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# Operational Notice

19 December 2019

ON\_64/2019

## T2S Release 4.0 – CR671 non-binding XSDs delivery - Integration

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For the attention of:

Re:

DCPs

T2S Release 4.0 – CR671 non-binding XSDs delivery - Integration

Dear Client,

The upcoming release 4.0 of T2S will see the introduction of change request 671. The purpose of this feature is to enable the storage and communication, in some messages sent by T2S, of the indicator of the Final Beneficiary, which is included in T2S settlement instructions, in cases of an account transfer of a portfolio that involves an actual change of ownership.

The context to which CR-671 relates is that indicated in Article 26 of the MiFIR Regulation and its respective RTS and guidelines. In cases of an account transfer of a portfolio, the information must be provided if the account transfer involves an actual change of beneficiary, which must be reported by the last business day. If the transfer does not involve an actual change of beneficiary, no reporting is required.

It is already possible to indicate in T2S whether a certain transfer will result in a change of beneficiary owner by checking the “Beneficial Ownership” optional flag in the “Settlement Parameters” sequence of the “sese.023” message. This flag contains an indicator (with the values “Y/N”), which indicates whether the transfer involves a change of ownership or not.

It should be noted that the valuation of the indicator mentioned above is optional because, for the management of the portfolio transfer, it is adopted the market practice shared by the system at the time

This information is currently classified as 'additional information' and therefore is not stored in T2S or indicated in messages. Therefore, the counterparty of a settlement instruction is not informed by this indicator whether or not a particular transfer involves a change of ownership. With the CR-671, the information is recorded in T2S and reported in the following outgoing messages from T2S, when the flag is set in the “sese.023” message”:

- Sese.028 Securities Settlement Transaction Allegements
- Sese.024 Securities Settlement Transaction Status Advice
- Sese.025 Securities Settlement Transaction Confirmation



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- Semt.017 Securities Transaction Posting Report
- Semt.019 Securities Settlement Transaction Allegement Report
- Semt.027 Securities Settlement Transaction Query Response

To facilitate the implementation of this measure, we have published, although not definitive, the documentation entitled "non-binding XSD schemas for Release 4.0" for the dictionaries of CR-671 messages, as published by the European Central Bank on 13 December 2019, in both its "plain" and "enriched" versions.

Please note that the final documentation, entitled "binding XSD" is due to be published on 28 January 2020, before the release of R 4.0 in the EAC environment, which will take place on 7 February 2020.

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## Relevant documentation

The message dictionaries for the CR-0671 non-binding XSDs delivery are published in the document section of MT-X, in the path HOME > Documentazione > T2S - Change Management e Client Test Plan > T2S Releases > T2S Release 4.0

Please use the following contact address for any support requirements:

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