

T2S Release 6.0 - Information on the production launch in July 2022 – Final Update

Note: This announcement, originally published on 24 January 2022, and updated following Announcement [D22011 and on 2 May 2022](#), has been enhanced for the execution of the customer simulation. Changes have been highlighted.

Clearstream Banking AG, Frankfurt¹ informs customers about the upcoming TARGET2-Securities (T2S) release 6.0 in July 2022. According to the [T2S Release Concept](#), the release will be deployed on

the weekend 2 and 3 July 2022

for business day, Monday, 4 July 2022

T2S Release 6.0 – Scope

With the T2S Release 6.0, 15 Change Requests (CRs) will be introduced in production.

[On 23 June 2022, the Market Infrastructure Board \(MIB\) approved the implementation of T2S Release 6.0.](#)

[An additional list attached to this customer announcement shows identified deviations that were accepted by T2S during the functional test for bug fixes \("Release Defects"\), but for which the modification of the T2S software cannot be ready with the start of T2S Release 6.0. The list of "Remaining Defects" is based on information provided by ECB on 28 June 2022. CBF has executed an initial assessment of the deviations shown. A revaluation with regard to the impact on customers operating in ICP and / or DCP mode will be conducted at a later stage.](#)

[T2S will prioritise the identified deviations and implement the bug fixes step by step with the upcoming T2S releases. CBF will reflect this process and announce the status of the implementation in the customer notifications for the following T2S releases.](#)

- **Overview T2S Change Requests**

The report attached shows all approved T2S Change Requests (CRs). Customers acting in DCP mode will find an indication whether a CR requires an update of the XSD files (please refer to column "XSD Change for DCP"). More details on these requirements can be found in the related ECB documentation².

At present, 15 CRs are scheduled for implementation by T2S. According to the T2S Service Transition Plan of mid-December 2021, the final version of the XSD files modified for T2S Release 6.0 will be available as of 25 January 2022.

The change requests mentioned below will have an impact on the infrastructure with T2S:

- The application of CR "T2S-0722-SYS: Upgrade of non-repudiation for U2A", which was originally planned for implementation in June 2021, will be considered for deployment in July 2022. Customers using the T2S graphical user interface (T2S GUI) need to take into consideration the modifications for granting a digital signature to critical instructions. The current software will be replaced by "Ascertia Desktop Signing Services (ADSS)" in the future. Further information regarding the installation is available in the description of ["T2S-0722-BFD: Upgrade of non-repudiation for U2A"](#). For the implementation, a technical documentation on the ["non-repudiation procedure \(NRO\)"](#) is provided by T2S as well as the ["Installation Guide" by Ascertia](#).
- With the deployment of the Eurosystem Single Market Infrastructure Gateway (ESMIG) and the adjustments described in CR ["T2S-0701-SYS: ESMIG impact on T2S"](#),

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² Details about the scope elements of [T2S Release 6.0](#) are published on the ECB's website.

functionalities currently provided by T2S modules will be covered by the new gateway in the future. The related T2S features will be decommissioned. Customers acting in DCP mode are requested to prepare for this change in due time and to participate in the associated tests. CR ["T2S-0705-SYS: CRDM Business Interface Impact on T2S"](#) contains a list of the affected T2S Online functionalities and message types.

In addition to the functional enhancements for processing on T2S, changes are made to the T2S Invoice Management. Access to the "Billing Component" will be provided via ESMIG. This shall be possible for all functions via the online functionality (User to Application; U2A) and in automated messaging (Application to Application; A2A) for a subset of the associated functions. The final analysis of the related CR ["T2S-0706-SYS: Billing common component - T2S Migration"](#) shows that this change will have no impact on CBF services.

- **Problem Tickets (PBIs)**

CBF regularly reviews the lists of outstanding PBIs provided by T2S. The analysis of the list published mid-April 2022 currently shows nine T2S Problem Tickets (PBIs) that may have an impact on customers acting in ICP and / or DCP mode. The verification result is included in the second list attached.

- **Transition plan**

The installation of T2S Release 6.0 into production is planned for the first weekend in July 2022. The deployment will be executed via the "Release Weekend Schedule". In line with the deployment approach of previous T2S Releases, the schedule of the T2S Operational Day will be modified due to the implementation activities. The deployment will start once the end of day procedure ("T2S End of Day") on Friday, 1 July 2022 has been completed. [On 21 June 2022](#), CBF provided an [indicative timeline](#) for changes in the operational day during the deployment weekend.

