

General Information (Origin of Request)		
<input checked="" type="checkbox"/> User Requirements Document (URD) <input type="checkbox"/> User Detailed Functional Specification (UDFS) <input type="checkbox"/> User Handbook (UHB) <input type="checkbox"/> Other User Functional or Technical Documentation (SYS)		
Request raised by: ECB	Institute: ECB	Date raised: March 2021
Request title: T2S rule-based LT: CLM Impacts		Request ref. no: CSLD-0067-URD
Request type: common	Classification: Scope enhancement	Urgency: Normal
1. Legal/business importance parameter:		2. Market implementation efforts parameter – Stakeholder impact:
3. Operational impact:		4. Financial impact parameter:
5. Functional/ Technical impact: Medium		6. Interoperability impact:
Requestor Category: ECB		Status: Approved

Reason for change and expected benefits/business motivation:

Rule-based liquidity transfers for floor breaches are currently foreseen in CLM and RTGS. This change request increases the scope of such rule-based liquidity transfers to include transfers where T2S and/or TIPS pulls liquidity from CLM in case of a floor breach in T2S and/or TIPS. It should be assessed and approved together with T2S CR720 and TIPS CR28. This change request handles the changes to be done on the CLM side.

Description of requested change:

CLM should be able to handle incoming liquidity transfer orders sent by T2S and push liquidity to T2S accordingly. In this scenario, T2S sends a liquidity transfer order to CLM like an external actor would, except that the order does not go through ESMIG. We understand that such a communication channel is already in place between RTGS and CLM and could be reused.

The incoming liquidity transfer order will attempt to push liquidity from the CLM account indicated as debited account to the T2S account indicated as credited account in the order.

There are no specific requirements on the messaging and communication: 4CB can propose the architecture it deems the most suitable.

In practice, T2S will send liquidity transfer orders crediting a T2S CB account and debiting a CLM CB account belonging to the same central bank, when a floor is breached on the T2S CB account; but the implementation should not be restricted to T2S and CLM CB accounts only (However it shall not be possible to pull liquidity from Transit Accounts, Mirror Accounts, CB/ECB Accounts, Overnight Deposit Accounts, CLM Technical Accounts for ECONSII and Marginal Lending Accounts), nor to the floor scenario only, in view of potential future extensions. In general, CLM/CRDM should not perform additional business validations on the debited/credited account combinations. For the new channel the existing business validations (performed on liquidity transfers received through ESMIG) should apply.

If it does not increase the cost of the CR, CLM should also be able to process liquidity transfer orders sent in the same way by TIPS, i.e. debiting a CLM account and crediting a TIPS account. This is in view of a potential future functionality of rule-based LTs in TIPS.

These liquidity transfer orders will be processed by CLM as if they were an immediate interservice liquidity transfer received from ESMIG (i.e. there are no special processing rules). In more detail: the validation rules and process flows applying to a liquidity transfer order received from an external actor through ESMIG should apply in this context too. This processing is described in detail in the UDFS and includes the behaviour in case of reservations, missing liquidity, etc. (full, partial, etc.)

In case of several orders received from T2S, the behaviour should be the same as if several requests came from ESMIG: there are no special rules.

The liquidity transfers coming through this new channel should be identifiable in the camt.053 and camt.054 and they should be identifiable in the statistical classification framework. Such identification should also include the requesting settlement service.

The legal archiving back-tracing procedures should be enhanced to include the new scenarios implemented.

Preliminary Assessment:

Following T2-WG prioritisation, this CR was selected for Detailed Assessment without Preliminary Assessment. Out of the two potential options initially considered (described below), only option 1 will be assessed.

The URD changes below use the working assumption that a generic solution (option 1) will be implemented. The word text above describes a mixture of both solutions.

Option 1:

A generic solution in which CLM can handle floor LTOs from any connected settlement service. This means it should be possible for CLM to accept pull LTs which are the result of a floor breach in the business sending service. Pull LTs should be possible from CLM accounts except for Transit Accounts, Mirror Accounts, CB ECB Accounts, Overnight Deposit Accounts, CLM Technical Accounts for ECONSII and Marginal Lending Accounts.

It should be possible to provide a statistical classification for all the relevant business cases and to inform the customer about the underlying business case within camt.053 and camt.054 messages.

The generic solution cannot prevent a future CR to be raised and assessed in case a new sending service currently not foreseen must be considered.

Option 2:

A customised solution which is adjusted to the business needs of T2S CR 720. It should be possible for CLM to receive a pull liquidity transfer from T2S in case there is a floor breach on a CLM CB account during the Eod processing. Such pull liquidity transfer should only be possible for an account combination debiting a CLM CB account and crediting a T2S CB account. A statistical classification for this business case should be possible and the customer should be informed about the underlying business case in the camt.053 and camt.054 provided by CLM.

This option is not being assessed as part of the Detailed Assessment.

Submitted annexes / related documents:

None

Proposed wording for the Change request:

Changes to section 1.2 of the CLM URD.

Business Process Model 1: Figure to be adjusted by renaming the bar 'Party' to 'Party / Other settlement service'.

