**Change Request**

**for the update of ISO 20022 financial repository items**

1. **Origin of the request:**

*A.1 Submitter*:

- Deutsche Bundesbank, on behalf of the Eurosystem

- TARGET2-Securities Project

*A.2 Contact person:*

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- TARGET2-Securities Community

1. **Related messages:**

- semt.014.001.04 - IntraPositionMovementStatusAdviceV04

- semt.016.001.05 - IntraPositionMovementPostingReportV05

- semt.017.001.06 - SecuritiesTransactionPostingReportV06

- semt.018.001.07 - SecuritiesTransactionPendingReportV07

- sese.024.001.07 - SecuritiesSettlementTransactionStatusAdviceV07

- sese.032.001.06 - SecuritiesSettlementTransactionGenerationNotificationV06

1. **Description of the change request:**

Currently, T2S actors are informed through sese.024 and semt.014 messages in real time about the status of their settlement instructions/restrictions, including acceptance (i.e. instruction reaching SF1) and matching (i.e. instruction reaching SF2). However, the accepted (SF1) and/or matched (SF2) timestamps are not directly reported in a dedicated field and T2S actors are only provided with the timestamp of the generation of the status message sese.024 and semt.014. Similarly, the reports typically requested at the end of day, statement of transactions/settled intra position movements (semt.017/semt.016) and statement of pending instructions (semt.018) as well as ad hoc queries which provide information on settlement instructions and settlement restrictions on securities do not contain information about SF1 and SF2 timestamps.

The messages should be enhanced to provide the accepted and matched timestamp of settlement instructions and the accepted timestamp of the settlement restrictions on securities.

The following means have been identified to address this requirement:

1. Inclusion of accepted and matched timestamps in the message schema of status advice messages for settlement instructions and only accepted timestamp for settlement restriction on securities.

* Securities Settlement Transaction Status Advice (sese.024)
* Intra Position Movement Status Advice (semt.014)

1. Inclusion of accepted and matched timestamps in the message schema of generation notifications for T2S generated settlement transactions

* Securities Settlement Transaction Generation Notification (sese.032)

1. Enhancement in reporting in order to retrieve the necessary accepted and matched timestamp of settlement instructions and only accepted timestamp for settlement restrictions on securities

* Securities Transaction Posting Report (semt.017) and Securities Transaction Pending Report (semt.018)
* Intra Position Movement Posting Report (semt.016)

The timestamps should be included as optional fields at the following message-paths:

* semt.014 – Intra Position Movement Status Advice

Document/IntraPosMvmntStsAdvc/PrcgSts/AckdAccptd/DtTm

SF2 not required as there is no matching for Intra Position Movements

* semt.016 – Statement of posted intra position movements

Document/IntraPosMvmntPstngRpt/FinInstrm/SubBal/IntraPosMvmnt/AckdDt

SF2 not required as there is no matching for Intra Position Movements

* semt.017 – Statement of transactions

Document/SctiesTxPstngRpt/FinInstrmDtls/Tx/TxDtls/AckdDt

Document/SctiesTxPstngRpt/FinInstrmDtls/Tx/TxDtls/MtchDt

* semt.018 – Statement of pending Instructions

Document/SctiesTxPdgRpt/Sts/StsAndRsn/InstrPrcgSts/AckdAccptd/DtTm

Document/SctiesTxPdgRpt/Sts/StsAndRsn/MtchgSts/Mtchd/DtTm

* sese.024 – Securities Settlement Transaction Status Advice

Document/SctiesSttlmTxStsAdvc/PrcgSts/AckdAccptd/DtTm

Document/SctiesSttlmTxStsAdvc/MtchgSts/Mtchd/DtTm

* sese.032 – settlement instruction status advice

Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/PrcgSts/AckdAccptd/DtTm

Document/SctiesSttlmTxGnrtnNtfctn/StsAndRsn/MtchgSts/Mtchd/DtTm

1. **Purpose of the change:**

The business case for enhancing the reporting functionalities of T2S regarding the “Accepted” and “Matched” timestamp is strongly reinforced by record keeping requirements coming from the European CSD Regulation (CSDR), which requires CSDs to maintain and keep updated a record of all transactions including information regarding these timestamps. Reference to this specific requirement can be found in European Securities and Markets Authority (ESMA) Regulatory Technical Standards (RTS) on CSD Requirements under CSDR, Article 54, Transaction/Settlement Instruction (Flow) Records, points (g), (h), and (i)[[1]](#footnote-1).

1. **Urgency of the request:**

We request the SEG to consider this change request for the next maintenance cycle.

1. **Business examples:**

Change1: Inclusion of accepted and/or matched timestamps in the sese.024 and accepted timestamp in the semt.014 message schema

This option encompasses change in the message schema of sese.024 (Securities Settlement Transaction Status Advice) and semt.014 (Intra Position Movement Status Advice) to indicate the accepted and matched timestamp in the status advice message (only accepted status exists for Intra Position Movement status advice).

It is necessary because the timestamp provided in the head.001 of the related sese.024/semt.014 is not reflecting the SF1 and SF2 timestamp but the time at which the complete message made up by the payload and the Business Application Header is generated.

Change 2: Inclusion of accepted and/or matched timestamps in the sese.032 schema

In case of T2S generated settlement instructions, CSDs do not necessarily receive status advice messages. Instead, they receive generation notifications, which is sese.032 (Securities Settlement Transaction Generation Notification) in case of realignments and auto-collateralisation instructions. This option encompasses changes in the message schema of the sese.032 message, to indicate the accepted and matched timestamp in the generation notifications.

It is necessary because the timestamp provided in the head.001 of the related sese.032 is not reflecting the SF1 and SF2 timestamp but the time at which the complete message made up by the payload and the Business Application Header is generated.

Change 3: Enhancement in reporting in order to retrieve the necessary accepted and matched timestamp of settlement instructions and accepted timestamp of settlement restrictions on securities.

Considering that the CSDs request for end of day reports via Statement of Transactions (semt.017), Statement of Pending Instructions (semt.018) and Intra Position Movement Posting Report (semt.016), this option enhances these reports to provide the accepted and/or matched timestamp of the reported settlement instructions and the accepted timestamp of settlement restrictions on securities.

The fields mentioned above are required in semt.017, semt.018 and semt.016 message structure for reporting the accepted and matched timestamp of the reported settlement instructions and only the accepted timestamp of the reported settlement restrictions on securities. The fields are optional and to be filled by T2S for relevant settlement instructions and settlement restrictions on securities which are accepted and/or matched in T2S.

1. **SEG recommendation:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Consider** | | X | **Timing** |
|  | | - **Next yearly cycle: 2016/2017**  (the change will be considered for implementation in the yearly maintenance cycle which starts in 2016 and completes with the publication of new message versions in the spring of 2017) | | X |
|  | | - **At the occasion of the next maintenance of the messages**  (the change will be considered for implementation, but does not justify maintenance of the messages in its own right – will be pending until more critical change requests are received for the messages) | |  |
|  | | - **Urgent unscheduled**  (the change justifies an urgent implementation outside of the normal yearly cycle) | |  |  |
|  | | - **Other timing:** | | |  |

Comments:

|  |  |
| --- | --- |
| **Reject** |  |

Reason for rejection:

1. https://www.esma.europa.eu/sites/default/files/library/2015/11/2015-esma-1457\_-\_annex\_ii\_-\_csdr\_ts\_on\_csd\_requirements\_and\_internalised\_settlement.pdf [↑](#footnote-ref-1)