General Information (Origin of Request)		
☐ User Requirements (URD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Banque de France (on behalf of T2S French NUG)	**Institute:** Central Bank	**Date raised:** 10/03/2017
Request title: T2S should allow a temporary limit for the secondary Credit Memorandum Balance		**Request ref. no:** T2S 0656 URD
Request type: Common	**Urgency:** Normal	
1. Legal/business importance parameter: Medium	**2. Market implementation efforts parameter:** Low	
3. Operational/Technical risk parameter: Low	**4. Financial impact parameter:**	
Requestor Category: Central Bank	**Status:** Withdrawn by initiator	

Reason for change and expected benefits/business motivation:

Today in the T2S Graphical Interface (GUI), 3 limits have to be defined when a payment bank is willing to grant payment services to a client in T2S. Intraday adjustments of these limits require the payment bank's team, in charge of the static data, to perform the following actions:

- Creation and validation of new limits (having a validity of one day) with the adjusted amounts,

- At the end of the business day, creation and validation of new limits with the original amounts

These additional actions are a source of operational and financial risks if the payment bank operators do not set the limits back to their original amounts.

In order to mitigate these risks, payment banks need to have the possibility to determine temporary limits (with an intraday validity) which will overwrite the existing ones. Therefore, the T2S platform should automatically reset the intraday limits to the original limits for the next business day.

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Description of requested change:

For credit provided by a payment bank, 3 limits can be used and modified intraday: external guarantee, client collateralisation and unsecured credit.

Payment banks should be able to set "temporary" external guarantee, client collateralisation and unsecured credit limits (i.e. limits with an intraday validity). From a business perspective, these "temporary" limits shall be automatically reset at the end of the business day to the original ones. For instance:

- On D: the 'original' external guarantee limit is set to 100

- On D+1: the payment bank wants to temporarily adjust this limit to 200. The payment bank sets a new external guarantee limit of 200 with an intraday validity. When this temporary limit is validated, a copy of the original limit is automatically kept for the beginning of the next day.

- On D+2: T2S should automatically reset the limit to the original limit value i.e. 100.

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Submitted annexes / related documents:

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Proposed wording for the Change request:

The User Requirements Document should be modified as follow:

URD Section10.2.1.1 Limit Model

Attribute requirements for limits

Reference ID	T2S.10.086

This Limit entity shall store all attributes that T2S requires to define a limit. <u>T2S shall allow to define a temporary limit with an intraday validity that would be reset to the corresponding limit amount at the end of the day</u>.

Table 10-3 – List of Attributes for the Entity Limit

Attribute	Description
Limit Identifier	This attribute shall define the unique technical identifier of a limit.
System Entity Identifier	This attribute shall define the unique technical identifier of the system entity (NCB) which operates the T2S dedicated cash account in T2S.
Credit Memorandum Balance Identifier	This attribute specifies the unique identifier of the credit memorandum balance for which the user defined the limit
T2S Dedicated Cash Account of the Credit Provider	This attribute shall specify the T2S dedicated cash account, linked to the credit memorandum balance.
Limit Type	This attribute shall specify the type of limit. - External guarantee limit - Unsecured credit limit - Auto-collateralisation limit
Limit Currency	This attribute shall specify the currency of the limit.
Limit Amount	This data item specifies the limit amount for the party for the T2S dedicated cash account. It can be set to zero if the party for the T2S dedicated cash account has no limit.
Valid From	This attribute specifies the date from which the credit limit is valid.
<u>Intraday limit amount</u>	<u>This attribute specifies the value of temporary limit amount with an intraday validity.</u>

<u>Resetting intraday limit at the end of day</u>

<u>Reference ID</u>	<u>T2S.10.088</u>

<u>T2S shall reset the intraday limit for the external guarantee limit, the unsecured credit limit, the auto-collateralisation limit to the corresponding limit amount at the end of day.</u>

UHB § 3.7.1.6 Change the Limit of a Payment Bank

UDFS § 1.6.2.2.4 Limits set by payment/settlement banks management process

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High level description of Impact:

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Outcome/Decisions:

* CRG meeting on 30 March 2017: The CRG agreed to put the Change Request on hold.

* CRG meeting on 24 April 2017: The CRG agreed to keep the Change Request on hold.

* CRG meeting on 07 June 2017: The CR was withdrawn by the initiator.