1.2.2 Process Overview

Process goal:

The aim of the process is to allow the CLM account holder or another settlement service to transfer liquidity from a CLM Account to a T2S/RTGS/TIPS Account. These settlement services will use this liquidity for settling their specific transactions.

Pre-conditions:

A Party wishing to transfer liquidity from a CLM Account to a T2S/RTGS/TIPS Account needs to be a CLM account holder and needs to be authorised to debit the CLM Account.

Time constraints:

Inter-service liquidity transfers shall be possible throughout the whole business day with the exception of the End of Day processing and the maintenance window.

Expected results:

As inter-service liquidity transfer orders shall not be queued, three different scenarios are possible in terms of execution: full, partial and no execution.

Triggers:

Inter-service liquidity transfers can be initiated in ~~three~~ four different ways:

- ▶ Immediate liquidity transfer orders initiated via A2A or U2A by a CLM account holder (owner of the CLM Account that will be debited) or by another Actor operating on behalf of the CLM account holder under a contractual agreement;
- ▶ Immediate liquidity transfer orders initiated by another settlement service;

- ▶ Standing order liquidity transfer orders set up by a CLM account holder (owner of the CLM Account that will be debited) or by another Actor operating on behalf of the CLM account holder under a contractual agreement and that are automatically triggered on a regular basis; or Rule-based liquidity transfer orders that are automatically triggered whenever a predefined event occurs.

[...]

1.26.1.1. 1.2.3.1 Perform Technical Validation

Task Ref: CLM.TR.CLM.LTSEN.010

Technical validation only applies to immediate liquidity transfer orders initiated either by a CLM account holder (owner of the CLM Account that will be debited) or by another Actor operating on behalf of the CLM account holder under a contractual agreement, or to immediate liquidity transfer orders received from other settlement services.

[...]

1.26.1.2. 1.2.3.2 Perform Business Validation

Task Ref: CLM.TR.CLM.LTSEN.020

Where there is a positive result of the technical validation of the immediate liquidity transfer order, CLM shall validate the message received against the reference data and perform additional checks/validations.

Moreover, standing order, liquidity transfer orders sent by other settlement services and rule-based liquidity transfer orders shall also pass the business validation within CLM.

UDFS

CLM UDFS

NEW: 5.4.2.3.4 Pull liquidity from T2S

This liquidity transfer request sent by T2S will be validated by CLM and in case of negative validation answered by a camt.025 including a negative validation status (note: in case of a negative technical validation like schema error the response message will be an admi.007).

In case of positive validation CLM settles on the CLM account and the CLM dedicated transit account for T2S (full or partial settlement in case of insufficient liquidity) and sends a camt.050 liquidity transfer to T2S to transfer cash from CLM to T2S. T2S attempts to credit the respective T2S account within its system and replies to CLM with a camt.025 receipt (note: in case of a negative technical validation like schema error the response message will be an admi.007). This can be either a confirmation in case of positive booking or a rejection in case of a negative outcome.

After reception of the camt.025 receipt from T2S, CLM sends a camt.025 informing T2S about the successful full or partial settlement of the initial pull liquidity transfer request.

Additionally CLM informs its customer of the debit on its account via camt.054 message when subscribed for.

