

T2S RELEASE 3.2 - Changes to be implemented on 2019/11/16

Place of Trading

With Release 3.0, implemented in June/2019 a new field for the identification of the “Place of Trading” by the MIC - “Market Identifier Code”, already has been **provided to the ICPs**, however this field will only be propagated by T2S with the Release 3.2- **CR 606**

<https://www.iso20022.org/10383/iso-10383-market-identifier-codes>

- ✓ The actual field “Place of Trading” still maintains the type code: EXCH, OTCO, PRIM, SECM, VARI
- ✓ The new field is provided via:
 - STD: SLRTfile, SLRTmsg, SLRT, SLRT-PND, SLRT-RES, EXCH, EXCH-PND, EXCH-RES, LIQ-RES, and SLRTinfo
 - ISO 15022 messages: MT540-MT548, MT536-MT537, and MT578
- ✓ **For the DCPs the impact is on the following messages, with the implementation of Release 3.2:**
 - sese.024 – Settlement Instruction Status Advice
 - sese.025 – Settlement Confirmation
 - semt.017 – Statement of Transactions
 - semt.018 – Statement of Pending Instructions

Place of Clearing

With Release 3.0, implemented in June/2019, a new field for the identification of the “Place of Clearing” already has been **provided to the ICPs** in the inputs of the SLrt, for the inclusion of the CCP (Central Counterpart) BIC code, but this field will only be propagated by T2S with the Release 3.2- **CR 606**

- ✓ This field is provided via:
 - STD: SLRTfile, SLRTmsg, SLRT, SLRT-PND, SLRT-RES and LIQ-RES
 - ISO 15022 messages: MT540-MT543, MT536-MT537 and MT578

The field “Place of Clearing” is also available in the outputs of ISO 15022 messages and in the following STD outputs: EXCH, EXCH-PND e EXCH-RES.

- ✓ **For the DCPs the impact is on the following messages, with the implementation of Release 3.2:**
 - sese.024 – Settlement Instruction Status Advice
 - sese.025 – Settlement Confirmation
 - semt.017 – Statement of Transactions
 - semt.018 – Statement of Pending Instructions

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Settlement Status for Settlement instructions for which settlement at ISD is no longer possible

✓ With the implementation of Release 3.2 T2S will report **settlement status "Failing"** for settlement instructions for which settlement at the Intended Settlement Date (ISD) is no longer possible- **CR 609**

✓ For ICP's it will be informed, via STD, the new status **"PENF"** and reason code **"050"** ("Instruction cannot settle on ISD"):

- SLRT ('PENF', '050')
- SLRT-PND ('PENF')
- EXCH and EXCH-PND ('PENF')

✓ For ICP's will be informed, via ISO 15022 messages: MT537, MT548

- **new reason codes for status PENF**

- For an instruction registered after ISD, or on ISD after its respective cut-off, will be issued: NMAT - "001; 050"

- For an instruction that matches after ISD, or on ISD after its respective cut-off: MACH - "003; 050"

- Pending instructions that do not settle on ISD will be reported after their cut-off with "PENF" status (change from pending to failing), with the relevant reason(s)

- **For DCPs there will be an impact in the following messages:**

- sese.024 – Settlement Instruction Status Advice

- semt.014 – Intra Position Movement Status Advice

- semt.018 – Securities Transaction Pending Report

T2S should give the possibility to receive outbound T2S messages bundled in files

T2S should give the possibility to receive outbound T2S messages bundled in files– **CR613** (Which might provide cost reductions on the T2S and VAN (SWIFT; SIA-COLT) invoices)

✓ Can be subscribed by CSDs, NCBs and DCPS, via T2S Operator

✓ Output messages will be bundled into files, during RTS

✓ Each file may have a maximum of 1000 messages. When the maximum size is reached the file is sent to the destination

✓ An "elapse time" of 2 minutes is defined – each 2 minutes all files are sent, even if the maximum size is not reached yet

✓ Bundling will be deactivated 30 minutes before the "Start of Intraday DVP cut-off – IDVP" and until the last "End of Intraday DVP cut-off – EDVP" (for each currency)

Remark: NTS already has a bundling process which will remain as is.

