

T2S CHANGE REQUEST FORM		
General Information (Origin of Request) ☐ User Requirements (URD) or GUI Business Functionality Document (BFD) ☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: 4CB	Institute: 4CB	Date raised: 24/08/2022
Request title: T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes		Request No.: T2S 0792 SYS
Request type: Common	Classification: Standards compliance	Urgency: Normal
1. Legal/business importance parameter¹: Medium		2. Market implementation efforts parameter²: Low
3. Operational/Technical risk parameter³: Low		4. Financial impact parameter⁴: Low
Requestor Category: 4CB		Status: Implemented

Reason for change and expected benefits/business motivation:

T2S makes use of several ISO Standards for codes, all of which are part of ISO 20022. T2S internal validations and processing are based on specific published versions of each ISO Standard. 4CB carry out a periodic review of ISO Standards implemented on T2S side in order to determine the T2S software's continuing adherence to the existing Standards, also considering the possible updated versions of each ISO Standard published since the last review. Upon publication of an updated version of a given ISO Standard, this review may lead to different possible outcomes depending on the nature of the update: either the T2S software is assessed to be already in line with the update – in which case the new ISO Standard version is then declared as the version officially implemented in T2S implementation – or a software change is required to maintain the alignment.

The version of ISO 10962 implemented in T2S corresponds to the ISO 10962:2015 version of the standard, implemented with CR534. This version of the standard restricts the possible values in the Classification of Financial Instruments (CFI) codes that may be input as part of the Securities data in CRDM. Two new versions of the standard (ISO 10962:2019 and ISO 10962:2021) were published since the version used in T2S. The 4CB review highlighted the need for two types of changes:

- New CFI code patterns should be allowed
- Currently allowed CFI code patterns should no longer be allowed

In order to allow the transition to the new standard in an ordered manner, two CRs are being raised, one for each of the changes listed above. This CR focuses on the second change required in a chronological order, i.e. the removal of decommissioned code patterns.

Description of requested change:

The internal processing corresponding to CRDM business rules for the CFI Code in the Securities object should be updated to no longer allow decommissioned values as foreseen in the ISO 10962:2021 standard.

No impact has been detected on the Financial Instrument Type categories based on the CFI codes and used in the T2S Penalty Mechanism as described in T2S UDFS section 1.2.7.

The full list of decommissioned code patterns is below. In line with the ISO Standard, the term "Attribute" represents the four final characters in the code pattern (e.g. "first attribute" is the third character in the code). The "X" character represents an undefined value and as such is used to represent the code patterns.

¹ Legal/business importance parameter was set to 'Medium' because with this change T2S will be compliant with the latest ISO standard related to CFI codes.

² Market implementation effort parameter was set to 'Low' because this change will not require a long implementation time on the side of Participating CSDs, CBs and their communities so that they take full benefit of the change.

³ Operational/technical risk parameter was set to 'Low' because this change is not expected to have a significant operational impact on the Participating CSDs, CBs or 4CB.

⁴ Low < 100kEUR < Low-Medium < 200 kEUR < Medium < 400kEUR < High < 700kEUR < Very high

Category	Group	Attribute modified	Value	CFI Code
Swaps	SR	Fourth	C	SRXXXXC
Swaps	SR	Fourth	P	SRXXXXP
Swaps	SF	Fourth	N	SFXXXXN
Non Listed and Complex	HT	First	Q	HTQXXX
Non Listed and Complex	HF	Second	A	HFXAXX
Non Listed and Complex	HF	Second	B	HFXBXX
Non Listed and Complex	HF	Second	C	HFXCXX
Non Listed and Complex	HF	Second	D	HFXDXX
Non Listed and Complex	HF	Second	E	HFXEXX
Non Listed and Complex	HF	Second	F	HFXFXX
Non Listed and Complex	HF	Second	H	HFXHXX
Non Listed and Complex	HF	Second	I	HFXIXX
Non Listed and Complex	HF	Fourth	N	HFXXXN
Forwards	JF	Fourth	N	JFXXN

Prior to the implementation of the software change in each environment, CSDs will have to check and possibly update their data in order to ensure that no existing, non-mature Securities remain using the decommissioned codes.

Submitted annexes / related documents:

CFIDeltaISO2015-2021.xlsx: full list of changes from the ISO 10962:2015 standard to the ISO 10962:2021 version.

