
- * MIB on the 18 June 2019: The MIB agreed to approve the STP for R3.2 including CR-694.
- * OMG on the 27 June 2019: The OMG decided to have the deployment in production of CR-694 on 9 December 2019.

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

Impact On T2S	Static data management		Interface	
		Party data management		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	
		Standardisation and preparation to settlement		Outbound Information Management
		Night-time Settlement		NCB Business Procedures
	X	Daytime Recycling and optimisation		Liquidity Operations
		Daytime Validation, provisioning & booking	LCMM	
		Auto-collateralisation		Instructions validation
				Status management
	Operational services			Instruction matching
		Data Migration		Instructions maintenance
	X	Scheduling	Statistics, queries reports and archive	
		Billing		Report management
		Operational monitoring		Query management
				Statistical information
				Legal archiving
		All modules (Infrastructure request)		
		No modules (infrastructure request)		
		Business operational activities		

	Technical operational activities
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Impact on major documentation		
Document	Chapter	Change
Impacted GFS chapter	Section 2.1.1.2, page 18, Diagram "Daytime period"	The diagram is to be updated by extending the first and fifth partial settlement windows to 30 minutes (8:00 to 8:30 and 15:30 to 16:00).
Impacted UDFS chapter	Section 1.4.4.4, page 259, lines 10-14 Section 1.4.4.4.2, page 260 Diagram 63 Section 1.4.4.4.3, page 261, Diagram 64 Section 1.4.4.4.3, page 262, Table 101	Update times of end of 8:00 and start of 15:45 partial settlement windows to 8:30 and 15:30 respectively within document, diagrams and tables.
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

No software changes required. Scheduler configuration modifications required to change the duration of the first and fifth partial settlement windows. The first partial settlement window will now begin at 8:00 and extend until 8:30 while the fifth will begin at 15:30 and extend until 16:00. Corresponding GFS and UDFS documentation updates required.

No impact on other TARGET Services/ECMS has been identified.

Main cost drivers:

- Change of configuration in test environments and production
- Monitoring of performance impact in all environments
- Update of documentation

In order to allow the monitoring of the performance impact of the extended partial settlement windows, and the potential side-effect with CR-0613, the configuration change in test environments EAC and UTEST should be done according to the R 3.2 schedule. The update of the configuration in PROD has not strictly to be done with R 3.2, but can be performed thereafter as well. The final date needs to be discussed and agreed by the OMG.

Summary of project risk

None.

Security analysis

No adverse effect has been identified.



10 May 2019

Cost assessment on Change Requests

T2S-694-SYS – maintenance			
One-off	Assessment costs*		
	- Preliminary	0.00	Euro
	- Detailed	10,000.00	Euro
One-off	Development costs	22,838.81	Euro
Annual	Operational costs		
	- Maintenance costs	0.00	Euro
	- Running costs	0.00	Euro

*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).



27 May 2019

Cost assessment on Change Requests

T2S-694-SYS – maintenance			
One-off	Assessment costs*		
	- Preliminary	0.00	Euro
	- Detailed	0.00	Euro
One-off	Development costs	0.00	Euro
Annual	Operational costs		
	- Maintenance costs	0.00	Euro
	- Running costs	0.00	Euro

*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).