OeKB
CSD GmbH

Information from OeKB CSD concerning Settlement Client Release and T2S Release 4.0

1 Settlement Client Release

There will be a Settlement Client Release on **June 15th, 2020**. As of this day the following changes will be implemented:

Transaction Type Cross

Instructions Delivery Free of Payment with PSET = DTCCUS33XXX will no longer be accepted.

Settlement in Forreign Currencies

With this Release, the following matching tolerances are allowed for foreign currency insructions:

Currency	Amount	Tolerance
CHF	≤ 100,000.00	2.00
CHF	> 100,000.00	27.00
GBP	≤ 100,000.00	2.00
GBP	> 100,000.00	21.00
USD	≤ 100,000.00	2.00
USD	> 100,000.00	28.00

Storage and reporting of the Beneficial Ownership Indicator

With this Release, it is possible to enter or state in the instructions via SWIFT and in the Settlement Client whether or not there is a change in Beneficial Ownership (BENE). The data is stored and reported. The test possibilities will be published at a later date.

SWIFT:

The indicator will be transferred in the following messages:

- settlement instructions MT540 - MT543
- settlement allegement MT578
- settlement status and processing advice MT548
- settlement confirmations MT544 - MT547
- statement of transactions MT536

More details can be found in *> Annex 18 User Manual Settlement SWIFT ISO15022*.

Settlement Client:

In the Settlement Client, the new field "Beneficial Ownership" is available in the following masks:

- Create Settlement Instructions: section Additional Information
- Search Settlement Instructions
- Settlement Instructions Details
- new column „Beneficial Ownership" in extended view of the search result and in the excel download
- Search Allegements

2 T2S Release 4.0

This document contains the dates and the change requests for the upcoming T2S Release 4.0.

Dates and Change Requests

No.	Change Request	Impacted Clients	Delivery date T2S Pre-Production	Delivery date T2S Production
671	Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S.	ICP/DCP	03.04.2020	15.06.2020
668	Provide the T2S reference of the linked instructions preventing settlement	DCP	03.04.2020	15.06.2020
689	New process to maximise settlement of transaction at DvP cut-off	ICP/DCP	03.04.2020	15.06.2020
658	T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs	ICP/DCP	03.04.2020	15.06.2020

CR 671 - Storage and reporting of the Beneficial Ownership indicator for Settlement Instructions in T2S.

Portfolio transfers from bank A to bank B must provide the information whether there is a change of beneficial ownership or not. This is against the background of MIFIR regulation

- The change of the ownership must be reported within one business day whereas account transfers without change of beneficial ownership must not be reported
- When the "Beneficial Ownership flag" is set in a sese.023, T2S will report the information in the following outbound messages:
  - Allegements (sese.028)
  - Status Advise (sese.024)
  - Settlement Confirmation (sese.025)
  - Securities Transaction Report (semt.017)
  - Securities Transaction Allegement Report (semt.019)
  - Securities Transaction Query Response (semt.027)

Link: *https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/crg/ecb.targetseccrg171103_T2S-0671-SYS.en.pdf*

CR 668 - Provide the T2S reference of the linked instructions preventing settlement

T2S should allow, when an instruction is not settling due to a link with (an)other instruction(s), T2S will report the T2S reference of the instruction(s) that prevent the settlement. The T2S reference must be reported together with the relevant constraint. In case there is more than one linkage preventing settlement, T2S must report all the T2S references and associated reasons.

Link: *https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/crg/ecb.targetseccrg171013_T2S-0668-SYS.en.pdf*

CR 689 - New process to maximise settlement of transaction at DvP cut-off

Availability to resort to auto-collateralisation and to partial settlement should be guaranteed until the end of DVP real-time settlement, including any existing or new RTS recycling and optimization function. The requested change implies no change to the DVP cut-off time.

Inclusion of a recycling process during the cut-off processing ensures that all eligible transactions are embarked in the recycling process. It is essential that recycling covers also partial settlement until the end of the recycling activity, meaning that if an instruction settles, this immediately launches the recycling of any instructions that can settle, fully or partially, and this process is triggered again until no additional instruction can settle either partially or fully.

T2S should stop the recycling processes (for relevant pending transactions) at a predefined, configurable time, set at 16:05 originally, in order to ensure that the extended recycling process does not delay subsequent events/activities of T2S participants. In addition, the partial settlement window ending at 16:00 should be extended until 16:05.

Link: *https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/crg/ecb.targetseccrg181025_T2S-0689-URD.en.pdf*

CR 658 – T2S should allow and process already matched instructions with deviating settlement parameters on DELI and RECE legs

In T2S it is currently not possible to specify different settlement parameters (hold indicator, modification / cancellation allowed flag) in already matched instructions. T2S will introduce new codes to allow deviating settings.

In addition, the Settlement Transaction Type in already matched instruction ("ALM") will be updated to show the logical pair (e.g. COLI / COLO).

Link: *https://www.ecb.europa.eu/paym/target/t2s/governance/pdf/crg/ecb.targetseccrg170412_T2S-0658-SYS.en.pdf*