EUROPEAN CENTRAL BANK

EUROSYSTEM

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: Bundesbank	**Institute:** Central bank	**Date raised:** 15/09/2019
Request title: Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off		**Request ref. no:** T2S 0720 URD
Request type: Common	**Classification:** Scope enhancement	**Urgency:** Normal
1. Legal/business importance parameter: High		**2. Market implementation efforts parameter:** Low
3. Operational/Technical risk parameter: Medium		**4. Financial impact parameter:** High
Requestor Category: Central bank		**Status:** Implemented

Reason for change and expected benefits/business motivation:

In the context of the T2/T2S Consolidation, for EUR currency a feature of rule-based liquidity transfers (triggered by floor and ceiling amounts being reached[1]) between a CLM MCA and a RTGS DCA will exist. The below graph (extract from CLM UDFS v1.0) shows the principle of floor and ceiling between a MCA and a RTGS DCA in future Target Services (Go-live in November 2021). This change request aims at implementing a similar principle between a T2S DCA and its connected MCA, in the specific case of a T2S.NCB account having a negative balance after the end of the current inbound LT cut-off procedure.

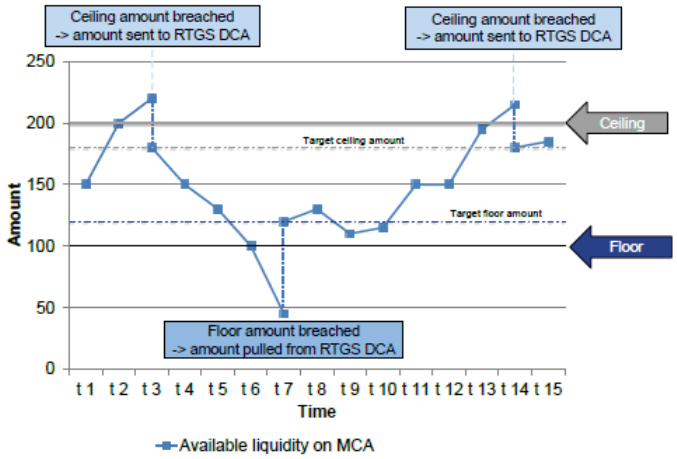


Figure 26 - Breach of floor/ceiling threshold - automatic liquidity transfer

At the moment, only the possibility to even out negative balances before the end of day is subject of this CR

Main benefits of this Change request:

- A possible complement to CR-709: CR-709 (Make the mandatory automated cash sweep at 17:45 optional) does not foresee to transfer negative account balances (on NCB accounts) automatically to T2 anymore. Only positive amounts will be transferred if the automated cash sweep is activated. By setting a (target) floor amount of zero on the T2S Central Bank Account, liquidity would be pulled from the NCB's CLM CB account each time needed, preventing it to go below zero.

[1] And triggered by a failed settlement mechanism for Ancillary Systems

Description of requested change:

NCB accounts are allowed to have negative balances in T2S. Some NCBs may need to zero out these balances shortly before end-of-day, to ensure there is no overnight negative balance on their T2S accounts. The requested LT mechanism is only to cover a negative balance and should be triggered by the existing event for the end-of-day optional cash sweep (OCS2 event, introduced for EUR with CR 709, set up for DKK in a near future),, for the exact amount needed to zero out the account (i.e. after the LT cut-off, there should be two exceptions: to allow liquidity in coming from this event based mechanism and to allow the LTs that carry out the optional cash sweep. From NCBs perspective, this feature should ideally be available by the go-live of T2-T2S Consolidation. The feature should be available, but not mandatory, for all CBs participating in T2[2].

The solution should be designed in such a way that the failure of a liquidity transfer in the cases listed above does not result in reattempting that liquidity transfer in a potentially endless loop.

In case the response of this new kind of liquidity transfer request (from CLM to T2S) arrives after the end of the real time closure phase (ERTS), then the NCB balance to be credited will remain negative in T2S, and the transfer carried out in CLM should be reverted.

This functionality should be accessible to Central banks only (DCAs of payment banks cannot have negative balances).

This feature should be designed in a multi-currency way, i.e. available for any T2S currency settling in T2.

Submitted annexes / related documents:

N/A

Outcome/Decisions:

*CRG on 8 November 2019: The CRG launched the preliminary assessment of CR-720.
*CRG on 27 November 2019: The CRG confirmed the launch of the preliminary assessment of CR-720.
*CRG on 17 September 2020: The CRG agreed to narrow the scope of CR-720 to include only an optional mechanism to prevent overnight negative balances on NCB accounts, and recommended the authorisation of CR-720 by the T2S Steering Level.
*CRG on 20 September 2020: The CRG agreed on the proposed parameters for CR-720 and their justification
*AMI-SeCo on 12 October 2020: The AMI-SeCo agrees with the CRG recommendation of authorisation of CR-720 by the T2S Steering Level.

*CSG on 15 October 2020: The CSG took the resolution to authorise CR-720.

*NECSG on 16 October 2020: The NECSG took the resolution to authorise CR-720.

*MIB on 03 November 2020: The MIB agreed to authorise CR-720.

*PMG on 19 November 2020: the PMG proposed to allocate CR-720 to R6.0 and launched its detailed assessment.

*PMG on 21 May 2021: due to the dependencies with CSLD CR-0067, the PMG proposed to allocate CR-720 to R7.0 and launched its detailed assessment.

*PMG on 31 August 2022: 4CB informed in the PMG Meeting that the detailed assessment of CR-720 was not feasible for R2023.JUN and it had to be put on hold.

*PMG on 14 December 2022: The PMG agreed to launch the detailed assessment of CR-720 with a view of scoping in Release R2024.JUN.

*OMG on 8 December 2023: the OMG identified no operational impact from the inclusion of CR-720 in R2025.NOV.

*CRG on 30 January 2024: the CRG agreed to recommend to the PMG the implementation of CR-0720 in the scope of R2025.NOV.

*PMG on 6 February 2024: the PMG agreed to recommend the inclusion of CR-720 in the scope of R2025.NOV.

*CSG on 20 February 2024: the CSG approved the inclusion of CR-720 in the scope of R2025.NOV.

*NECSG on 20 February 2024: the NECSG approved the inclusion of CR-720 in the scope of R2025.NOV.

*MIB on 28 February 2024: the MIB approved the inclusion of CR-720 in the scope of R2025.NOV.

[2] For T2S currencies not settling in T2, the existing, mandatory cash sweep already sweeps negative balances back to the relevant external RTGS system (e.g. Kronos 2)

Documentation to be updated:

URD:

Section 6.2.2.1 General Requirements

Definition of a "zero floor" for a NCB T2S dedicated cash account

Reference ID	T2S.06.235

The NCB account holder of the NCB T2S dedicated cash accounts shall have the possibility to define a zero floor (i.e. a zero floor to reach a balance of zero on the NCB T2S dedicated cash account), rebalancing liquidity from CLM the exact cash amount necessary to reach zero amount on the Central Bank account in T2S, to NCB T2S dedicated cash accounts with negative balances by the end-of-day.
T2S shall during the real-time settlement closure process check if the NCB T2S dedicated cash accounts with a negative cash balance check if a zero floor is defined by the NCB account holder of the NCB T2S dedicated cash account. If the Central Bank has set up a zero floor Liquidity Transfer Order, T2S triggers the rebalancing from CLM of the exact cash amount necessary to reach zero amount on the Central Bank account in T2S. If the liquidity cannot be transferred from CLM to T2S the affected balances can exceptionally remain negative overnight.

CRDM UHB

Section 2.3.2.8 Standing/Predefined Liquidity Transfer Order – Search/List Screen

• Standing/Predefined Liquidity Transfer Order – Search Criteria	
• …	• …
• .Order Type	Select the classification for the Liquidity Transfer Order. The exhaustive list of all possible value is as follows: IPredefined IStanding IRule-Based Floor IRule-Based Ceiling IRule-Based zero Floor • This field is blank as for default value.

Section 2.3.2.10 Standing/Predefined Liquidity Transfer Order – New/Edit Screen

• Standing/Predefined Liquidity Transfer Order	
• …	• …
• Order Type	Select the classification for the Liquidity Transfer Order. The exhaustive list of all possible value is as follows: IPredefined IStanding IRule-Based Floor IRule-Based Ceiling IRule-Based zero Floor • Reference for error message : - DCC4078

	- DCC4202 - DCU4202 • This field is mandatory.

Section 4.3.2. 101 Standing/Predefined Liquidity Transfer Order – Search/List Screen

• Reference for error message	• Field or button	• Error Text	• Description
• DCD4095	• Order Type field Restore button	• Floor/Ceiling configuration already exists	• When performing a Rule-Based Liquidity Transfer Order Restore request, there can never be more than one floor configuration ~~debiting~~ crediting the same Cash Account, more than one zero floor configuration crediting the same Cash Account or more than one ceiling configuration ~~crediting~~ debiting the same Cash Account over the same validity period.

Section 4.3.2. 102 Standing/Predefined Liquidity Transfer Order – Details Screen

• Reference for error message	• Field or button	• Error Text	• Description
• DCD4095	• Order Type field Restore button	• Floor/Ceiling configuration already exists	• When performing a Rule-Based Liquidity Transfer Order Restore request, there can never be more than one floor configuration ~~debiting~~ crediting the same Cash Account, more than one zero floor configuration crediting the same Cash Account or more than one ceiling configuration ~~crediting~~ debiting the same Cash Account over the same validity period.