Outcome/Decisions:

*CRG on 21 September 2022: the CRG agreed to request the preliminary assessment of CR-792.

*CRG on 12 January 2023: the CRG agreed to recommend CR-792 for authorization by the T2S Steering Level.

*AMI-SeCo on 26 January 2023: the AMI-SeCo agreed with the CRG recommendation of CR-792 for T2S Steering Level Authorisation.

*NECSG on 27 January 2023: the NECSG agreed to authorise CR-792.

*CSG on 27 January 2023: the CSG agreed to authorise CR-792.

*MIB on 1 February 2023: the MIB agreed to authorise CR-792.

*PMG on 7 February 2023: the PMG agreed to launch the detailed assessment of CR-792 with a view of scoping in Release 2024.NOV.

*PMG on 12 December 2023: the PMG agreed to launch the detailed re-assessment of CR-792 with a view of scoping in Release 2025.JUN, following the OMG view that it would be preferable to implement CR-0791 in R2024.NOV and CR-0792 in R2025.JUN, so that a migration of decommissioned codes could be handled with no operational risk.

*CRG on 30 January 2024: the CRG agreed to recommend to the PMG the inclusion of CR-792 in the scope of R2025.JUN.

*OMG on 28 February 2024: the OMG did not identify any operational impact of the inclusion of CR-0792 with R2025.JUN.

*PMG on 12 March 2024: the PMG agreed to recommend the inclusion of CR-0792 in the scope of R2025.JUN.

*CSG on 25 March 2024: the CSG approved the implementation of CR-0792 with R2025.JUN.

*NECSG on 25 March 2024: the NECSG approved the implementation of CR-0792 with R2025.JUN.

*MIB on 26 March 2024: the MIB approved the implementation of CR-0792 with R2025.JUN.

Documentation to be updated:

No additional change to the T2S Scope-defining documents is foreseen other than the ones already included in CR T2S-0791-SYS. However, the T2S software implementation will be fully in line with the T2S SDD changes with the implementation of both CRs. The SDD changes are copied here for ease of consultation.

CRDM UDFS

1.3.4.3 Description of the entities

1. Securities

ATTRIBUTE	DESCRIPTION
CFI	Classification of the security according to ISO/DIS 10962:202115(E) standards.

4.5.3.6 Securities - New

Flat file	Excel	Column Name	Format	Description	Rules	Occurs per Record	Occurs per Group
2	B	Record Id	NUMERIC (10)	Unique identifier of the record.	Must occur in each line of the record.	1..n	
Group "Securities"						1..1	
3	C	ISIN	CHAR (12)	Actual value for the securities code, (the ISIN for the security).			1..1
4	D	CFI Code	CHAR (6)	Classification of the security according to ISO/DIS 10962:202115(E) standard.			1..1
[...]							

5.1 Business Rules

BR NAME	DESCRIPTION	INBOUND MESSAGE	REPLY MESSAGE	CODE USE	REASON CODE	ERROR TEXT
DSC1700	When performing a Securities Create request, the CFI must be compliant with ISO/DIS 10962:202115(E) standards.	reda.006	reda.008		REJT	CFI not compliant with ISO/DIS 10962:202115(E) standards
DSU1410	When performing a Securities Create request, the CFI must be compliant with ISO/DIS 10962:202115(E) standards.	reda.007	reda.29		REJT	CFI not compliant with ISO/DIS 10962:202115(E) standards

CRDM UHB Book 2

Section 4.3.2.46 Security – New/Edit Screen (references for error messages)

Reference for error message	Field or button	Error Text	Description
DSC1700	- CFI Code field - Submit button	CFI not compliant with ISO/DIS 10962:202115(E) standards	When performing a Securities Create request, the CFI must be compliant with ISO/DIS 10962:202115(E) standards.
DSU1410	- CFI Code field - Submit button	CFI not compliant with ISO/DIS 10962:202115(E) standards	When performing a Securities Update request, the CFI must be compliant with ISO/DIS 10962:202115(E) standards.

