General Information (Origin of Request)		
☐ User Requirements (URD) ☒ Other User Functional or Technical Documentation (SYS)		
Request raised by: Migration Sub-group	**Institute:** ECB	**Date raised:**
Request title: Queuing of incoming messages		**Request ref. no:** T2S 431 SYS
Request type: Common		**Urgency:** Normal
1. Legal/business importance parameter: Critical		**2. Market implementation efforts parameter:** Low
3. Operational/Technical risk parameter: Low		**4. Financial impact parameter:**
Requestor Category: T2S Sub-group		**Status:** Rejected by the CRG

Reason for change / expected benefits / business case:

Currently, already migrated/ migrating securities DCPs might send settlement instructions to T2S during the migration weekend via A2A as well as U2A.

Having instructions from DCPs in T2S before the CSDs complete the reconciliation of their instructions creates risks for the migration. In case DCPs send their messages before the CSDs complete reconciliation of their instructions to T2S, this could result in breaks in the reconciliation by the CSDs or could potentially interfere with the proper functioning of T2S. This could also result in potential cross-matching of instructions i.e. unintended matching between the instructions input by CSD, and the instructions input by DCPs.

As DCP instruction should not be processed by the system before the "point of no return", but the timing of this point is not defined upfront, DCPs would have to keep their staff available during the weekend to release the instructions at the right point in time.

The migrating CSDs have to anyway queue the new instructions from their ICP, in order for them to complete the changes to their processing systems. In this context, if the DCPs' instructions are allowed to be processed in T2S at any time, the DCPs instructions would be processed before the ICPs instructions could enter T2S. This would not ensure a level playing field between ICPs and DCPs.

Hence, **the incoming messages from DCPs should be queued in T2S until the T2S migration is in the right phase (i.e. after the "point of no return") to process them.**

To ensure a level playing field, CSDs will release the ICPs' instructions from their side at the same time as the release of DCPs' instructions in T2S.

Without this change request CSDs estimate an additional time effort of about 3 hours (depending on the number of DCPs already migrated and migrating in a migration wave) for additional co-ordination, reconciliation and error handling. In addition DCPs would have to be involved as active participants during the migration weekend, thus increasing the co-ordination effort and risk of error. A general rejection of all DCP messages, instead of queuing, would also require that DCPs become actively involved in the migration weekend and in addition would increase time for co-ordination between the different actors.

The proposed change request would also help to resolve some contingency scenarios that would require the restore of an earlier saving point.

Furthermore, this functionality could also be re-used for future T2S releases.

The following alternative options have been investigated:

- 4CB has investigated, whether VAN providers could possibly queue the messages on their side, but the VAN providers communicated that such functionality is not covered by the current VAN license agreement.

- 4CB has investigated, whether a queuing on infrastructure level would be possible, but as DCP and CSD messages are received and processed via the same channels, a differentiation would not be possible.

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Description of Request:

For all incoming messages received during the migration weekend, there should be the possibility to queue the incoming messages to prevent their immediate processing and to release them for processing at the right phase during the T2S migration weekend.

Queuing of incoming messages

Requirement ID	T2S MG.SIM.010

Messages (e.g. settlement instructions) sent by the securities DCPs to T2S during the migration weekend via A2A should be queued to prevent an immediate processing by the T2S business application.

Release of queued incoming messages

Requirement ID	T2S MG.SIM.020

It shall be possible to release the queued messages to the T2S business application for processing.

Blocking of U2A Access

Requirement ID	T2S MG.SIM.030

U2A access for DCPs should be prevented during this specific period during the migration weekend, i.e. between the start of the migration weekend and the "point of no return".

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Submitted annexes / related documents:

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Proposed wording for the SYS Change request:

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Outcome/Decisions:

* Migration Sub-group meeting of 17 October 2013: The Migration Sub-group decided to submit the Change Request to the Change Review Group.

* CRG meeting of 24 October 2013: The CRG decided to put the Change Request on hold and wait for the feedback from the DCP and CSDs in the context of the DCP forum discussions.

* CRG meeting of 16 December 2013: The CRG decided to recommend the rejection of the Change Request.