Section 4.3.2.103 Standing/Predefined Liquidity Transfer Order – New/Edit Screen

• Reference for error message	• Field or button	• Error Text	• Description
• DCC4078	• Order Type field • Creditor Cash Account Number field • Debited Cash Account Number field • Restore button	• Invalid Creditor Cash Account	• When performing a Rule-Based Liquidity Transfer Order Create request, the specified Creditor Account must be a Cash Account and it must refer to an existing, active and open instance in CRDM with cash account type RTGS DCA, RTGS Central Bank Account, MCA, T2S Central Bank Account or CLM Central Bank Account. • If the creditor account is a T2S Central Bank Account the order type must be Rule-Based zero floor and the debited account must be a CLM Central Bank Account. •

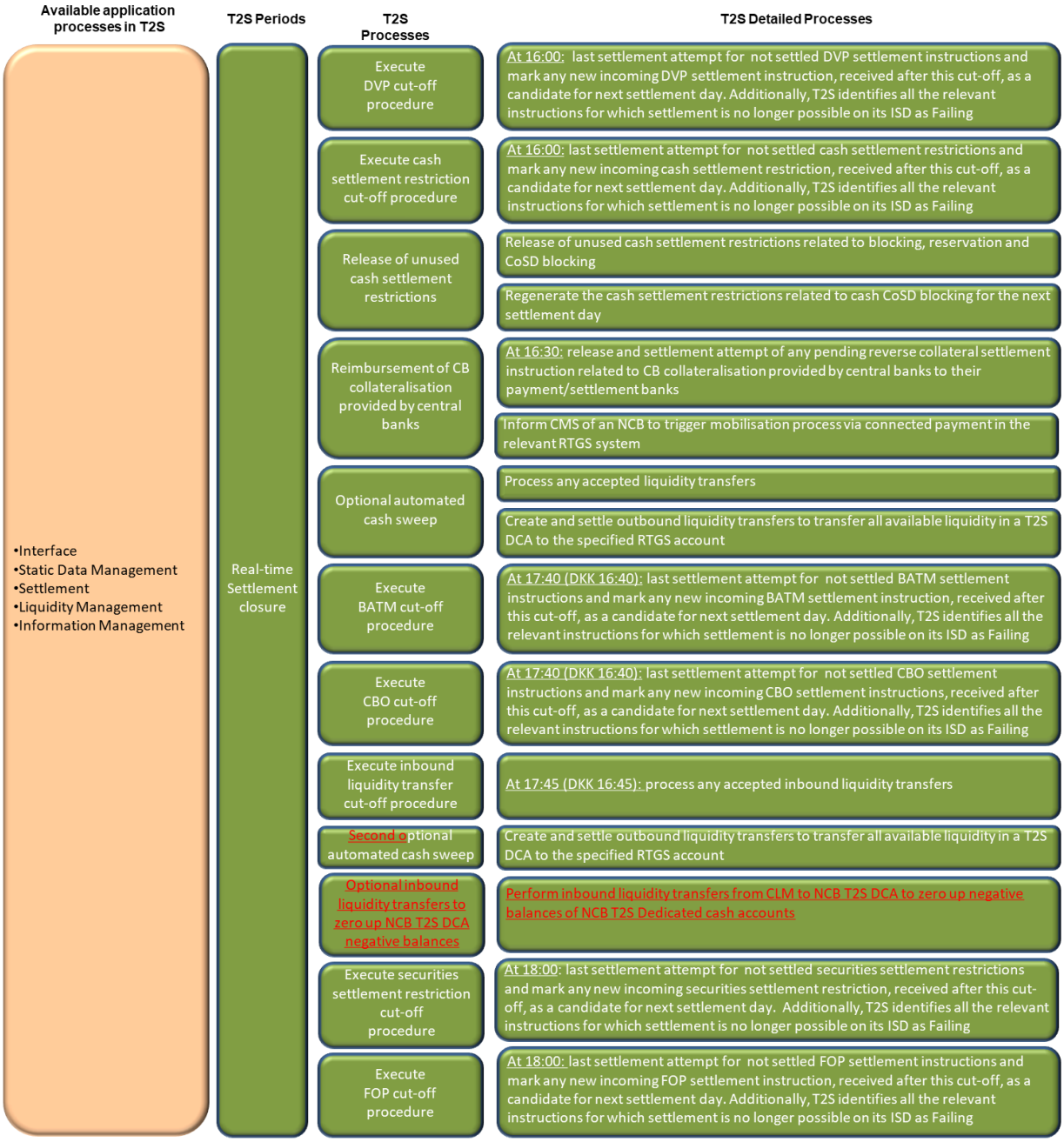
			• If the debited account is an RTGS DCA, the creditor account cannot be another RTGS DCA. • Furthermore, when the Creditor Account is a Cash Account, it must have the same currency as the debited Cash Account.
• DCC4095	• Order Type field • Submit button	• Floor/Ceiling configuration already exists	• When performing a Rule-Based Liquidity Transfer Order Create request, there can never be more than one floor configuration ~~debiting~~ crediting the same Cash Account, more than one zero floor configuration crediting the same Cash Account or more than one ceiling configuration ~~crediting~~ debiting the same Cash Account over the same validity period.
• DCU4095	• Order Type field • Submit button	• Floor/Ceiling configuration already exists	• When performing a Rule-Based Liquidity Transfer Order Create request, there can never be more than one floor configuration ~~debiting~~ crediting the same Cash Account, more than one zero floor configuration crediting the same Cash Account or more than one ceiling configuration ~~crediting~~ debiting the same Cash Account over the same validity period.

UDFS

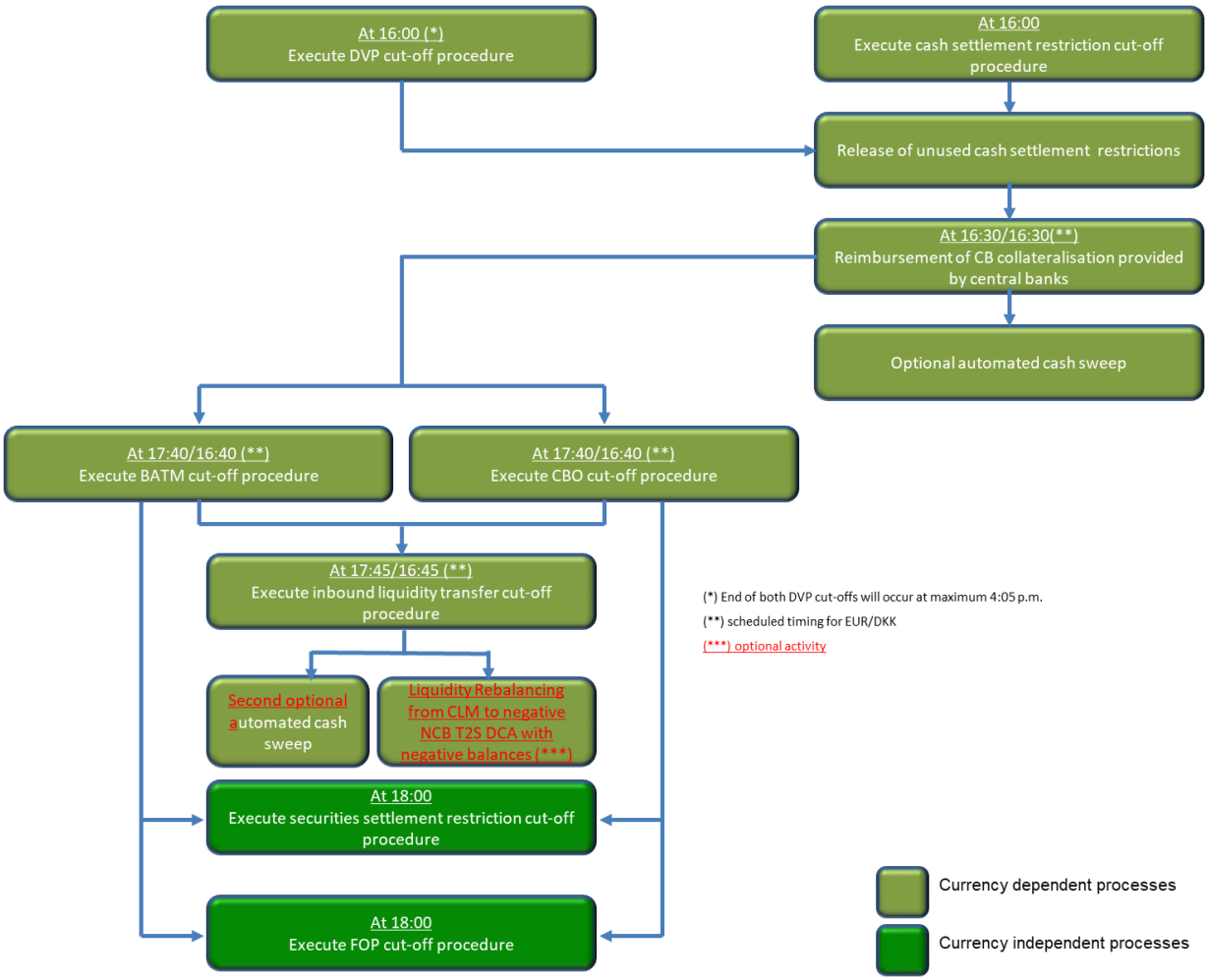
SETT

1.4.4.4.5 Real-time settlement closure schedule

Update of the diagram 49 "**REAL-TIME SETTLEMENT CLOSURE SCHEDULE"**



Update of the diagram 50 "**REAL-TIME SETTLEMENT CLOSURE DEPENDENCIES**"



Update of table 47: add a row for the new process

TABLE 47 - DEPENDENCIES DURING THE REAL-TIME SETTLEMENT CLOSURE

T2S DETAILED PROCESSES	DEPENDENCIES	
	TYPE OF DEPENDENCY	DESCRIPTION
...		
Execute incoming liquidity transfer cut-off procedure	BATM cut-off completed and CBO cut-off completed And Time: 17:45 (DKK 16:45)	This process starts after the completion of the execution of BATM and CBO cut-off procedures. In addition this process does not start before 17:45. In case of emergency situations a change of incoming liquidity transfers cut-off is only possible according to a process to be defined in the T2S MOP.