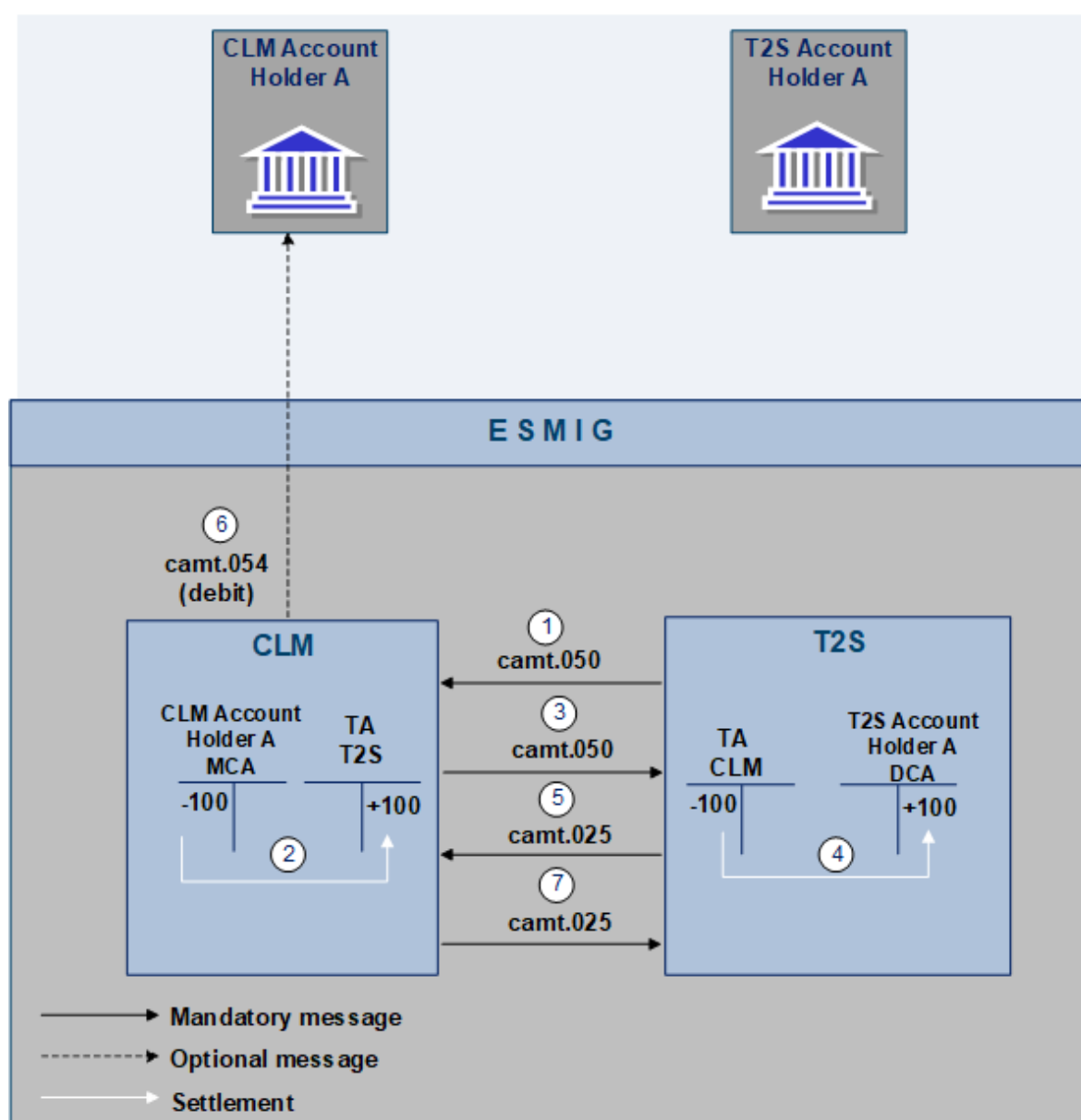


Figure 1 Inter-service liquidity transfer between CLM and T2S

Process description:

Step	Processing in/between	Description
1	T2S to CLM	A LiquidityCreditTransfer pull request (camt.050) is sent from T2S to CLM via 4CBNet.
2	CLM	Settlement on MCA and dedicated transit account for T2S in CLM
3	CLM to T2S	A LiquidityCreditTransfer push request (camt.050) is sent from CLM to T2S via 4CBNet.
4	T2S	Settlement on dedicated transit account for CLM in T2S and T2S DCA

Step	Processing in/between	Description
<u>5</u>	<u>T2S to CLM</u>	A Receipt (camt.025) generated in T2S is sent to CLM via 4CBNet. It is the answer to the camt.050 sent in step 3.
<u>6</u>	<u>CLM via ESMIG to CLM</u> Account Holder	A BankToCustomerDebitCreditNotification (camt.054) (debit) is sent by CLM via ESMIG to the CLM Account Holder (optional).
<u>7</u>	<u>CLM to T2S</u>	A Receipt (camt.025) is sent by CLM to T2S via 4CBNet. It is the answer to the camt.050 sent in step 1.

Note: As already documented in the CLM UDFS a rule-based liquidity transfer order pulling liquidity from an account in CLM is partially settled up to the amount available. For the remaining amount that could not settle in the first settlement attempt, no further attempt takes place. In case there is no liquidity at all available in the non-reserved part of the MCA or CLM CB Account, the rule-based liquidity transfer order is rejected.

Used messages

LiquidityCreditTransfer (camt.050)

BankToCustomerDebitCreditNotification (camt.054)

Receipt (camt.025)

NEW: 5.4.2.3.5 Pull liquidity from TIPS

This liquidity transfer request sent by TIPS will be validated by CLM and in case of negative validation answered by a camt.025 including a negative validation status (note: in case of a negative technical validation like schema error the response message will be an admi.007).

In case of positive validation CLM settles on the CLM account and the CLM dedicated transit account for TIPS (full or partial settlement in case of insufficient liquidity) and sends a camt.050 liquidity transfer to TIPS to transfer cash from CLM to TIPS. TIPS attempts to credit the respective TIPS account within its system and replies to CLM with a camt.025 receipt (note: in case of a negative technical validation like schema error the response message will be an admi.007). This can be either a confirmation in case of positive booking or a rejection in case of a negative outcome.

After reception of the camt.025 receipt from TIPS, CLM sends a camt.025 informing TIPS about the successful full or partial settlement of the initial pull liquidity transfer request.

Additionally CLM informs its customer of the debit on its account via camt.054 message when subscribed for.

Note: As already documented in the CLM UDFS a rule-based liquidity transfer order pulling liquidity from an account in CLM is partially settled up to the amount available. For the remaining amount that could not settle in the first settlement attempt, no further attempt takes place. In case there is no liquidity at all available in the non-reserved part of the MCA or CLM CB Account, the rule-based liquidity transfer order is rejected.

