

SUMMARY OF THE 12th MEETING OF THE T2S DCP GROUP (DCPG)

Held in Frankfurt at the New ECB premises on 16 November 2015

0. Welcome and approval of the agenda

Mr Topa (Chairperson) welcomed the participants and the participants approved the agenda for the meeting. He also presented to the group the new secretary, Javier Castillo (ECB) who replaced Lorenzo Dal Bianco (ECB) as from this meeting.

1. Review of recent open issues

1.1 DCP consolidated list

The members of the DCPG were provided the updated DCPs consolidated list and were informed of the next deadlines to provide the list of U2A DCPs for wave 3 (23 November 2015). The members of the DCPG were informed that the consolidated list including the participants in U2A DCPs for wave 3 would be on the T2S website in the coming days.

As only one deadline will be missing after November 2015, i.e. declarations for U2A connections in migration wave 4 to be submitted by 11 June 2016, the participants agreed that only this last deadline will need to be reviewed in the future once there is a final new composition of the migration waves. Furthermore, it was clarified that the declarations are necessary to manifest the commitment and to allow for proper preparation of the testing activities, whilst the change in the planned migration date is a matter impacting the DCP's activities and those of the respective NCB/CSD. As usual, changes to the declarations already provided are still possible in case an institution decides to no longer connect as a DCP or if an institution who had not submitted its declaration on time for the past deadlines changes strategy and decides to set up a direct connection to T2S (although the latter case may require specific consent to be given by the relevant CSD/NCB).

Further clarifications on these aspects, including the procedure for the entry of new DCPs with CSDs/NCBs that have already migrated to T2S, will be added in a new version of the note "DCPs"

Declaration Process and Change Management”, which will be circulated to the DCPG in the coming weeks.

1.2 Recent consultations and briefings

The members of the DCPG were informed on the developments following recent written consultations and briefed about recent decisions that are relevant to the DCPs:

- a) Consultation on Change Requests raised by the Deutsche Bundesbank on behalf of German NUG (by 04.11.2015): Both the CRG chairperson and Ms Tobiasch (Bundesbank) thanked the DCPG members for providing comments on the list of Change Requests. Furthermore, the representative of the Bundesbank informed that the German NUG was still reviewing the written feedback from the DCPG members and that feedback would be provided in written procedure in January/February 2016.

Concerning CR-544 "Retroactive Cash Restriction (Cash Blocking and Reservation)", although the German NUG did not have sufficient time to fully discuss the workaround proposals, initial opinions are that they may not be operationally viable to satisfy the business case.

- b) Items published for information: Publication of draft intermediate UDFS v2.1, UHB v2.1 and GFS v5.1 (e-mail from 29 October 2015); and T2S knowledge based repository - new presentations (e-mail from 27); Mr Topa thanked the ECB for updating and maintaining the T2S knowledge based repository which is regarded as a valuable source of information from a user's perspective.

1.3 Information on change and release management

Mr Topa summarised for the members of the DCPG the involvement of the DCP representatives in the change and release management. He mentioned that there is no need to change the T2S governance to increase the involvement of the DCPs as these are represented as observers in the different T2S sub-groups. In addition, the DCPG could be used more frequently as a consultation group for non-national specific issues to provide feedback from the NUGs to the CSDs/NCBs.

Eight DCPs participate in the CRG as observers and other DCP representatives are observed in the CSG and OMG. However, it was reckoned that the main issues on the change and release management topics are currently treated in the joint PMG-CRG-OMG meetings, to which the CRG observers were invited but none had participated so far. Therefore, the Chairman concluded by inviting the CSDs to provide more information in the change and release management to the DCPs, which would assist the DCPs to better understand the situation on this topic; and at the same time, by inviting the DCP representatives in the CRG to participate to the joint PMG-CRG-OMG meetings.

2. Information from other T2S groups, CBs and CSDs

The DCPG members were invited to take note of the information provided in this section, originating from other T2S groups, CBs and CSDs activities on items that are also relevant for the DCPs.

2.1 Information from Central banks

The NCBs did not have any information to provide to the DCPG.

2.2 Information from CSDs

Mr Benito, Chairperson of the CSG, updated the DCPG on the current status of preparation for the re-planning of the migration waves following the delay announced by Euroclear. The new scenario proposed will be assessed in a joint working group that has already started works and aims at proposing the detailed re-planning to be approved by the T2S Board on 9 December and by the CSG on 10 December. Thereafter, the AG will be consulted. The approval by the ECB Governing Council approval is expected in January 2016.

2.2.1 CSG taskforce on insolvency procedures

Mr Heys (ECB) debriefed the DCPG members on the progress of the CSG taskforce on insolvency procedures. The taskforce analysed the matter from both procedural and legal angles and produced a Collective Agreement (CA) that should be signed by the end of the year or before the go-live of migration wave 2 in March 2016. The taskforce has identified a high amount of manual intervention and concluded that there was a need to change some features in T2S. Consequently three Change Requests have been proposed and sent to the CRG for assessment. In the meantime, at the Advisory Group (AG) it was proposed that the OMG could carry out the testing on insolvency scenarios according to the procedures as currently documented in the T2S MOP. The taskforce would be dissolved once the CRs have been approved.

An update on this subject will be given in the next DCPG meeting.

3. Open Issues Register

The DCPG members agreed to close two issues; B.9 Primary Dealer Auctions - as no further requests for clarification were put forward; and B.12 Operational aspects - the DCPG members agree to pursue this topic by discussing the issue on a bilateral bases with the CSDs.

The DCPG members were informed about an issue raised by BNP Paribas according to whom T2S is producing too many messages in the lifecycle of a transaction, some of which could be disregarded. This topic has been included the Open Issue Register under item B.15. The Chairperson proposed that the DCPs provide a list of messages that could be stopped and provide the list to the CRG for consideration.

4. Miscellaneous

4.1 Any Other Business

4.1.1 Involvement of clients of the DCPs in community testing

The representative of ABN AMRO raised a point on the involvement of clients of the DCPs in the T2S Community tests to allow proper end-to-end testing. It was considered that CSDs should allow their clients not only to perform bilateral tests between them and the Agent, but also to perform end-to-end tests over the CSD / T2S platform itself. The DCPG members agreed that Banks and CSDs should hold bilateral discussions on the setup of the testing activities for the respective communities.

4.2 Future DCPG meetings

- *17 February 2016 (AG meeting)*
- *26 April 2016 (CSG meeting)*
- *14 June 2016 (CSG meeting - Madrid)*
- *5 July 2016 (AG meeting)*
- *20 September 2016 (CSG meeting)*
- *29 November 2016 (AG meeting)*