Second optional automated cash sweep	Inbound liquidity transfer cut-off completed	This process starts after the completion of the execution of inbound liquidity transfer cut-off procedures.
Liquidity rebalancing from CLM to NCB T2S dedicated cash accounts with negative balances	Inbound liquidity transfer cut-off completed	This process starts after the completion of the execution of inbound liquidity transfer cut-off procedures.
…		

Update of table 48: add a row for the new process

TABLE 48 - PROCESSES DURING THE REAL-TIME SETTLEMENT CLOSURE

T2S PROCESSES	DESCRIPTION OF THE PROCESSES
..	
Reimbursement of CB collateralisation provided by central banks	T2S performs the following during the automatic reimbursement process: l T2S releases all "hold" reverse collateral Settlement Instructions linked to CB collateralisation (i.e "hold" reverse collateral Settlement Instructions generated during the process of auto-collaterali-sation by a payment/settlement bank with its Central Bank); l T2S attempts the settlement of all the released reverse collateral Settlement Instructions linked to CB collateralisation with, if needed for a credit consumer: – Internal rebalancing of cash between its T2S DCA; – And/or, sourcing additional liquidity from its Central Bank through the creation of collateral re-location Settlement Instructions; When the available amount is insufficient for the settlement of all reverse collateral instructions T2S informs the relevant CMS for an utilisation of its credit facility in the relevant RTGS system (creation of collateral relocation Settlement Instructions). In such cases, it is the responsibility of the CMS to inform the RTGS system to facilitate the update of the credit utilisation/provision of overnight credit facilities. This process is outside T2S; Note: T2S does not perform an automatic release of reverse collateral Settlement Instructions related to reimbursement of intraday client-collateralisation. In parallel, T2S performs the following: l Settlement of: – Settlement Instructions other than the ones for which cut-off is reached; – Settlement of securities Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); l Execution of static data maintenance instructions; l Execution of Amendment Instructions, Cancellation Instructions and Hold/Release/Partial Release Instructions;

	l Generation of reports triggered by business or time events; l Responses to queries received via U2A or A2A.
Second optional automated cash sweep	This period determines the start of the optional automated cash sweep based on the set-up of stand-ing liquidity transfer orders. T2S creates cash sweep related liquidity transfers for the remaining cash of each T2S Dedicated cash account and central bank cash accounts to transfer it to the specified RTGS account. In parallel, T2S performs the following: **l** Settlement of: – Settlement Instructions other than the ones for which cut-off is reached; – Securities Settlement Restrictions; – All liquidity transfers (i.e. inbound, internal and outbound); **l** Execution of static data maintenance instructions; **l** Execution of Amendment Instructions, Cancellation Instructions and Hold/Release Instructions; **l** Generation of reports triggered by business or time events; **l** Responses to queries received via U2A or A2A.
Liquidity rebalancing from CLM to NCB T2S dedicated cash accounts with negative balances	If the Central Bank has set up a Liquidity Transfer Order in CRDM, T2S triggers the rebalancing from CLM of the exact cash amount necessary to reach zero amount on the Central Bank account in T2S. If the liquidity cannot be transferred from CLM to T2S the affected balances exceptionally remain negative overnight.
…	

2.17 End-of-Day Cash Management
2.17.2 Activity Diagram

Addition of the new activity

Addition of a new section for the new process description:

2.17.2.5 Liquidity rebalancing between CLM and NCB T2S dedicated cash accounts with negative balances

T2S identifies the Central Bank accounts with a negative balance on their deliverable cash balance.
The Liquidity rebalancing is achieved if the Central Bank has set up a Liquidity Transfer Order.
In this case, T2S triggers the rebalancing from CLM of the exact cash amount necessary to reach zero amount on the Central Bank account in T2S.
If the liquidity cannot be transferred from CLM to T2S the affected balances exceptionally remain negative overnight.

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1.6.2.3 End of Day Cash Management

1.6.2.3.1 Concept
End of day (EOD) Cash Management is the process of releasing unused cash restrictions, reimbursing pending intraday credits and, in case of an RTGS system deviating from CLM, transferring each balance deviating from zero at the end of a Settlement Day to a predefined RTGS account also referred to as “automated cash sweep” [307]
~~Starting with the go live of CLM T2S will not initiate an “automated cash sweep” for Euro denominated T2S Dedicated Cash Accounts. T2S Users have the possibility to make use of a second optional cash sweep for their Euro denominated Dedicated Cash Accounts.~~ ~~[308]~~
Starting with the go live of CLM, T2S will not initiate an “automated cash sweep” for Dedicated Cash Accounts during

the EOD Cash Management for all currencies connected to CLM. Instead of the automated cash sweep, T2S Users have the possibility to make use of a second optional cash sweep for their Dedicated Cash Accounts, which is triggered after the Inbound Liquidity Transfer Cut-off. This optional cash sweep allows to reimburse positive balances to the related MCA in CLM (valid for Payment Banks and CBs). In addition, NCBs have the possibility to trigger an automated liquidity transfer pull request with the same event in case of negative NCB account balances at liquidity cut-off.

Changes to Footnote [307]:

307 Additionally the T2S user has the possibility to store standing orders in CRDM and opt for triggering optional cash sweep ~~which will take place prior to the End of Day Cash Management "automated cash sweep". For Euro denominated Dedicated Cash Accounts T2S Users have the possibility to make use of a~~ and second optional cash sweep. The set up and execution of the optional cash sweeps is not described in this chapter, but in section Liquidity Transfer [546].

Deletion of Footnote [308]:
~~308 Please note that the described functionality won´t be available before CSLD go-live.~~

1.6.2.3.2 Overview

[…]
~~As all T2S Dedicated Cash Accounts must have a balance of zero [309] 7 at the end of any settlement day~~, For any T2S Actor needing a balance of zero on their T2S Dedicated Cash Accounts at the end of a settlement day, via the EOD Cash Management processes ~~("automated cash sweep")~~ *("Optional Cash Sweeps")*:
l All the unused cash restrictions (i.e. blocking, CoSD blocking or reservation) are released;
l All pending intraday credits provided by a central bank are reimbursed;
l If there is a balance deviating from zero on the T2S Dedicated Cash Account, the balance ~~is~~ can be transferred to the respective RTGS or CLM accounts. T2S Central Bank cash accounts may have a negative balance [310] .

1.6.2.3.3 EOD Cash Management Process

At the realtime settlement closure period, T2S ~~automatically transfers~~ can transfer liquidity of ~~all~~ predefined T2S Dedicated Cash Accounts to the relevant linked CLM Main Cash Accounts or RTGS accounts in the RTGS system (e.g. ~~TARGET2~~ T2) (via "~~automated~~ optional cash sweep")).

[…]

Transfer of the cash balances to the respective RTGS or CLM *accounts ~~"automated cash sweep"~~* "Optional Cash Sweeps"

After the completion of the "optional cash sweep~~", T2S checks the balances of T2S Dedicated Cash Ac-counts. If there is still liquidity on an account, the balance is automatically transferred via the "automated cash sweep" as a Credit Transfer to the RTGS account which is linked to the respective T2S Dedicated Cash Account.~~ the remaining liquidity can be transferred to the respective RTGS or CLM accounts via the "second optional cash sweep". In case of CB cash accounts there might also be a negative balance on the account. ~~In this case T2S creates a Debit Transfer to transfer the missing balance (please see also End-of-Day Cash Management).~~ In this case, CBs have the possibility to create a Zero Floor Rule Based Standing Liquidity Transfer Order to instruct an Inbound Pull Liquidity Transfer.

2.17.2.3 Optional Cash Sweep

The T2S Actor has the possibility to opt for an optional cash sweep before the End of Day Liquidity Transfers take place. This optional cash sweep is managed in the same way as the Standing and predefined Liquidity Transfers ~~therefore no debit transfer is created in case a Central Bank account has a negative balance~~.
Please refer Execution of Standing and Predefined Liquidity Transfer Orders from T2S to RTGS [813].
Since the Go-Live of CLM, ~~Euro denominated Dedicated Cash Accounts~~ the T2S Actor has the possibility to make use of a second optional cash sweep for their Dedicated Cash Accounts shortly after the Liquidity Transfer Cut – off. 360
Additionally, CBs have the possibility to instruct an Inbound Pull Liquidity Transfer.