T2S UDFS**1.2.2.2 Concept of securities in T2S**

T2S stores securities reference data required for settlement purpose for all eligible financial instruments. T2S identifies securities by means of the International Securities Identification Number (ISIN) code, as defined in the ISO 6166:2013 standard. Additionally, T2S classifies securities by CFI (Classification of Financial 3 Instruments, ISO/DIS 10962:202115(E) standards)

Preliminary assessment:

- **Financial impact:** Low
- **Impacted modules:** CRDM, LCMM and SETT
- **Impact on other Eurosystem Services or Projects:** n/a
- **Risk analysis:** No risks have been identified during the preliminary assessment
- **Findings:**

The internal processing corresponding to CRDM business rules DSC1700 and DSU1410 for the CFI Code in the Securities object should be updated to no longer allow decommissioned values as foreseen in the ISO 10962:2021 standard.

Change reference to new CFI code standard for the following messages/tags in MyStandards.
“CFIOct2015Identifier” to be replaced by 2021 reference⁵.

Message	path
reda.006	/Document/SctyCreReq/Scty/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
reda.007	/Document/SctyMntncReq/UpdTp/UpdTp/Modfy/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
reda.010	/Document/SctyQry/SchCrit/ClssfctnFinInstrm
reda.012	/Document/SctyRpt/SctyRptOrErr/SctyRptOrBizErr/SctyRpt/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
semt.013	/Document/IntraPosMvmntInstr/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
semt.016	/Document/IntraPosMvmntPstngRpt/FinInstrm/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
semt.029	/Document/IntraPosMvmntQryRspn/Mvmnts/Mvmnt/MvmntDtls/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
semt.034	/Document/IntraPosMvmntPdgRpt/Mvmnts/Mvmnt/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
sese.023	/Document/SciesStlmTxInstr/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm
sese.030	/Document/SciesStlmCondsModReq/AddtlInf/ClssfctnTp/ClssfctnFinInstrm
sese.032	/Document/SciesStlmTxGnrtnNtfctn/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

The messages and fields that could be impacted by the removal of decommissioned code patterns in the Classification of Financial Instruments (CFI) codes, are the following ones:

- Sese.025

⁵ Need to decide on a unified reference to the 2021 framework that is common for all messages.

/Document/SctiesSttlmTxConf/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

- Sees.028

/Document/SctiesSttlmTxAllgmtNtfctn/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

- Semt.002

/Document/SctiesBalCtdyRpt/BalForAcct/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

/Document/SctiesBalCtdyRpt/SubAcctDtIs/BalForSubAcct/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

- Semt.015

/Document/IntraPosMvmntConf/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

- Semt.017

/Document/SctiesTxPstngRpt/FinInstrmDtIs/InvstmtFndsFinInstrmAttrbts/ClssfctnTp/CFI

/Document/SctiesTxPstngRpt/SubAcctDtIs/FinInstrmDtIs/InvstmtFndsFinInstrmAttrbts/ClssfctnTp/CFI

- Semt.019

/Document/SctiesSttlmTxAllgmtRpt/AllgmtDtIs/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

- Semt.040

/Document/SctiesAcctPosRspn/Bals/BalForAcct/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

/Document/SctiesAcctPosRspn/Bals/SubAcctDtIs/BalForSubAcct/FinInstrmAttrbts/ClssfctnTp/ClssfctnFinInstrm

Detailed assessment:

EUROSYSTEM ANALYSIS – GENERAL INFORMATION			
T2S Specific Components		Common Components	
LCMM			
	Instructions validation		
	Status management		
	Instruction matching		
	Instructions maintenance		
	Penalty Mechanism		
Settlement			
	Standardisation and preparation to settlement		
	Night-time Settlement		
	Daytime Recycling and optimisation		
	Daytime Validation, provisioning & booking		
	Auto-collateralisation		
Liquidity Management			
	Outbound Information Management		
	NCB Business Procedures		
	Liquidity Operations		
T2S Interface		Eurosystem Single Market Infrastructure Gateway (from R6.0 June 2022)	
	Communication		Communication
	Outbound Processing		Outbound Processing
	Inbound Processing		Inbound Processing
Static Data Management (until June 2022)		Common Reference Data Management (from R6.0 June 2022)	
	Party data management		Party data management
	Securities data management	X	Securities data management
	Cash account data management		Cash account data management
	Securities account data management		Securities account data management