CBF Enhancements fo the T2S Release 6.0

CBF aims to mitigate the impact on customers operating in ICP mode as much as possible. Functional enhancements delivered by T2S will be included in CBF's scope of services. CBF will adapt functionalities and the automated connectivity channels (SWIFT, MQ or File Transfer (FT)) according to the future service level.

T2S CR requiring software adoptions

Based on the analysis of the T2S Change Request documentation provided by T2S, the following adjustments in the T2S functionality will lead to changes in the customers' instruction management.

- **T2S-0557-SYS "Skip validations on minimum settlement unit (MSU) and settlement unit multiple (SUM) for settlement instructions related to Market Claims and Transformations"**

With the implementation of the July 2022 release, T2S will no longer validate the fields minimum settlement unit (MSU) and settlement unit multiple (SUM) for all instructions provided with the ISO transaction code "CLAI". With this procedure, T2S standardises the settlement rules for CSDs and other T2S Actors.

The adjustment means that, in particular for market claims and transformations, the nominal specified in the securities instruction can differ from the security master data stored in T2S. Currently, instructions provided with the ISO transaction code "CLAI" and showing a deviating nominal are rejected by the inbound interfaces.

- Customers acting in ICP mode receive the error messages:
KV0604F - Nominal must be a multiple of the smallest denomination //
The nominal must be a multiple of the smallest denomination; and
KV6103F - Nominal is less than the minimum transfer unit //
Nominal is less than the minimum transfer unit.

- Customers acting in DCP mode receive a rejection from T2S indicating reason codes MUNO - the indication MVSQ606 - The Settlement Quantity of the Settlement Instruction is neither a multiple of Settlement Unit Multiple nor a Deviating Settlement Unit; and MINO - the message MVSQ604 - The Settlement Quantity of the Settlement Instruction is lower than the Minimum Settlement Unit.

These error messages continue to apply to other business processes and are provided according to the existing definitions.

No migration activities are planned for this enhancement, as no pending instructions are available on T2S due to the current validation. Customers present instructions with a deviating nominal using the ISO transaction code "CLAI" as of Monday, 4 July 2022.

T2S CRs with potential customer impact

The following CRs complement the current scope of services and will be available to CBF customers after the implementation of T2S Release 6.0. These changes do not require any software modifications in CBF's systems. However, CBF recommends customers to review the changes for any necessary adjustments in their own systems or operational processes.

- **T2S-0739-SYS "Prioritise transactions with an older intended settlement date over newer ones also after ISD+3 of the newer transaction"**

During T2S real-time processing (RTS), newer transactions may be settled before older ones. The order of the settlement instructions may result in older transactions not being settled and possibly a buy-in process will be initiated. Although there is no mandatory regulatory change for a strict order, market participants have requested that a further prioritisation of instructions shall be established. The new rule should only apply to transactions that are already pending and not to the first settlement attempt of a transaction.

With the July 2022 release, T2S will update the settlement algorithms and / or posting processes to prioritise transactions with an Intended Settlement Date (ISD) that is three or more days in the past. However, the specified priority of the underlying instruction will still be considered.

- **T2S-0758-SYS „Own party data must be present for already matched cross CSD instructions"**

Since June 2021, already matched" (ALM) instructions can be created for cross-border transactions allowing a standard processing throughout Europe. That is, CBF customers can enter an "ALM instruction" against a "Counterparty CSD account" by specifying the counterparty data (Party Level 1). Based on the initial T2S definition, it is not mandatory to provide the own party data in the Party Level 1.

With the change that T2S will implement in July 2022, it will become mandatory to provide the own party information (Party BIC and Party CSD) in the delivery or receipt instruction. This means that the details for Delivering Party 1 or Receiving Party 1 must be presented to T2S.

This requirement was considered by CBF with the June 2021 implementation as this validation is required for CASCADE instruction management. Further information regarding the creation of ALM instructions for cross-border transactions is available in the customer announcement for T2S Release 5.0 ([D21004](#)).

Contact

For further information, customers may contact [Clearstream Banking Client Services](#) or their Relationship Officer. Questions related to the technical connection can be addressed to [Connectivity Support](#). Particular questions related to the production launch in July 2022 will be routed to the experts of the T2S Release Management.