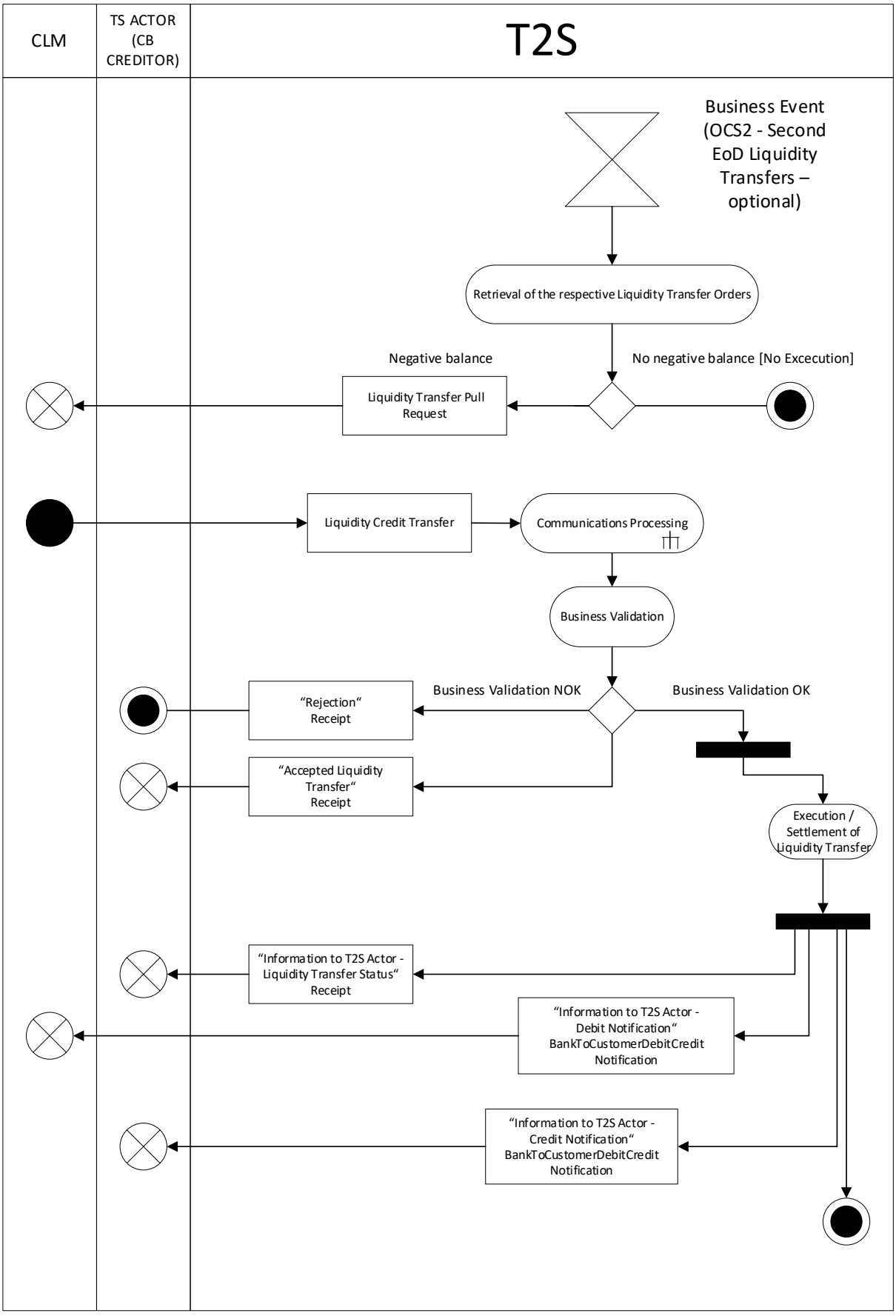
Deletion of Footnote Nr. 360:

~~360 Please note that the described functionality won´t be available before CSLD go-live.~~

Addition of section for Inbound Pull Liquidity Transfer/Pull Request function:

2.17.2.5: Inbound Pull Liquidity Transfer

T2S Central Bank Users have the possibility to instruct an Inbound Pull Liquidity Transfer to zero out the Cash Balance of their Dedicated Cash Accounts in case of a negative account balance.
This Liquidity Transfer is handled via a Rule Based Zero Floor Standing Liquidity Transfer Order. In this case, a Liquidity Transfer Pull Request is sent to CLM for the exact amount needed to zero out the Cash Balance of the respective Dedicated Cash Account.
The following Sub Diagram shows all the interactions between the relevant T2S Actors and T2S concerning Inbound Pull Liquidity Transfers:


CLM
TS ACTOR (CB CREDITOR)
T2S
Business Event (OCS2 - Second EoD Liquidity Transfers – optional)
Retrieval of the respective Liquidity Transfer Orders
Negative balance
No negative balance [No Excecution]
Liquidity Transfer Pull Request
Liquidity Credit Transfer
Communications Processing
Business Validation
Business Validation NOK
Business Validation OK
"Rejection" Receipt
"Accepted Liquidity Transfer" Receipt
Execution / Settlement of Liquidity Transfer
"Information to T2S Actor - Liquidity Transfer Status" Receipt
"Information to T2S Actor - Debit Notification" BankToCustomerDebitCredit Notification
"Information to T2S Actor - Credit Notification" BankToCustomerDebitCredit Notification

Retrieval of the respective Liquidity Transfer Orders
During the second optional cash sweep, T2S will check for Rule Based Zero Floor Liquidity Transfer Orders and will retrieve the Account Balances for the respective Dedicated Cash Accounts. The results can be one of the following:

| [No Negative Balance]: In case of remaining Liquidity on the T2S Dedicated Cash Account or a Balance of 0, no further steps are required and the process ends.
| [Negative Balance]: In case the remaining balance is below zero, a Liquidity Transfer Pull Request is created and sent to CLM.

In case the Liquidity Transfer Pull Request is accepted by CLM, an inbound Liquidity Credit Transfer is sent to T2S.

Communication Processing:

Detailed description can be found at section Communication processing [□712].

Business Validation:

After Communication Processing, the inbound Liquidity Credit Transfer undergoes several business validations, including a privilege check. The result of these validations can be:
| [Business Validation NOK] In case the business validation was not successful a "Rejection" Receipt is sent to CLM via the CB indicating the errors which occurred.
| [Business Validation OK] In case the business validation was successful, the Liquidity transfer is processed within T2S.

Execution/Settlement of a Liquidity Transfer:
The Liquidity Transfer is submitted to Settlement.
The following messages are sent:
| "Information to T2S Actor –Liquidity Transfer Status" Receipt is sent to the T2S Actor indicating that the settlement status of the liquidity transfer is "settled";
| "Information to T2S Actor - Credit Notification" BankToCustomerDebitCreditNotification is sent to the responsible CB as T2S Actor (Creditor) indicating the reference of the T2S Dedicated Cash Account credited and the cash amount credited,
| "Information to T2S Actor - Debit Notification" BankToCustomerDebitCreditNotification is sent to CLM indicating which amount has been debited on the CLM Central Bank account and CLM dedicated transit account in the RTGS system.

Addition of new camt.050 usage to outbound messages and Inbound Liquidity Transfer to inbound messages

2.17.3 Inbound and outbound messages
2.17.3.1 Inbound message

ISO MESSAGE/ MESSAGE UTILISATION	ISO CODE
LiquidityCreditTransfer „Inbound Liquidity Transfer"	camt.050.001.07

2.17.3.2 Outbound messages

ISO MESSAGE/ MESSAGE UTILISATION	ISO CODE
[…]	
BankToCustomerDebitCreditNotification / "Information to T2S Actor – Credit Notification"	camt.054.001.08
LiquidityCreditTransfer „Outbound Liquidity Transfer"	camt.050.001.07
LiquidityCreditTransfer „Liquidity Transfer Pull Request"	camt.050.001.07

[...]

3.3.3.9 LiquidityCreditTransferV05 (camt.050.001.05): Add new usage to outbound usages

3.3.2.9 LiquidityCreditTransferV05 (camt.050.001.05)
3.3.2.9.1 Overview and scope of the message

[…]
Alternatively, this message is sent by T2S in the following message usage:
- Outbound Liquidity Transfer.
- Liquidity Transfer Pull Request

These instruction types… […]

Add message usage to Message in Business Context subchapter

3.3.2.9.3 The message in business context

[…]

Instruction Type: Liquidity Transfer Pull Request

In case of a balance below zero on a T2S Central Bank Dedicated Cash Account, this instruction type enables T2S to send a liquidity transfer pull request to the RTGS system, which then sends an inbound liquidity transfer to credit the T2S Central Bank Dedicated Cash Account.

Specific message requirements
To request a liquidity transfer from a RTGS account to a T2S Central Bank Dedicated Cash Account.

CRDM

1.3.3.3 Description of the entities – 9 Liquidity Transfer Order

ATTRIBUTE	DESCRIPTION
[…]	
Order Type	It specifies a classification for the liquidity transfer order. The exhaustive list of possible values is as follows: - Predefined - Standing Order - Rule-Based Floor - Rule-Based Ceiling - Rule-Based zero Floor
[…]	

GFS

LQMG/INTF

3.2.5.3 Description of the functions of the module
4-Create Business Payload A2A

Module	Message	Flow (Internal Format)	Remarks	URD References
LQMG: Outbound Information Management	Liquidity Credit Transfer	Liquidity Transfer - Pull Request		
[…]	[…]	[…]	[…]	[…]

3.2.5.4 Description of the Input/Output of the module

FLOW	IN/OUT	DESCRIPTION	FROM	TO
Liquidity Transfer - Pull Request	IN		LQMG: Outbound Information management	
[…]	[…]	[…]	[…]	[…]

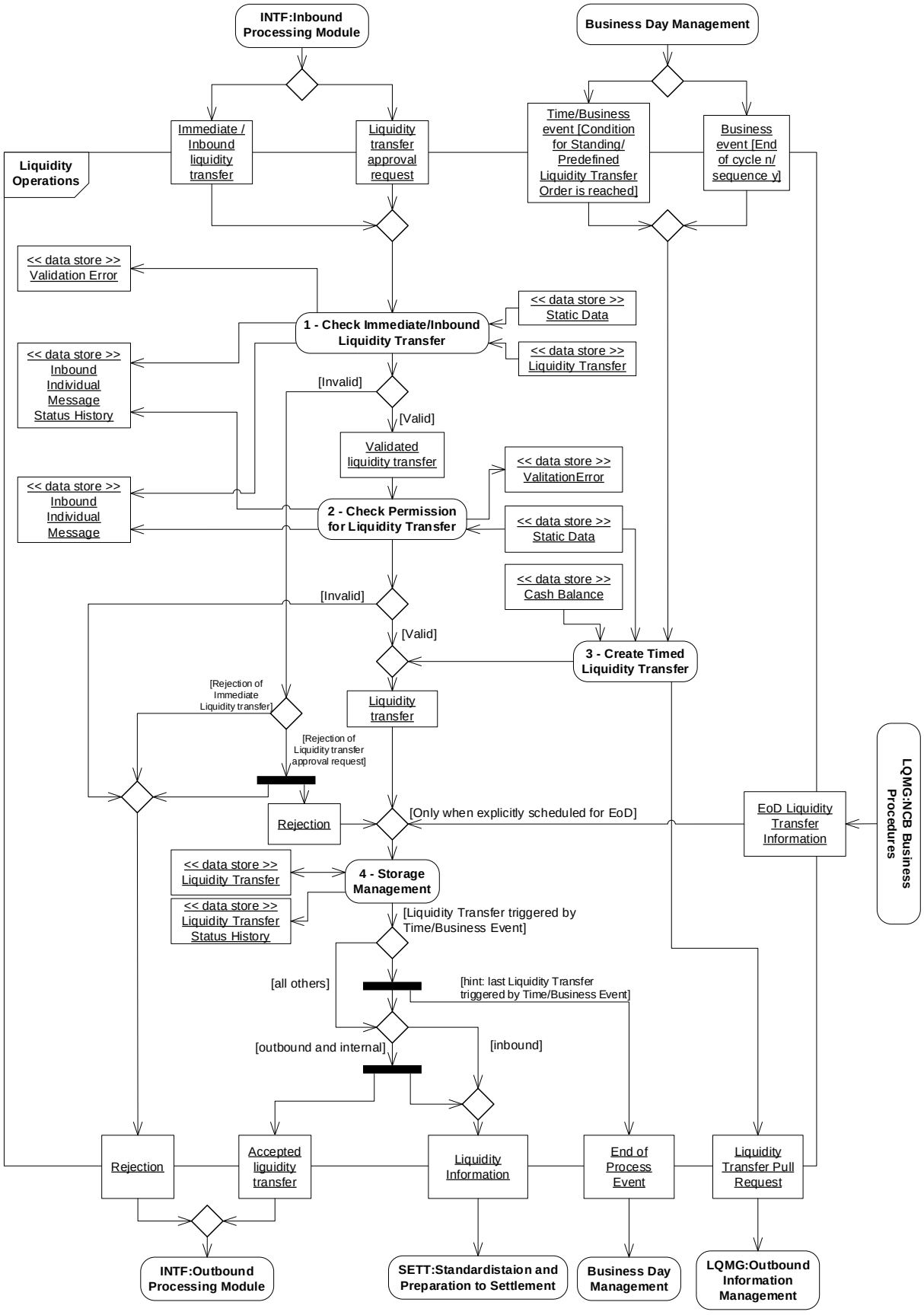
3.6 Liquidity Management: Align description of mandatory/optional Cash Sweeps with current behavior

