General Information (Origin of Request)		
☐ User Requirements (URD)		
☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Euroclear	**Institute:** CSD	**Date raised:** 13/10/2017
Request title: Provide the T2S reference of the linked instructions preventing settlement	**Classification:** Scope enhancement	**Request ref. no:** T2S-0668-SYS
Request type: Common	**Urgency:** Normal	
1. Legal/business importance parameter: High	**2. Market implementation efforts parameter:** Medium	
3. Operational/Technical risk parameter: Low	**4. Financial impact parameter:** Medium	
Requestor Category: CSD	**Status:** Implemented	

Reason for change and expected benefits/business motivation:

When a Settlement Instruction or Settlement Restriction is not settling due to the failure of a linked instruction, there are some cases where the CSD participant cannot identify which linked instructions are preventing settlement.

In fact T2S allows a CSD participant to identify the instructions which are linked with a given Settlement Instruction or Settlement Restriction only if the linkage details have been declared in the initial inbound settlement instruction (e.g. in case of an AFTER or WITH link).

In the following cases T2S does not provide the information (non-exhaustive list):

- When the link was created in the 'second' instruction (e.g. a BEFORE link or WITH link), T2S is unable to display the linked instruction which is at the origin of the failure. If the instruction is not settling due to Business Rule SXAA018: "Failure of the settlement attempt due to a link with a settlement instruction or a settlement restriction in failure", as no reference was displayed in the Link block, there is no mean to identify the instruction.

- Similar issue may happen when an instruction is not settling due to links inherited from a second instruction: "A settlement instruction cannot be submitted to a settlement attempt if a linked settlement instruction is 'On Hold'".

Detailed scenario (example):

1- Instruction A has been instructed without link information.
2- Instruction B was instructed with a BEFORE link with the instruction A (meaning instruction A could only settle once instruction B is settled).
3- Instruction B fails to settle for lack of cash.
4- Status for Instruction A will be Unsettled with a reason "Failure of the settlement attempt due to a link with a settlement instruction or a settlement restriction in failure" whereas you could not know to which instruction it is linked.

Purpose of this request is to inform the linkage(s) leading to the unsettled reason in the instruction which has been linked to.

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Description of change requested

When an instruction is not settling due a link with other instructions (e.g. Business Rule SXAA018 or any other similar Business Rule), T2S must inform the T2S reference of the instruction(s) that defined the linkage(s) and are preventing settlement.

The T2S reference must be reported together with the relevant constraint (On Hold, On CoSD hold, ..)..

In case there is more than one linkage preventing settlement, T2S must report all the T2S references and associated reasons.

Such information should be available in U2A mode.

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Submitted annexes / related documents:

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Proposed wording for the Change request:

    UDFS:

1.6.4.4.3   Query management process, Table 187

TABLE 187 – AVAILABILITY OF QUERIES IN A2A AND U2A MODE

QUERY TYPE	INITIATION VIA GUI (U2A MODE)	INITIATION VIA XML MESSAGES (A2A MODE)
Limit Utilisation Journal Query	X	X
Limit Utilisation Query	X	X
Links Preventing Settlement Query	X	

1.6.5.7.6   Billing data collection process, Table 197

TABLE 2 - U2A QUERIES AND BUSINESS ITEMS

Limit Utilisation Journal Query	Limit
Limit Utilisation Query	Limit
Links Preventing Settlement Query	Links Preventing Settlement Query
Liquidity Transfer Order Detail Query	Standing or Predefined Liquidity Transfer Order
Liquidity Transfer Order Link Set Query	Liquidity Transfer Order Link Set

3.3.3.31   BillingReportV01
Update of Excel table for External codes included in section 3.3.3.31 BillingReportV01

UHB:
UHB needs to be updated to include a new button – "*links*", which routes the user to a new screen "Links Preventing Settlement" (to be created), in the following screens:
- o   "Settlement Instruction details"
- o   "Intra-Position Movement details"
- o   "Intra-Balance Movement details"

New UHB section regarding "Links Preventing Settlement" screen to be provided upon completion of screen development.

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High level description of Impact:

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Outcome/Decisions:

* CRG meeting on 23 October 2017: The CRG agreed to put the Change Request on hold.

* CRG meeting on 25 January 2018: The CRG agreed to keep the Change Request on hold.

* CRG written procedure ended 17 April 2018: The CRG agreed to launch the preliminary assessment of the CR.

* CRG meeting on 4 July 2018: The CRG agreed to recommend that the T2S Steering Level authorises CR-668

* AMI SeCo on 4 September 2018 (written procedure): The AMI-SeCo agreed to the recommendation of the CRG

* CSG on 4 September 2018 (written procedure): The CSG confirmed the availability of the CR for release allocation.

* MIB on the 12 September 2018: The MIB has approved for ranking this Change Request.

* PMG on 12 April 2019: The PMG proposed to the T2S Steering Level the Change Request for R4.0.

* CRG on the 4 July 2019: The CRG agreed to recommend to the PMG the inclusion of CR-668 in R4.0.

* PMG on the 5 July 2019: The PMG recommended the inclusion of CR-668 in STP for R4.0 for approval by the Steering Level.

* CSG on the 12 July 2019: The CSG approved the inclusion of CR-668 in STP for R4.0.

* NECSG on 12 July 2019: The NECSG approved the inclusion of CR-668 in STP for R4.0.

* MIB on the 15 July 2019: The MIB approved the inclusion of CR-668 in STP for R4.0.