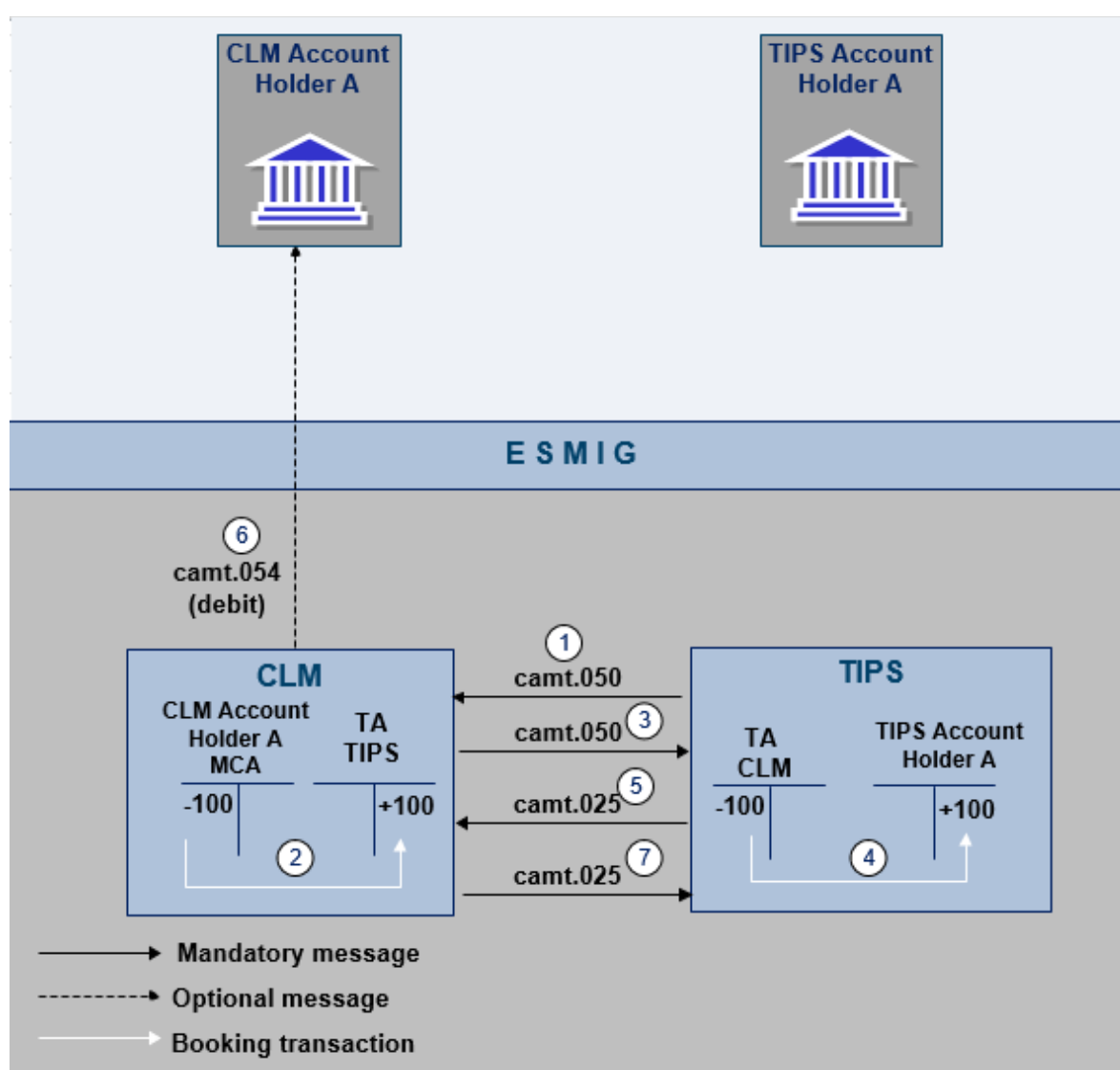


Figure 2 Inter-service liquidity transfer between CLM and TIPS

Process description:

Step	Processing in/between	Description
1	TIPS to CLM	A LiquidityCreditTransfer pull request (camt.050) is sent from TIPS to CLM via 4CBNet.
2	CLM	Settlement on MCA and dedicated transit account for TIPS in CLM
3	CLM to TIPS	A LiquidityCreditTransfer push request (camt.050) is sent from CLM to TIPS via 4CBNet.
4	TIPS	Settlement on dedicated transit account for CLM in TIPS and TIPS Account

Step	Processing in/between	Description
5	TIPS to CLM	A Receipt (camt.025) generated in TIPS is sent to CLM via 4CBNet. It is the answer to the camt.050 sent in step 3.
6	CLM via ESMIG to CLM Account Holder	A BankToCustomerDebitCreditNotification (camt.054) (debit) is sent by CLM via ESMIG to the CLM Account Holder (optional).
7	CLM to TIPS	A Receipt (camt.025) is sent by CLM to TIPS via 4CBNet. It is the answer to the camt.050 sent in step 1.