Starting with the go live of CLM T2S will not initiate an “automated cash sweep” for ~~Euro denominated~~ Dedicated Cash Accounts for all currencies connected to CLM. T2S Users have the possibility to make use of a second optional cash sweep for their Euro denominated Dedicated Cash Accounts. [Footnote 190]

Deletion of Footnote 190:
~~190 Please note that the described functionality won´t be available before CSLD go-live.~~

3.6.3 Liquidity Operations: Adapt Outputs and Diagrams to include new Flows

3.6.3.1 Diagram of the module:


INTF:Inbound Processing Module
Business Day Management
Liquidity Operations
Immediate / Inbound liquidity transfer
Liquidity transfer approval request
Time/Business event [Condition for Standing/ Predefined Liquidity Transfer Order is reached]
Business event [End of cycle n/ sequence y]
<< data store >> Validation Error
<< data store >> Static Data
1 - Check Immediate/Inbound Liquidity Transfer
<< data store >> Liquidity Transfer
<< data store >> Inbound Individual Message Status History
[Invalid]
[Valid]
Validated liquidity transfer
<< data store >> ValitationError
<< data store >> Inbound Individual Message
2 - Check Permission for Liquidity Transfer
<< data store >> Static Data
<< data store >> Cash Balance
[Invalid]
[Valid]
3 - Create Timed Liquidity Transfer
[Rejection of Immediate Liquidity transfer]
Liquidity transfer
[Rejection of Liquidity transfer approval request]
Rejection
[Only when explicitly scheduled for EoD]
EoD Liquidity Transfer Information
LQMG:NCB Business Procedures
<< data store >> Liquidity Transfer
4 - Storage Management
<< data store >> Liquidity Transfer Status History
[Liquidity Transfer triggered by Time/Business Event]
[all others]
[hint: last Liquidity Transfer triggered by Time/Business Event]
[outbound and internal]
[inbound]
Rejection
Accepted liquidity transfer
Liquidity Information
End of Process Event
Liquidity Transfer Pull Request
INTF:Outbound Processing Module
SETT:Standardistaion and Preparation to Settlement
Business Day Management
LQMG:Outbound Information Management

3.6.3.3 Description of the functions of the module – *Add Liquidity Transfer Pull Request as output*

[…]

3 – Create Timed Liquidity Transfer
Triggers of the function

Reference Id	**LQMG.LIO.TLT.1.1**

The Create Timed Liquidity Transfer function generates an *Immediate Liquidity Transfer* or a *Liquidity Transfer Pull Request* after having received one of the following business or time events from the Scheduling module **{T2S.06.067} {T2S.06.280}:**

[…]

Create Liquidity Transfer Pull Request

Reference Id	**LQMG.LIO.TLT.5.1**

Based on the events received, this function retrieves the relevant Standing and Predefined Liquidity Transfer Orders from the Reference Data {T2S.06.220} {T2S.06.280} T2S.06.340}.
The function creates relevant Liquidity Transfer Pull Requests and sends them to the function Outbound Liquidity Transfers
{T2S.06.206}.

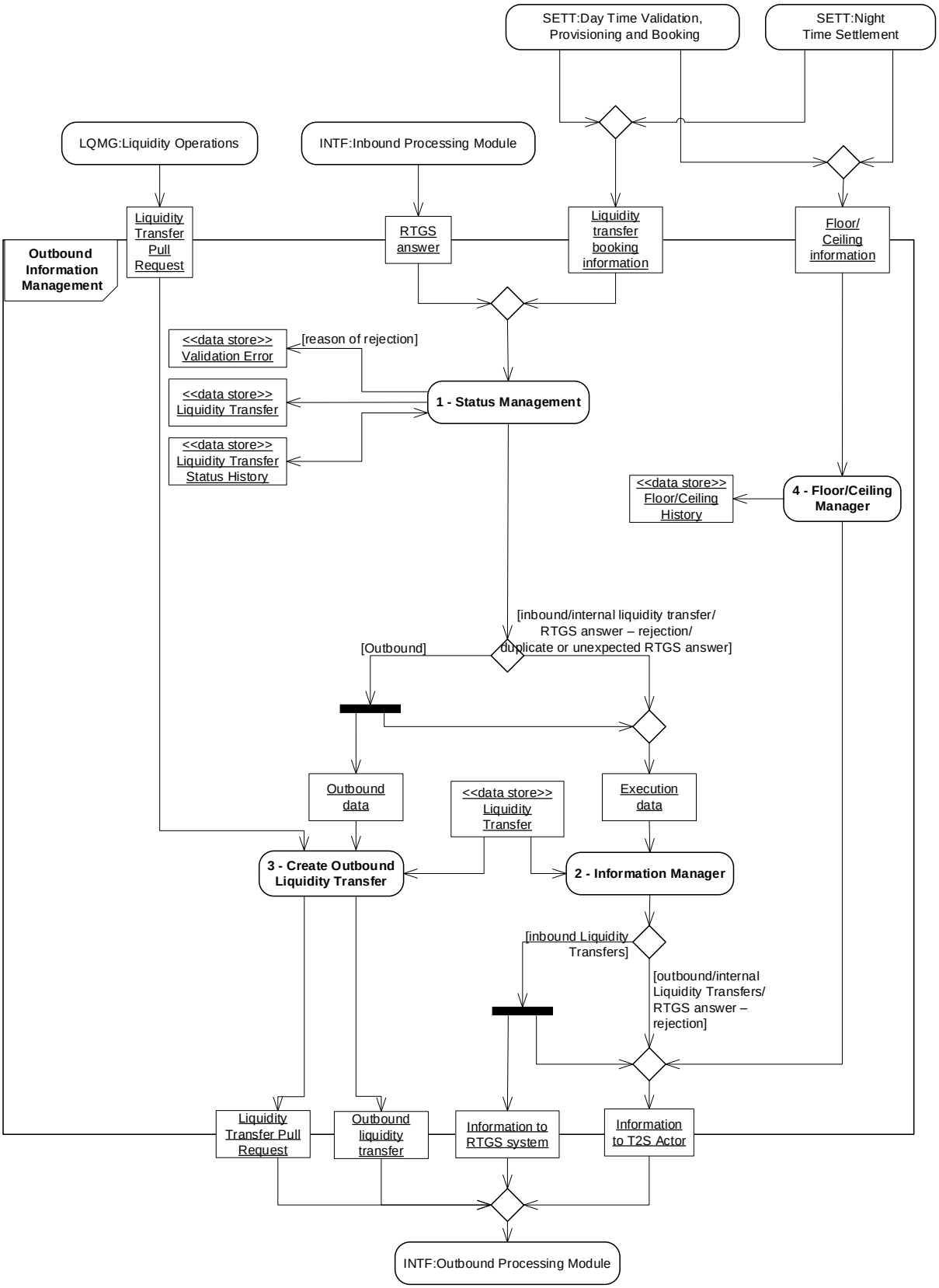
3.6.3.4 Description of the Input/Output of the module: *Update Inputs/Outputs*

FLOW	IN/OUT	DESCRIPTION	FROM	TO
Immediate/ Inbound Liquidity Transfer	IN	Immediate Liquidity Transfer originally coming from T2S Act-ors / Inbound Liquidity Transfer coming from RTGS systems	INTF: Inbound Pro-cessing Module	
Liquidity Transfer Approval Request	IN	Approval requests coming from T2S Act-ors related to the Four-Eyes principle	INTF: Inbound Pro-cessing Module	
Time/Business Event [Condition for Stand-ing/ Predefined Liquid-ity Transfer Orders is reached]	IN	Trigger for processing standing/ predefined orders	~~OPSR: Scheduling~~ Business Day Management	
Business Event [End of cycle n/ se-quence y]	IN	End of cycle	~~OPSR: Scheduling~~ Business Day Management	
EoD Liquidity Transfer Information	IN	EoD Liquidity Transfer Information for pro-cessing EoD Liquidity Transfers	LQMG: CB Business Procedures	