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Matching status should be included in sese.024 status messages for unmatched instructions

Matching status should be included in sese.024 status Messages for unmatched instructions when a pending reason is reported- **CR 614**

- ✓ **DCP:** sese.024 messages (Securities Settlement Transaction Status Advice) will always provide "MtchSts/**Umtchd**/NoSpfdRsn/NORE" for unmatched instructions
- ✓ **ICP:** no changes on STD and SWIFT FIN messages – the status code 'NMAT' is always provided for unmatched instructions

Partial release functionality

- ✓ With the implementation of Release 3.2 will be made available the partial release functionality - **CR 653**
- ✓ Benefits: Improvement of settlement efficiency, enabling fails reduction and compliance with future CSDR settlement discipline rules
- ✓ Partial release will be possible only for delivery of securities (DVP, DFP e DWP)
- ✓ Partial release will be possible for settlement instructions:
 - Matched and not cancelled
 - Pending with Party 'Hold'
 - That permit partial settlement
 - Which ISD has been reached (i.e. a partial release request can only be submitted from SoD on ISD at 18:45 CET)
- ✓ The quantity to be released must be lower than the original quantity of the SI
- ✓ If the indicator for partial settlement is non-authorized (NPAR) in at least one of the instructions (delivery or receive), then the partial release request will not be accepted
- ✓ The partial release process will only have a lifecycle on a single business day. In case the partially released quantity has not been completely settled by the end of the relevant cut-off time during the RTS the process will be automatically cancelled by T2S; i.e. the settlement instruction is set back on party hold for the total quantity
- ✓ Partial release will be allowed for instructions with ISD in the past
- ✓ If the instruction of the counterparty (receive) is on hold, the partial release request is rejected by the T2S platform
- ✓ A new partial release will not be permitted until the ongoing partial release has ended.

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Partial release functionality

✓ A partial release is activated via an amendment request selecting the release function and specifying the quantity to be released:

- **DCPs:** via sese.030 – “Securities Settlement Condition Modification Request”
- **ICPs:**
 - via STD:
 - SLRTmsg or SLRTfile
 - EXCHmsg/EXCHfile (two new fields “Quant. Type” and “Quantity”)
 - via ISO15022: MT530 – “Transaction Processing Command” (new field “Quantity of Financial Instrument to be settled” :36B::SETT/)

✓ The reply to an accepted partial release request is provided to:

- **DCPs:** via a sese.031 – “Securities Settlement Condition Modification Request”, informing the acceptance of the request with status ‘completed’ and via sese.024 - “Securities Settlement Transaction Status Advice”- informing the quantity partially released and the quantity remaining on ‘Hold’
- **ICPs:** In the case of partial release, the partially released quantity and the quantity remaining on Hold will be informed in the following fields:
 - via STD – message SLRT – informing the quantity partially released and the quantity remaining on ‘Hold’, in the field: “Participant Remarks”
 - via STD – message EXCH – informing the quantity partially released and the quantity remaining on ‘Hold’, in the field: “Rsn-Descr”
 - via ISO15022 – message MT548 – “Settlement Status and Processing Advice” –informing the quantity partially released and the quantity remaining on ‘Hold’, in the field ::70E::SPRO// (Partially Released Quantity and Quantity Remaining on hold)

Field format: R999999999999,99 H999999999999,99

Example: R123456789012,99 H123456789012,99

- ✓ When an instruction is partially released, the instruction will attempt to settle for the released quantity, in the next partial settlement window
- ✓ The partial release process can be cancelled by the participants by putting the instruction on hold again
- ✓ In case the partial settlement indicator PARQ (quantity) is not specified on both sides, and the instruction involves cash (DVP, DWP), a minimum limit of 10.000 EUR for shares and 100.000 EUR for debt should be respected so that the partial settlement can occur.