Note: As already documented in the CLM UDFS a rule-based liquidity transfer order pulling liquidity from an account in CLM is partially settled up to the amount available. For the remaining amount that could not settle in the first settlement attempt, no further attempt takes place. In case there is no liquidity at all available in the non-reserved part of the MCA or CLM CB Account, the rule-based liquidity transfer order is rejected.

Used messages

LiquidityCreditTransfer (camt.050)

BankToCustomerDebitCreditNotification (camt.054)

Receipt (camt.025)

5.4.2.1 Overview

[...] With regard to the push or pull of liquidity, a liquidity transfer in CLM can be initiated towards the following settlement services:

Liquidity transfer type	Initiator	Use case	Push/Pull	Counterpart cash account in
Immediate liquidity transfer order	CLM Actor	Intra-service	Push	CLM
		Inter-service	Push or pull	RTGS, TIPS, T2S
Automated liquidity transfer order	System	Inter-service	Pull	RTGS
Rule-based liquidity transfer order		Intra-service	Push or pull	CLM
		Inter-service	Push or pull	RTGS
			<u>Push (as pull response)</u>	<u>RTGS, TIPS, T2S⁴⁴</u>
Standing order liquidity transfer order		Intra-service	Push	CLM
		Inter-service	Push	RTGS, TIPS, T2S

Table 1 - Liquidity transfer order directions

Footnote: ⁴⁴ Subject to availability of functionality in the counterpart settlement service: In case of floor breach in RTGS, TIPS or T2S or in case of queued payment orders or AS transfer orders in RTGS debiting an MCA or CLM CB Account

[...]

5.3.8.2 Entry disposition

[...]

Unsuccessful entry disposition

If a submitted regular payment order cannot settle in the entry disposition, it is placed into the queue of payment orders according to the FIFO-principle.

Note: Contrary to regular payment orders, unsettled immediate liquidity transfers as well as unsettled connected payments are not placed into a queue and are rejected with appropriate error code in case of insufficient liquidity. Standing order liquidity transfer orders and rule-based liquidity transfer orders due to a floor configuration in ~~RTGS~~ another settlement service or on another MCA within the same Liquidity Transfer Group or between two CLM accounts belonging to a CB are also not queued, but can settle partially.

[...]

9.7. Perform standard CLM settlement

9.7.1 Description

Cash transfer order type	Initiation	Possible results			
		Queued	Settled with full amount	Failed	Partially settled - no further settlement attempt
Payment orders (excluding connected payments)	Not relevant	x	x		
Liquidity transfer orders	CLM Account Holder		x	x	

Cash transfer order type	Initiation	Possible results			
		Queued	Settled with full amount	Failed	Partially settled - no further settlement attempt
	CB		x	x	
	Pull sent from RTGS, TIPS, T2S - rule-based liquidity transfer (floor breach or queued urgent/high priority payment)		x	x	x
	Push sent to RTGS - rule-based liquidity transfer (ceiling breach)		x	x	x
	Pull sent from CLM - rule-based liquidity transfer (floor breach)		x		
	Push sent to CLM - rule-based liquidity transfer (ceiling breach)		x		
	Push from any other settlement service (inbound liquidity transfer)		x		
	Inter-service liquidity transfer reversal (due to rejection of CLM outbound liquidity transfer by other settlement service)		x		

Table 64 - Possible results of "Attempt cash transfer order settlement"

12.2.13 BankToCustomerStatement (camt.053)

12.2.13.3 The message in business context

Specific message contents

Message item	Utilisation
[...]	
Creditor Account /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdParties/CdtrAcct/Id/Othr/Id	[...]
Instructing Agent BIC /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdAgents/InstgAgt/FinInstnId/BICFI	For payment: BIC of the instructing agent For rule-based, automated and standing order liquidity transfer: <u>System BIC of initiating settlement service / component</u>

Instructed Agent BIC /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdA gts/InstdAgt/FinInstnId/BICFI	For payment: BIC of the instructed agent
[...]	[...]

Table 177 - BankToCustomerStatement (camt.053)

12.2.14 BankToCustomerDebitCreditNotification (camt.054)

12.2.14.3 The message in business context

Specific message contents

Message item	Utilisation
[...]	
Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/Tx Dtls/RltdPties/CdtrAcct/Id/Othr/Id	[...]
Instructing Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/Tx Dtls/RltdAgt/InstgAgt/FinInstnId/BICFI	For payment: BIC of the instructing agent <u>For rule-based, automated and standing order liquidity transfer: System BIC of initiating settlement service / component</u>
Instructed Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/Tx Dtls/RltdAgt/InstdAgt/FinInstnId/BICFI	For payment: BIC of the instructed agent
[...]	[...]