* OMG on the 17 July 2019: The OMG conducted the operational assessment of CR-668 for R4.0.

* CRG on the 27 November 2019 2019: The CRG agreed to add, as an annex to CR-668, a presentation made to the CRG on 28 March 2019 describing complex cases.

Preliminary assessment (outdated):

~~**Impact:**~~ High

~~**Impacted Modules/Functionalities:**~~ QUM/REM, LCMM, SETT, LTSI-LEA, INTF

~~**Findings:**~~

- ~~There have to be changes to Settlement Instruction Query, Intra-Position Movement Query and Intra-Balance Movement Query as well as to the Statement of pending Instructions, Statement of pending Intra-Position Movements and Statement of Intra-Balance Movements in order to introduce the new information together with the respective error codes and error text.~~

- ~~In order to reduce the overall impact of the CR 4CB propose a new solution: Instead of informing all T2S references in the element 'Additional reason information', it is proposed to use a repetition of the reason block (that is repetitive) of sese.024, semt.014 and camt.067 informing one entry per each instruction.~~

  ~~With this solution, as an example, if there are 3 different instructions preventing the settlement, the structure of sese.024, semt.014 and camt.067 would be as follows:~~

  ~~<SttlmSts>~~
  ~~<Pdg>~~
  ~~<Rsn>~~
  ~~<Cd>~~
  ~~<Cd>LINK</Cd>~~
  ~~</Cd>~~
  ~~<AddtlRsnInf> SPST003 Settlement Instruction is unsettled because a linked settlement instruction is 'On Hold'- Inx1MITI</AddtlRsnInf>~~
  ~~</Rsn>~~
  ~~<Rsn>~~
  ~~<Cd>~~
  ~~<Cd>LINK</Cd>~~
  ~~</Cd>~~
  ~~<AddtlRsnInf> SPST003 Settlement Instruction is unsettled because a linked settlement instruction is 'On Hold'- Inx2MITI</AddtlRsnInf>~~

```
                                    </Rsn>
                        <Rsn>
                                <Cd>
                                        <Cd>LINK</Cd>
                                </Cd>
                                <AddtlRsnInf> SPST003-Settlement Instruction is unsettled because a linked
settlement instruction is 'On Hold'- Inx3MITI</AddtlRsnInf>
                                </Rsn>
                        </Pdg>
                </SttlmSts>
```

- A limit of reasons to be informed in sese.024, semt.014, camt.067 and semt.018 has to be defined. If the number of reasons is higher than 5, an update of the flat file format reports for semt.018 and semt.034 is required. Currently, these flat file reports are designed to inform a maximum of 5 reason codes for the settlement status.

- **Open issues/ questions to be clarified by the originator:**

No open issues have been identified.

EUROSYSTEM ANALYSIS – GENERAL INFORMATION				

	Static data management		**Interface**	
Impact On T2S		Party data management		Communication
		Securities data management		Outbound processing
		T2S Dedicated Cash account data management		Inbound processing
		Securities account data management		
	X	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
				Status management
	Operational services			Instruction matching
		Data Migration		Instructions maintenance
		Scheduling	**Statistics, queries reports and archive**	
	X	Billing		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		
Document	**Chapter**	**Change**
Impacted UDFS chapter	1.6.4.4.3 Query management process,	Add new query "Links preventing settlement

	Table 187	query" to table (U2A only)
	1.6.5.7.6 Billing Data Collection Process Table 197	New query has to be added to the table 197 "U2A Queries and Business Items" including definition of a new Business Item
	3.3.3.31 BillingReportV01 Annex UDFS chapter 3.3.3.31.2	Update of Excel List for External Codes in order to include new Service Items. Available under the following link: http://www.swift.com/mystandards/T2S/camt.077 .001.01_T2S
UHB	New Screen UHB section (to be delivered with screen availability)	- Create a new screen "Links Preventing Settlement".
	2.2.2.12 Intra-Position Movement - Details Screen	New button
	2.2.2.18 Settlement Instruction - Details Screen	New button
	2.3.3.6 Intra-Balance Movement - Details Screen	New button

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

This CR aims at providing settlement instruction references preventing settlement of a given settlement instruction or settlement restriction, listing them on a new screen accessed by a new button on the current LCMM Settlement Instruction Details screen, as well as on Intra-position Movement Details and Intra-Balance Movement Details screens, together with their failure reason.
The data will come from a new view or stored procedure reaching SETT tables.

The new screen will be accessed with the existing privileges for the Settlement Instruction Details; Intra Position Movement Details and Intra Balance Movement Details screens.

In order to provide the above mentioned functionality, a new "Links preventing settlement query" has to be designed. This query will be triggered by pushing the newly introduced button "Links" on the settlement instruction details screen, the Intra-Position Movements details screen and the Intra-Balance Movement details screen and provides a list of all instructions that are linked with the SI shown in the details screen before pushing this button and which prevent this SI from settling.

A new Service Item will be created for the query so that it is subject to Billing.

Main Cost drivers:
- Creation of new screen and addition of new screen access on existing screens.
- New query needs to be designed in order to fulfil all requirements.
- Testing of the new query and the new screen to check the correct functionality.

No impact on other TARGET Services and/or Eurosystem Projects has been identified.

Summary of project risk
None.

Security analysis
No adverse effect has been identified.

01 July 2019

Cost assessment on Change Requests

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<td>One-off</td>
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 - Detailed</td>
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 - Maintenance costs

 - Running costs</td>
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0.00</td>
<td>

Euro

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