	Rules and parameters data management		Rules and parameters data management
Statistics and archive		Statistics and archive	
	Statistical information (until June 2022)		Short term statistical information
	Legal archiving (until June 2022)		Legal archiving (from R6.0)
			Data Warehouse (from R6.0)
Information (until June 2022 containing reference data)		CRDM business interface (from R6.0 June 2022)	
	Report management		Report management
	Query management		Query management
			Communication
			Outbound Processing
			Inbound Processing
Operational Services			
	Data Migration (T2S DMT)		Data Migration (CRDM DMT, from R6.0)
	Scheduling (until June 2022)		Business Day Management (from R6.0)
			Business Day Management business interface (from R6.0)
	Billing (until June 2022)		Billing (from R6.0)
			Billing business interface (from R6.0)
	Operational Monitoring		Operational and Business Monitoring
	MOP Contingency Templates		

Impact on major documentation				
Document	Chapter	Change		
Impacted GFS chapter		No impact		
Impacted UDFS chapter	1.3.4.3 Description of the entities 4.5.3.6 Securities – New 5.1 Business Rules	Change of ISO Standard for Security CFI code		
Additional deliveries for Message Specification (UDFS, MyStandards, MOP contingency templates)	MyStandards, semt.013, 016, 029, 034 sese.023, 030, 032	Remove reference to ISO 2015 CFI code scheme for the specified messages;		
	reda.006, reda.007, reda.010, reda.012	Add an editorial annotation to the CFI fields in order to reference to the v.2021 of the standard		
UHB	4.3.2.46 Security – New/Edit Screen	Change of ISO Standard for Security CFI code for business rules DSC1700 and DSU1410		
Other impacted documentation (FA Sch. 05, FA Sch. 07)		No impact		
Impacted GDPR message/ screen fields		No impact		
Links with other requests				
Links	Reference		Title	

OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2S SYSTEM AND ON THE PROJECT			
Summary of functional, development, infrastructure and migration impacts			
Amendment of CRDM Business rules DSC1700 and DSU1410 in order to change the validation on Security CFI code. The full list of decommissioned code patterns is in the table below.			

Category	Group	Attribute modified	Value	CFI Code
Swaps	SR	Fourth	C	SRXXXC
Swaps	SR	Fourth	P	SRXXXP
Swaps	SF	Fourth	N	SFXXN
Non Listed and Complex	HT	First	Q	HTQXXX
Non Listed and Complex	HF	Second	A	HFXAXX
Non Listed and Complex	HF	Second	B	HFXBXX
Non Listed and Complex	HF	Second	C	HFXCXX
Non Listed and Complex	HF	Second	D	HFXDXX
Non Listed and Complex	HF	Second	E	HFXEXX
Non Listed and Complex	HF	Second	F	HFXFXX
Non Listed and Complex	HF	Second	H	HFXHXX
Non Listed and Complex	HF	Second	I	HFXIXX
Non Listed and Complex	HF	Fourth	N	HFXXXN
Forwards	JF	Fourth	N	JFXXN

With the amendment of Business rules DSC1700 and DSU1410, CRDM will not accept anymore the above classes of CFI codes. In each environment, CSDs will have to check and possibly update their data in order to ensure that no existing, non-mature Securities remain using the decommissioned codes.

The CFIDeltaISO2015-2021.xlsx lists all changes from the ISO 10962:2015 standard to the ISO 10962:2021 version.

Main cost drivers

- Removal of code patterns for CFI code for the object "Security" with impacts for CRDM Common Component (BE).
- Implementation of means to prevent the creation and the update of the to be decommissioned CFI codes (new functionality, as from software implementation perspective codes are not removed, but features are implemented to prevent the processing of those codes).
- Removal of the reference to ISO 2015 CFI code scheme for the several ISO messages.

Impact on other TARGET Services and projects

No impact on other Eurosystem Services or Projects has been identified during detailed assessment.

Summary of project risk

No risk has been identified during detailed assessment.

Security analysis

No adverse effect has been identified during security assessment.



14 February 2024

Cost assessment on Change Requests

T2S-792-SYS – T2S alignment to ISO 10962:2021 CFI code – removal of decommissioned codes			
One-off	Assessment costs*		
	- Preliminary	2,000.00	Euro
	- Detailed	20,000.00	Euro
One-off	Development costs	35,703.97	Euro
Annual	Operational costs		
	- Maintenance costs	2,047.98	Euro
	- Running costs	0.00	Euro

*The relevant assessment costs will be charged regardless of whether the CR is implemented (Cf. T2S Framework Agreement, Schedule 7, par. 5.2.3).