Table 179 - BankToCustomerDebitCreditNotification (camt.054)

RTGS UDFS

5.5.2.1 Overview

[...] With regard to the push or pull of liquidity a liquidity transfer from RTGS can be initiated towards the following settlement services:

Liquidity transfer type	Initiator	Use case	Push/pull	Counterpart cash account in
Immediate liquidity transfer order	RTGS Actor	Intra-service	Push	RTGS
		Inter-service	Push (<u>incl. pull response</u> ²⁸)	CLM, TIPS, T2S
Rule-based liquidity transfer order	System	Intra-service	Push or pull	RTGS
		Inter-service	Push (<u>incl. pull response</u>) or pull	CLM

Liquidity transfer type	Initiator	Use case	Push/pull	Counterpart cash account in
Standing order liquidity transfer order		Intra-service	Push	RTGS
		Inter-service	Push	CLM, TIPS, T2S
Automated liquidity transfer order		Inter-service	Push (<u>as pull response</u>)	CLM

Table 2 - Liquidity transfer directions

Footnote: ²⁸ A CLM Account Holder can “pull” liquidity from RTGS DCAs by entering an immediate liquidity transfer order via U2A only.

[...]

12.2.20 BankToCustomerStatement (camt.053)

12.2.20.3 The message in business context

Specific message contents

Message item	Utilisation
[...]	
Creditor Account /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	[...]
Instructing Agent BIC /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	For payment: BIC of the instructing agent For AS transfer: BIC of first agent <u>For rule-based, automated and standing order liquidity transfer: System BIC of initiating settlement service / component</u>
Instructed Agent BIC /Document/BkToCstmrStmnt/Stmnt/Ntry/NtryDtls/TxDtls/RltdAgts/InstdAgt/FinInstnId/BICFI	For payment: BIC of the instructed agent For AS transfer: BIC of final agent
[...]	[...]

Table 282 - BankToCustomerStatement (camt.053)

12.2.21 BankToCustomerDebitCreditNotification (camt.054)

12.2.21.3 The message in business context

Specific message contents

Message item	Utilisation
[...]	
Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	[...]
Instructing Agent BIC	For payment: BIC of the instructing agent

/Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	For AS transfer: BIC of first agent For rule-based, automated and standing order liquidity transfer: System BIC of initiating settlement service / component
Instructed Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	For payment: BIC of the instructed agent For AS transfer: BIC of final agent
[...]	[...]

Table 284 - BankToCustomerDebitCreditNotification (camt.054)

[...]

Message item	Utilisation
[...]	
Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	RDEEURUBSWCHZHXXXUBSWCHZHXXX
Instructing Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	TRGTXEPMRTG
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 288 - BankToCustomerCreditDebitNotification (camt.054) – usage case Credit Notification (Standing Order) (Scenario 067)

[...]

Message item	Utilisation
[...]	
Related Parties Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	UDEEURCOBADEFFXXX16COBADEFFXXX0001
Instructing Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	TRGTXEPMRTG
Debtor Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/DbtrAgt/FinInstnId/BICFI	MARKDEFFCLC
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 300 - DebitNotification (camt.054) – procedure C successful settlement (Scenario 541)

[...]

Message item	Utilisation
[...]	
Related Parties Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	UDEEURSOLADESTXXX16SOLAD EST6000001
<u>Instructing Agent BIC</u> /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	<u>TRGTXEPMRTG</u>
Debtor Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/DbtrAgt/FinInstnId/BICFI	MARKDEFFCLC
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 301 - DebitNotification (camt.054) – procedure C successful settlement (Scenario 541)

[...]

Message item	Utilisation
[...]	
Related Parties Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	RDEEURCOBADEFFXXXCBA DEFFXXX
<u>Instructing Agent BIC</u> /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	<u>TRGTXEPMRTG</u>
Debtor Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/DbtrAgt/FinInstnId/BICFI	MARKDEFFCLC
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 307 - DebitNotification (camt.054) – procedure C partial settlement (Scenario 544)

[...]

Message item	Utilisation
[...]	
Related Parties Creditor Account /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdPties/CdtrAcct/Id/Othr/Id	RDEEURSOLADESTXXXSOLAD DEST600
<u>Instructing Agent BIC</u> /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI	<u>TRGTXEPMRTG</u>

Debtor Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/DbtrAgt/FinInstnId/BICFI	MARKDEFFCLC
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 308 - DebitNotification (camt.054) – procedure C partial settlement (Scenario 544)

[...]

Message item	Utilisation
[...]	
Transaction Amount /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/Amt	EUR 120000.00
<u>Instructing Agent BIC</u> <u>/Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/InstgAgt/FinInstnId/BICFI</u>	<u>TRGTXEPMRTG</u>
Debtor Agent BIC /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/RltdAgts/DbtrAgt/FinInstnId/BICFI	MARKDEFFCLC
Local Instrument Proprietary /Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry/NtryDtls/TxDtls/LclInstrm/Prtry	LSIA

Table 314 - DebitNotification (camt.054) – procedure D successful settlement with liquidity adjustment (Scenario 561)

High level description of Impact:**Impacts on other projects and products:**

Corresponding CRs T2S CR-0720 and TIPS-CR-0028

General note: The dependencies exist from CLM/RTGS point of view:

T2S and/or TIPS can deploy their corresponding CRs after the T2 deployment. This does not cause any issue.