Rejection	OUT	For failed business val- idation or missing per- mission		INTF: Outbound Pro- cessing Module
Liquidity Information	OUT	Request to create a settlement transaction		SETT:SPS
Accepted Liquidity Transfer	OUT	Information to T2S Actor, that the busi- ness validation has been successful		INTF: Outbound Pro- cessing Module
End of Process Event	OUT	Finalisation of former triggering event sent by scheduler		~~OPSR: Scheduling~~ Business Day Management
Liquidity Transfer Pull Request Information	OUT	Information for Request to CLM to send an Inbound Liquidity Transfer		LQMG: Outbound Information Management

3.6.4 Outbound Information Management: *Adapt Descriptions and Diagrams to include new Flows*

3.6.4.1 Diagram of the module



3.6.4.2 Description of the module

P.563:

Triggers of the module:

The Outbound Information Management receives the following incoming information:
l RTGS Answer;
l Floor/Ceiling Information (fall under predefined floor, excess of predefined ceiling);
l Liquidity Transfer booking information.
l Liquidity Transfer Pull Request information

3.6.4.3 Description of functions of the module: *Add Pull Requests to relevant parts*

[…]

3 – Create Outbound Liquidity Transfer
Reference Id **LQMG.OIM.OLT.1.1**
After receiving *Outbound Data* from the *Status Management* function the *Create Outbound Liquidity Transfer* function collects all business information needed from *Liquidity Transfer* and sends this data as *Outbound Liquidity Transfer* to the *Outbound Processing Module* of the *Interface* domain. Data for *Liquidity Transfer Pull Requests* is also received from the *Liquidity Operations* module, which is then processed and sent to the *Outbound Processing Module* of the *Interface* domain.

3.6.4.4 Description of the Input/Output of the module: *Add Pull Request Information as Input and Output*

FLOW	IN/OUT	DESCRIPTION	FROM	TO
Floor/Ceiling Informa-tion	IN	Information, that T2S Dedicated Cash Ac-count balance falls un-der the defined min-imum amount (floor) or exceeds the defined maximum amount (ceiling)	SETT: Validation, Pro-visioning and Booking and SETT: Night Time Set-tlement	
Liquidity Transfer booking information	IN	Result of settlement	SETT: Validation, Pro-visioning and Booking and SETT: Night Time Set-tlement	
RTGS Answer	IN	Answer from RTGS, confirmation or rejec-tion including a reason code	INTF: Inbound Pro-cessing Module	
Liquidity Transfer Pull Request Information	IN	Information for Request to CLM to send an Inbound Liquidity Transfer	LQMG: Liquidity Operations	
Information to T2S Actor	OUT	T2S Actor is informed about settlement status and/ or RTGS status and/or the alerts due to floor		INTF: Outbound Processing Module

		or ceiling violations		
Outbound Liquidity Transfer	OUT	All business informa- tion of the Outbound Liquidity Transfer		INTF: Outbound Processing Module
Information to RTGS System	OUT	RTGS is informed about the settlement status of Inbound Li- quidity Transfers		INTF: Outbound Processing Module
Liquidity Transfer Pull Request	OUT	Request to CLM to send an Inbound Liquidity Transfer		INTF: Outbound Processing Module

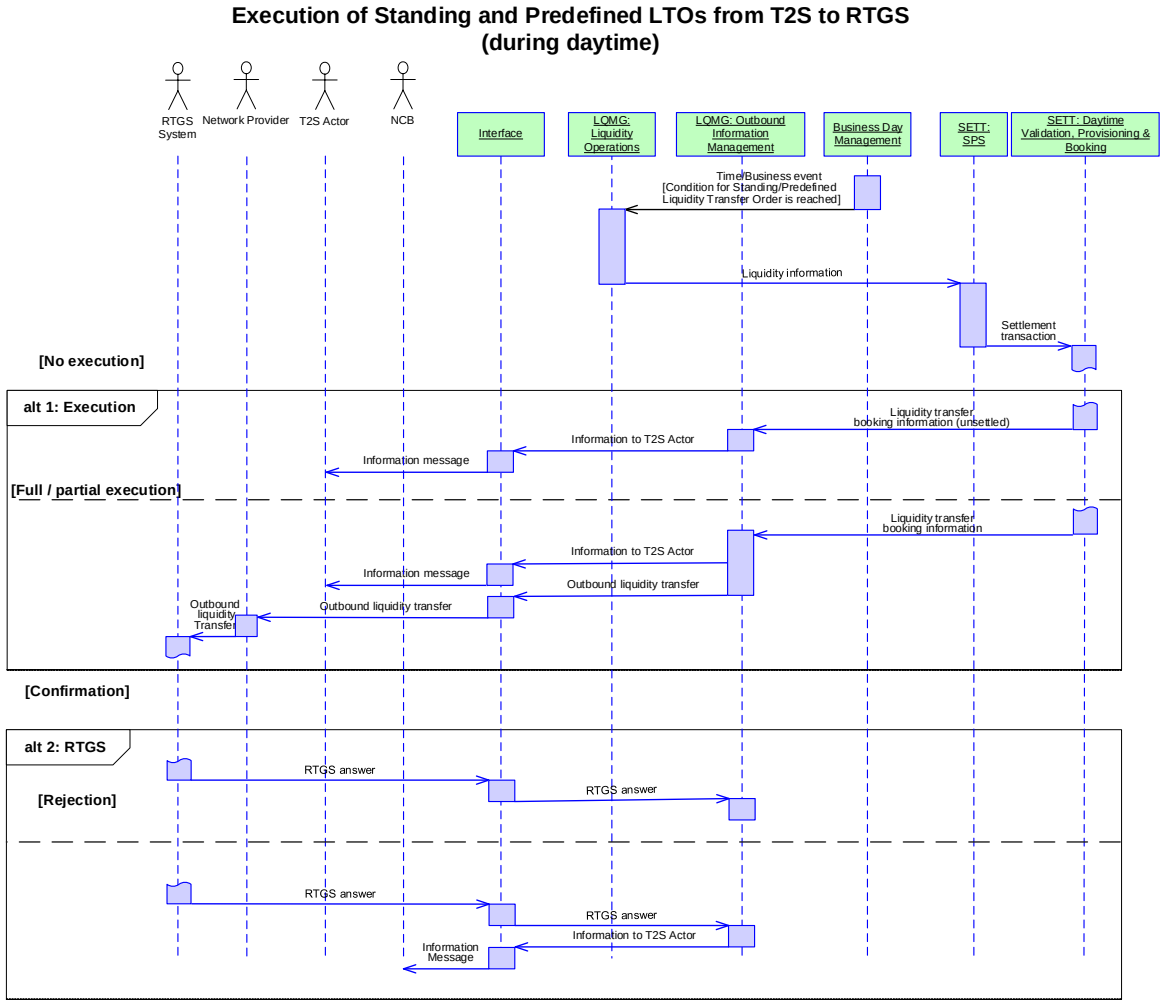
3.6.5 CB Business Procedures: Adapt Chapter to include current system behaviour, add footnote to Description:

3.6.5.2 Description of the module
Introduction
This module is in charge of creating Liquidity Transfers related to the End-of-Day procedures of T2S.
Please note that the activities described in this module are not related to the optional End-of-Day "second optional cash sweep", which is configured in CRDM as a *Standing Liquidity Transfer Order*.

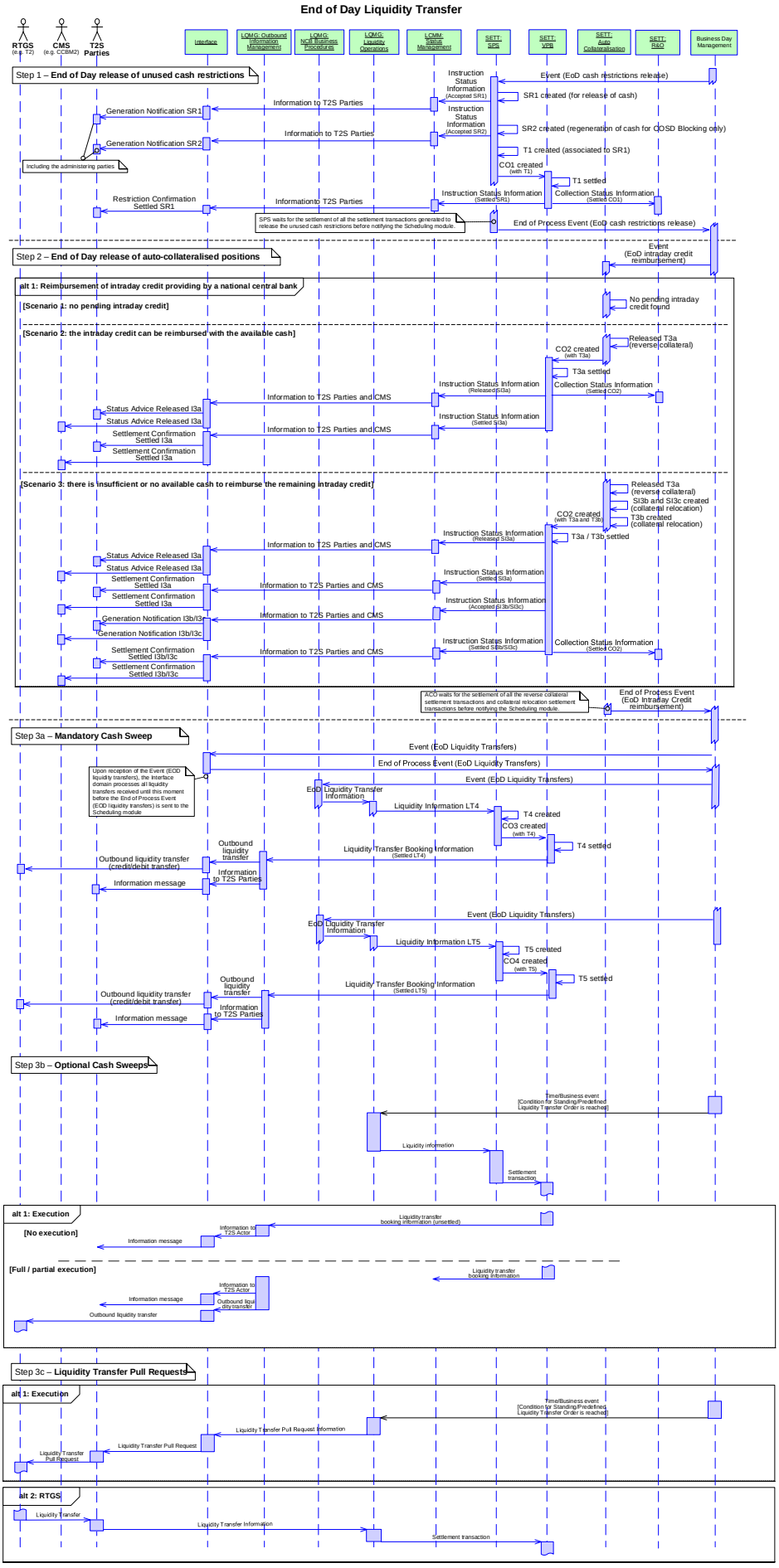
The CB Business Procedures module performs at End-of-Day the End-of-Day Liquidity Transfer for Cash Sweep. Based on Business event [EoD Liquidity Transfer] received from ~~the Scheduling module~~ Business Day Management *[Footnote 1XX]*, the CB Business Procedures module checks the balances of all T2S Dedicated Cash Accounts (data store Cash Balance).
The linked external RTGS accounts are retrieved from the reference data and the respective Outbound Liquidity Transfers are triggered (using the flow EoD Liquidity Transfer Information) via the Liquidity Operations module.

