Market Notice

14 November 2019
MN_21/2019

T2S Partial Release – CR653

For the attention of: DCP and ICP
Re: T2S Partial Release – CR653

Dear Client,

With the deployment of Release 3.2, Partial Release functionality will be available in T2S through the implementation of Change Request 653, as of 18 November 2019.
This new functionality will provide higher operational flexibility as CSD participants will be allowed to release a transaction for part of the quantity to be settled.

In view of the forthcoming introduction of CSDR settlement discipline rules several benefits are expected:

- **Improvement of the settlement efficiency on T2S**
  Some of the instructions that today remain unsettled because 'on hold' could settle partially

- **Reduction of potential penalties charged by CSDs**
  It will allow to reduce the value of fails

- **Reduction of the operational workload**
  It will no longer be necessary to cancel and re-input settlement instructions in order to effect partial release

- **More efficiency in managing of omnibus accounts**
  Underlying clients could be individually managed allowing securities settlement only for the quantity available

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Partial Release is not mandatory, but in order to allow it, both underlying instructions must allow partial settlement.

From a functional point of view, the CSD participant amends the original instruction to specify the quantity to be released.

The original instruction remains whole and follows a process very similar to the current T2S partialization for which all actors are familiar.

Partial release is available only for delivery of securities (DVP, FOP, DWP) and not for the cash side (RvP instruction).   It can only be done for the release side (i.e. no 'partial hold' is allowed).

From an operational point of view, to make a partial release, the CSD participant sends a release request by specifying the quantity to be released (provided via the field 'Quantity' in the 'Additional Information' block).

The functionality will be available both in A2A or U2A mode and no action is required on behalf of the counterparty side.

You can find more detailed information on the use of partial release in T2S in the attached Q&A document (excerpt from the ECB documentation).

For further information, please contact:

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