In any case the T2-CR0067 needs to be deployed before or at the same time as the TIPS and/or T2S CR

Outcome/Decisions:

EUROSYSTEM ANALYSIS – GENERAL INFORMATION
--

			Process	User Interaction	Business Data Definition	Non-functional Requirements
CENTRAL LIQUIDITY MANAGEMENT (CLM)	GENERAL	CLM Payment Order				
		CLM Liquidity Transfer Order	X			
		CLM Liquidity Reservation				
	CENTRAL BANK SERVICES	Modify Credit Line				
		Connected Payments				
		Overnight Deposit				
		Marginal Lending				
		Minimum Reserve Management				
		EoD General Ledger Files				
REAL-TIME GROSS SETTLEMENT (RTGS)	GENERAL	RTGS Payment Order				
		Queue Management				
		RTGS Liquidity Transfer Order	X			
		RTGS Liquidity Reservation				
		RTGS Services for Ancillary Systems (AS)				
	CB SERVICES					
COMMON	GENERAL	ESMIG				
		CRDM				

		Business Day				
		User Roles and Access				
		Information and Reporting				
		Data Warehouse Services	X			
	CENTRAL BANK	Billing				
		Legal Archiving				
		Contingency Settlement				

Impact on major documentation		
Document	Chapter	Change
Impacted UDFS chapter	CLM	
	5.3.8.2 Entry disposition	Updated description to include floor liquidity transfer requests sent by all settlement services instead of RTGS only
	5.4.2.1 Overview	Add pull response case from other settlement services in table 35
	5.4.2.3.4 (new chapter) 5.4.2.3.5 (new chapter)	Add chapters to describe pulling liquidity from T2S and TIPS.
	9.7.1 Description	Added pull sent from TIPS/T2S in table 64
	12.2.13.3 12.2.14.3	Add use for system generated liquidity transfer in <Instructing Agent BIC> in tables 177 and 179
	RTGS	
	5.5.2.1 Overview	Add pull response case from other settlement services in table 68
	12.2.20.3	Add use for system generated liquidity transfer in <Instructing Agent BIC> in tables 282 and 284
Additional deliveries for Message Specification (UDFS, MyStandards, MOP)	12.2.21.3	Update message example tables 284, 288, 300, 301, 307, 308 and 314 by adding new message item "Instructing Agent BIC" with component BIC TRGTXEPMRTG
	MyStandards usage guidelines: CLM camt.053_BankToCustomerStatement camt.054_BankToCustomerDebitCredit Notification RTGS	Add use for system generated liquidity transfer in message elements for CLM and RTGS: /Document/BkToCstmrStmnt/StmntNtry/NtryDtls/TxDtls/RltdAgts/InstgAgt

contingency templates)	camt.053_BankToCustomerStatement camt.054_BankToCustomerDebitCredit Notification	/Document/BkToCstmrDbtCdtNtfctn/Ntfctn/Ntry /NtryDtls/TxDtls/RltdAgts/InstgAgt Update 6 message examples and deliver in MyS and RP: camt.054_RTGS_CreditNotification_StandingOrder_bs067.xml camt.054_AS-C_DebitNotification_bs541-1D.xml camt.054_AS-C_DebitNotification_bs541-2D.xml camt.054_AS-C_DebitNotification_bs544-1D.xml camt.054_AS-C_DebitNotification_bs544-2D.xml camt.054_AS-D_DebitNotification_bs561-1D.xml		
UHB				
External training materials	Review and adjustment of Liquidity Management Section in CLM presentation of T2 Training materials			
Other impacted documentation				
Impacted GDPR message/ screen fields				
Other documentations				
Links with other requests				
Links	Reference		Title	
OVERVIEW OF THE IMPACT OF THE REQUEST ON THE T2SYSTEM AND ON THE PROJECT				
Summary of functional, development, infrastructure and migration impacts				
CLM/RTGS:				
General consideration:				
In line with the URD the interaction between CLM and the other settlement service is standardised to the extent possible. Consequently, the already implemented functionality between CLM and RTGS will be not be changed but enhanced to take into account also the interaction between CLM and T2S as well as between CLM and TIPS. A settlement service that wants to use the CLM standards interface for the functionality described in the CR needs to have a published system BIC of the settlement service (i.e. BIC needs to be published in CRDM BIC directory).				
Note: The CR increases the number of TARGET settlement services which are allowed to use the already existing pull functionality in T2. In line with the requirements in this CR the already existing functionality for T2-related “rule-based floor” remains unchanged for the whole T2 service including the set-up of reference data in CRDM.				
Business context:				
With implementation of the change requests T2S-720-URD on T2S side and CSLD-0067-URD on CLM side, T2S can send pull liquidity transfer to request debiting CLM CB Accounts and MCAs and crediting T2S DCAs and T2S Central Bank Accounts. T2S sends these pull liquidity transfer requests (i.e. camt.050) via the internal interface (4CBNet) to CLM.				
With the changes for CSLD-0067-URD CLM will also offer the option for TIPS to send pull liquidity transfer requests debiting a CLM CB Account or MCA and crediting a TIPS Account. TIPS has to send these pull liquidity transfer requests via the internal interface (4CBNet) to CLM.				
Note: It is up to the respective settlement service to which extent the functionality available in CLM is used and the usage of the full scope might be subject to additional CRs in the relevant settlement service.				
T2S:				
This liquidity transfer request sent by T2S will be validated by CLM and in case of negative validation answered by a camt.025 including a negative validation status (note: in case of a negative technical validation like schema error the response message will be an admi.007).				
In case of positive validation CLM settles on the CLM account and the CLM dedicated transit account for T2S (full or partial settlement in case of insufficient liquidity) and sends a camt.050 liquidity transfer to T2S to transfer				

cash from CLM to T2S. T2S attempts to credit the respective T2S account within its system and replies to CLM with a camt.025 receipt (note: in case of a negative technical validation like schema error the response message will be an admi.007). This can be either a confirmation in case of positive booking or a rejection in case of a negative outcome.