Footnote [1XX]:
Please note that for all Currencies connected to CLM, Business Event [EoD Liquidity Transfer] will not be scheduled.

3.6.7.4 Processing of UC-LT-4: Execution of Standing and Predefined Liquidity Transfer Orders from T2S to RTGS



3.6.7.5 Processing of UC-LT-5: End-of-Day Liquidity transfer


End of Day Liquidity Transfer
RTGS (e.g. T2)
CMS (e.g. CCBM2)
T2S Parties
Interface
LOMG: Outbound Information Management
LOMG: NCB Business Procedure
LOMG: Liquidity Operations
LCMM: Status Management
SETT: SPS
SETT: VEM
SETT: Auto Collateralisation
SETT: RAC
Business Day Management
Step 1 – End of Day release of unused cash restrictions
Event (EoD cash restrictions release)
Instruction Status Information (Accepted SR1)
SR1 created (for release of cash)
Information to T2S Parties
Generation Notification SR1
Instruction Status Information (Accepted SR2)
SR2 created (regeneration of cash for CoSD Blocking only)
Generation Notification SR2
Information to T2S Parties
T1 created (associated to SR1)
Including the administering parties
CO1 created (with T1)
T1 settled
Restriction Confirmation Settled SR1
Instruction Status Information (Settled SR1)
Collection Status Information (Settled CO1)
Information to T2S Parties
SPS waits for the settlement of all the settlement transactions generated to release the unused cash restrictions before notifying the Scheduling module.
End of Process Event (EoD cash restrictions release)
Step 2 – End of Day release of auto-collateralised positions
Event (EoD intraday credit reimbursement)
alt 1: Reimbursement of intraday credit providing by a national central bank
[Scenario 1: no pending intraday credit]
No pending intraday credit found
[Scenario 2: the intraday credit can be reimbursed with the available cash]
Released T3a (reverse collateral)
CO2 created (with T3a)
T3a settled
Instruction Status Information (Released SI3a)
Collection Status Information (Settled CO2)
Information to T2S Parties and CMS
Status Advice Released I3a
Status Advice Released I3a
Instruction Status Information (Settled SI3a)
Information to T2S Parties and CMS
Settlement Confirmation Settled I3a
Settlement Confirmation Settled I3a
[Scenario 3: there is insufficient or no available cash to reimburse the remaining intraday credit]
Released T3a (reverse collateral)
SI3b and SI3c created (collateral relocation)
T3b created (collateral relocation)
CO2 created (with T3a and T3b)
Instruction Status Information (Released SI3a)
T3a / T3b settled
Information to T2S Parties and CMS
Status Advice Released I3a
Status Advice Released I3a
Instruction Status Information (Settled SI3a)
Settlement Confirmation Settled I3a
Settlement Confirmation Settled I3a
Information to T2S Parties and CMS
Instruction Status Information (Accepted SI3b/SI3c)
Generation Notification I3b/I3c
Information to T2S Parties and CMS
Generation Notification I3b/I3c
Instruction Status Information (Settled SI3b/SI3c)
Collection Status Information (Settled CO2)
Settlement Confirmation Settled I3b/I3c
Information to T2S Parties and CMS
Settlement Confirmation Settled I3b/I3c
ACO waits for the settlement of all the reverse collateral settlement transactions and collateral relocation settlement transactions before notifying the Scheduling module.
End of Process Event (EoD Intraday Credit reimbursement)
Step 3a – Mandatory Cash Sweep
Event (EoD Liquidity Transfers)
End of Process Event (EoD Liquidity Transfers)
Upon reception of the Event (EOD liquidity transfers), the Interface domain processes all liquidity transfers received until this moment before the End of Process Event (EOD liquidity transfers) is sent to the Scheduling module
Event (EoD Liquidity Transfers)
EoD Liquidity Transfer Information
Liquidity Information LT4
T4 created
CO3 created (with T4)
T4 settled
Liquidity Transfer Booking Information (Settled LT4)
Outbound liquidity transfer
Outbound liquidity transfer (credit/debit transfer)
Information to T2S Parties
Information message
Event (EoD Liquidity Transfers)
EoD Liquidity Transfer Information
Liquidity Information LT5
T5 created
CO4 created (with T5)
T5 settled
Liquidity Transfer Booking Information (Settled LT5)
Outbound liquidity transfer
Outbound liquidity transfer (credit/debit transfer)
Information to T2S Parties
Information message
Step 3b – Optional Cash Sweeps
Time/Business event [Condition for Standing/Predefined Liquidity Transfer Order is reached]
Liquidity information
Settlement transaction
alt 1: Execution
[No execution]
Liquidity transfer booking information (unsettled)
Information to T2S Actor
Information message
[Full / partial execution]
Liquidity transfer booking information
Information to T2S Actor
Information message
Outbound liquidity transfer
Step 3c – Liquidity Transfer Pull Requests
alt 1: Execution
Time/Business event [Condition for Standing/Predefined Liquidity Transfer Order is reached]
Liquidity Transfer Pull Request Information
Liquidity Transfer Pull Request
Liquidity Transfer Pull Request
alt 2: RTGS
Liquidity Transfer
Liquidity Transfer Information
Settlement transaction

[…]
Step 3 - End of Day liquidity transfer (i.e. cash sweep)

Step 3a: Mandatory Cash Sweep
After receiving the Event (EOD Liquidity Transfers) from ~~the *Scheduling* module~~ *Business Day Management*, the *CB Business Procedures* module checks the cash balances of all *T2S Dedicated Cash Accounts*.

For all T2S Dedicated Cash Accounts (except those with a balance equal zero), the CB Business Procedure module sends the EOD data (transfer amount, T2S Dedicated Cash Account, currency, RTGS Account) to Liquidity Operations module to reset the accounts to zero. An Outbound Liquidity Transfer LT4 is created and a Liquidity Information is sent to the Standardisation and Preparation to Settlement module.
At the receipt of the Liquidity Information, the Standardisation and Preparation to Settlement module creates the associated Settlement Transaction T4 with Settlement Transaction Category "Liquidity Transfer".
Then, the Standardisation and Preparation to Settlement module sends the Settlement Transaction T4 in a Collection CO3 to the Daytime Validation, Provisioning and Booking module.
Upon successful settlement, the Daytime Validation, Provisioning and Booking module:
- Sets to "Settled" the Settlement Transaction Status of T4 and the Settlement Status of the Liquidity Transfer LT4;
- Sends a Collection Status Information to the Daytime Recycling and Optimisation module;
- Sends a Liquidity Transfer Booking Information to the Outbound Information Management module

On this basis, the Outbound Liquidity Transfer is forwarded to the Interface and further on sent to the RTGS System (as Credit or Debit Transfer 206), as described in LT-UC-4. On the same basis an Information message is sent to the T2S Actors (depending on their Message Subscription preferences).

Step 3b: Optional Cash Sweeps

The optional cash sweeps will zero out positive account balances and are configured according to the needs of the T2S Actor in CRDM as a *Standing or Predefined Liquidity Transfer Order*.

After receiving the *Event (EoD Liquidity Transfers - optional cash sweep)* or the *Event (Second EoD Liquidity Transfers – optional)* from *Business Day Management*, the *Liquidity Operations* module is notified. It creates an Outbound *Liquidity Transfer* LT4 to set any positive balance to zero and a *Liquidity Information* is sent to the *Standardisation and Preparation to Settlement* module.

Then, the *Standardisation and Preparation to Settlement* module sends the *Settlement Transaction* T4 in a *Collection* CO3 to the *Daytime Validation, Provisioning and Booking* module.
Upon successful settlement, the *Daytime Validation, Provisioning and Booking* module:
- Sets to "Settled" the Settlement Transaction Status of T4 and the Settlement Status of the *Liquidity Transfer* LT4;
- Sends a *Collection Status Information* to the *Daytime Recycling and Optimisation* module;
- Sends a *Liquidity Transfer Booking Information* to the *Outbound Information Management* module.

On this basis, the *Outbound Liquidity Transfer* is forwarded to the *Interface* and further on sent to the RTGS System (as Credit Transfer), as described in LT-UC-4. On the same basis, an *Information message* is sent to the T2S Actors (depending on their Message Subscription preferences).

Thereafter the *Liquidity Operations* module receives an RTGS Response as described in LT-UC-4 and processes it accordingly.

After all relevant bookings on the *T2S Dedicated Cash Accounts* are successfully processed, the accounts have a cash balance of zero.

Step 3c: Liquidity Transfer Pull Requests

The Liquidity Transfer Pull Requests will zero out negative account balances and are configured according to the needs of the T2S Actor in CRDM as a *Standing or Predefined Liquidity Transfer Order*.

After receiving the *Event (Second EoD Liquidity Transfers – optional)* from *Business Day Management*, the *Liquidity Operations* module sends a *Liquidity Transfer Pull Request Information* to the *Outbound Information Management* module to zero out negative balances.

On this basis, the *Liquidity Transfer Pull Request* is created by the *Outbound Information Management* module to be

forwarded to the *Interface* and further on sent to the RTGS System.

After successful processing in the RTGS System, the *Interface* receives an *inbound Liquidity Transfer* which will be processed as described in UC-LT-3.

After all relevant bookings on the *T2S Dedicated Cash Accounts* are successfully processed, the accounts have a cash balance of zero.

Impact on message documentation on MyStandards / schema:

camt.050.001.05:

- LqdtyCdtTrf: Update of the T2S-Use: In case the Liquidity Transfer is sent from T2S to the RTGS system (Outbound Liquidity Transfer) it is necessary that the receiving RTGS account is set up in ~~T2S static data~~ CRDM.
  The message can be used to send a liquidity pull request from T2S to the RTGS system.

head.001.001.01:

- /AppHdr/Prty: Addition to the T2S-Use: In case the message is sent as liquidity transfer pull request to a corresponding RTGS system, the code "04" will be provided. When the message is received as liquidity transfer pull response it will contain the code "104".

Detailed assessment:

EUROSYSTEM ANALYSIS – GENERAL INFORMATION

T2S Specific Components		Common Components
LCMM		
	Instructions validation	
	Status management	
	Instruction matching	
	Instructions maintenance	
	Penalty Mechanism	
Settlement		
X	Standardisation and preparation to settlement	
	Night-time Settlement	
	Daytime Recycling and optimisation	
	Daytime Validation, provisioning & booking	
	Auto-collateralisation	
Liquidity Management		
X	Outbound Information Management	
X	NCB Business Procedures	
X	Liquidity Operations	
T2S Interface		**Eurosystem Single Market Infrastructure Gateway** (from R6.0 June 2022)
	Communication	Communication
X	Outbound Processing	Outbound Processing
X	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	Securities data management
	Cash account data management	X 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)
		X	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 URD chapter	URD: 6.2.1 Liquidity transfer order business process	
Impacted GFS chapter	**INTF:** 3.2.5.3 Description of the functions of the module 4-Create Business Payload A2A 3.2.5.4 Description of the Input/ Output of the module **LQMG** 3.6.7.5 Processing of UC-LT-5: End-of-Day Liquidity transfer 3.6.5 CB Business Procedures	Addition of new flow sent from LQMG to INTF Addition of new flow sent from LQMG to INTF Update the sections with the changed EoD process
Impacted UDFS chapter	**SETT:** 1.4.4.4.5 Real-time settlement closure schedule **LQMG:** 2.17.2.4 End of Day Liquidity Transfers 1.6.2.3 End of Day Cash Management 3.3.3.13 LiquidityCreditTransferV05 (camt.050.001.05)	Update - Diagrams 49 & 50 - Tables 47 & 48 With the description of the new activity “Liquidity rebalancing from CLM to NCB T2S DCA with negative balances” Update the section for EoD liquidity transfers Add a new usage for the pull liquidity request
Additional deliveries for Message Specification (UDFS, MyStandards, MOP contingency templates)	**My Standards:** head.001 camt.050	Add information that the priority tag is used to identify liquidity pull requests Update of the schema (editorial) Upload to MyStandards Add a new usage for the liquidity pull request Update of the schema (editorial)

		Creation of a new message example Upload to MyStandards
UHB	**CRDM UHB:** Section 2.3.2.8 Standing/Predefined Liquidity Transfer Order – Search/List Screen Section 2.3.2.10 Standing/Predefined Liquidity Transfer Order – New/Edit Screen Section 4.3.2.101 Standing/Predefined Liquidity Transfer Order – Search/List Screen Section 4.3.2.102 Standing/Predefined Liquidity Transfer Order – Details Screen Section 4.3.2.103 Standing/Predefined Liquidity Transfer Order – New/Edit Screen	Introduction of a new order type. Amendment of Business Rules' description in order to specify the different Rule-Based Liquidity transfers
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

This CR is a complement for CR 709 which introduced the Optional Cash Sweep for Euro, but is intended for any currency settling in T2.

Regarding NCB accounts balances in euro, upon receipt of the existing Optional Cash Sweep 2 (OCS2) event, in case the NCB has subscribed, T2S (LQMG) will send a camt.050 "Pull" message to CLM to request the generation of Rule-based Liquidity Transfers crediting the cash accounts of the NCB up to zero when their balance is negative. Then, CLM will answer with a regular camt.050 message ("push") to T2S.
In the unlikely case where the camt.050 response sent by CLM reaches T2S after the ERTS event marking the end of the acceptance by SETT of the Liquidity Transfers not submitted to LTRC event, the LTs will be rejected and as an exceptional case, the balances of the concerned NCB accounts will remain negative overnight. As a consequence, a reversal LT must be generated and settled in CLM.

T2S should not depend on the availability of CLM and in case of unavailability of CLM T2S must keep running normally as usual.

Potential technical dependency with CR-0794[3]. Considering that both CR-720 and CR-794 impacts the same LQMG module, 4CB see synergies if CR-794 was feasible for the same release R2025.NOV, since the implementation and testing effort would be less than a delivery in different releases. Therefore, there is no current technical dependency with CR-794 but this could be the case if CR-794 was approved for implementation in the same release. If that was the case, both CRs could only be delivered together. If this happens, the upcoming detailed assessment of CR-0794 will reflect this point.

As DKK will migrate to T2 with CR 782, but to the Optional Cash Sweep only with CR 794, the complete functionality of CR 720 will only be available together with CR 794 for DKK.
But as soon as CR 720 is implemented negative balances during the mandatory Cash Sweep will trigger a camt.050 pull request.

LQMG:
Based on the receipt of the OCS2 event or in case of the Mandatory Cash Sweep at EoD LQMG will check for which NCB cash account a Floor breach mark was set in CRDM. For the relevant accounts LQMG will request the negative balance from SETT and will send a camt.050 liquidity pull request to CLM. This Liquidity pull

[3] T2S-0794-SYS T2S settlement day processes for DKK

request will be identified via a code in the priority tag in the BAH.
After sending the pull request LQMG is expecting to receive a camt.050 from CLM triggering the transfer of the required amount. LQMG will ensure that these LTs are handled although they arrive after the cut-off.

To guarantee that the LTs are accepted also after the cut-off, LQMG will also need a Code word from CLM. The code of the priority tag provided by CLM is used for this, this information is sent via the INTF to LQMG.

Only the priority code "104 - (LRFB) = Rule-based liquidity transfer pull response - floor breach" will be processed, the other codes (01, 02, 07) will not be considered by T2S.

INTF:
INP
Interface receives the camt.050 from CLM with a Code in the Priority Tag of BAH. Interface then processes the Code to the LQMG backend.

OUP
Camt.050 pull request must be introduced to the Outbound processing of INTF. When the camt.050 pull request is sent to CLM the code for the usage will be in the BAH (head.001) under the priority Tag. The Interface is responsible to insert Code 04 into the Priority Tag in case of the new liquidity pull usage.

For all other camt.050 messages sent by T2S no change is foreseen. No value will be included in the priority-tag of BAH.

CRDM:
Introduction of a new order type for liquidity transfer order object. This new order type would only allow T2S NCB Account as creditor account and CLM CB account as debited account. For this order type, the fields Amount, Dedicated Amount, All Cash, Event Type, Execution Time and AS Procedure are not relevant. This means that the configuration of the triggering event of the liquidity transfers should not be performed at CRDM level but is left on T2 side.

DWH:
Change to the statistical classification framework by adding one or several additional filters.

Main Cost Drivers:

- Specification and implementation of a new process in LQMG for the "pull" liquidity transfers (e.g. retrieval of the new liquidity transfer orders from CRDM, retrieval of new balance request from SETT, handling of the OCS2 event, modification of the optional cash sweep process, Update of IDFS documentation, etc.);
- Specifications and implementation of the new process also in INTF, adaptation of the camt.050 and head.001 message;
- Specification and implementation of the new activity "Liquidity rebalancing from CLM to NCB T2S DCA with negative balances" in SETT, adjustments of the settlement day;
- Specification and implementation of the new order type for liquidity transfers in CRDM;
- Update interfaces with LQMG for handling camt.050 messages
- Introduction of a new order type for liquidity transfer order object, impacting both CRDM BE processes (Create, Update, Delete) and CRDM GUI screens (New, Edit, Search/List, Details).
- Update test cases and perform the required testing activities:
    - Test of the new function, Optional and mandatory cash sweep (EUR and DKK) testing
    - Testing the new inbound liquidity transfer process in a non-regression testing campaign. Execution of regression tests.

Impact on other TARGET Services and projects
No ECMS impact. Impact on T2 is reflected in the corresponding T2-0067-URD and on TIPS in TIPS-0028-URD.
Summary of project risk
No project risk has been identified during detailed assessment.
Security analysis
No adverse effect has been identified during detailed assessment.

16 October 2023

Cost assessment on Change Requests

T2S-720-SYS – Optional inbound liquidity transfer in case of negative NCB account balance at liquidity cut-off			
One-off	Assessment costs* - Preliminary - Detailed	 2,000.00 10,000.00	 Euro Euro
One-off	Development costs	630,455.07	Euro
Annual	Operational costs - Maintenance costs - Running costs	 61,790.53 0.00	 Euro 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).