After reception of the camt.025 receipt from T2S, CLM sends a camt.025 informing T2S about the successful full or partial settlement of the initial pull liquidity transfer request.

Additionally CLM informs its customer of the debit on its account via camt.054 message when subscribed for.

Note: Any (optional) camt.054 credit notification by T2S to the T2S account holder is subject to corresponding change request T2S-720-URD.

Note: As already documented in the CLM UDFS a rule-based liquidity transfer order pulling liquidity from an account in CLM is partially settled up to the amount available. For the remaining amount that could not settle in the first settlement attempt, no further attempt takes place. In case there is no liquidity at all available in the non-reserved part of the MCA or CLM CB Account, the rule-based liquidity transfer order is rejected.

TIPS:

As the implementation approach within CLM is a generic solution which foresees to offer a unified functionality to any connected settlement service, the processing of a pull liquidity transfer request sent by TIPS will be similar to the above described CLM-T2S interaction.

Such a request sent by TIPS will be validated by CLM and in case of negative validation answered by a camt.025 including a negative validation status (note: in case of a negative technical validation like schema error the response message will be an admi.007) to TIPS. In case of positive validation CLM settles on the CLM account and the CLM dedicated transit account for TIPS (full or partial settlement in case of insufficient liquidity) and sends a camt.050 liquidity transfer to TIPS to transfer cash from CLM to TIPS. TIPS attempts to credit the respective TIPS account within its system and replies to CLM with a camt.025 receipt (note: in case of a negative technical validation like schema error the response message will be an admi.007). This can be either a confirmation in case of positive booking or a rejection in case of a negative outcome.

After reception of the camt.025 receipt from TIPS CLM sends a camt.025 informing TIPS about the successful full or partial settlement of the initial pull liquidity transfer request.

Additionally CLM informs its customer of the debit on its account via camt.054 message when subscribed for.

Note: As already documented in the CLM UDFS a rule-based liquidity transfer order pulling liquidity from an account in CLM is partially settled up to the amount available. For the remaining amount that could not settle in the first settlement attempt, no further attempt takes place. In case there is no liquidity at all available in the non-reserved part of the MCA or CLM CB Account, the rule-based liquidity transfer order is rejected.

Note: Any (optional) camt.054 credit notification by TIPS to the TIPS account holder is subject to corresponding change request TIPS CR-28.

With regard to the above stated L2 requirement

QUOTE

"For the new channel the existing business validations (performed on liquidity transfers received through ESMIG) should apply. [...]"

In more detail: the validation rules [...] applying to a liquidity transfer order received from an external actor through ESMIG should apply in this context too."

UNQUOTE

4CB would like to emphasise, that for the new functionality of pull liquidity transfers by T2S/TIPS to CLM the same set of rule applies as for pull liquidity transfer by RTGS to CLM (and vice versa) which deviates in some aspects from the set of rules on liquidity transfers received through ESMIG as e.g. through ESMIG no pull liquidity transfers are accepted.

Furthermore it has to be pointed out, that CLM is performing no authorisation checks between the debited CLM account and the credited account of the receiving settlement service (e.g. same account owning party), i.e. those authorisation checks are subject to the initiating settlement service or the previously configuration setup in CRDM respectively.

Finally, please note that additional future changes might require separate CRs and revisions to the implementation.

DWH:

Potential change to the statistical classification framework by adding one or several additional filters. Definition of these additional filters has to be delivered by the TAG.

CRDM:

The general logic already applied for the propagation of CRDM data to CLM/RTGS concerning liquidity transfer orders remains unchanged, i.e. liquidity transfer orders concerning only T2S are not propagated to CLM/RTGS. In the context of this CR this means that CRDM does not propagate the new order type as it is a T2S only type, even if the debit account belongs to CLM. The CRDM – CLM/RTGS interface needs to be updated accordingly, whereas the CLM/RTGS data propagation processing remains unchanged. CRDM implements the appropriate filter logic to achieve this.

Impact on other TARGET Services and projects
T2S: corresponding T2S CR-0720 (T2-CR0067 has to be deployed before or at the same time as T2S-CR0720)
TIPS: corresponding TIPS CR-0028 (T2-CR0067 has to be deployed before or at the same time as TIPS-CR0028)
ECMS: No impact
Summary of project risk
None
Security analysis
No adverse effect has been identified during security assessment.