

Target2 Securities DCP AUTHORIZATION TESTS

Test Plan

31st January 2015

Final Version 1.0



London
Stock Exchange Group

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1.0 TEST APPLICABILITY, SCOPE AND TIMELINE

Authorization test are applicable to those DCPs subject to ECB certification testing.

DCPs have to execute the Authorization test cases to make sure that they are compliant with CSD's market and legal specific requirements. Among these, MT includes all those services which will not be available on the T2S platform and therefore will be offered through MT's existing procedures.

The Authorization test cases will be executed starting from 2nd March till 15th May 2015 in "T1" environment of MT connected to T2S Community testing environment "MIG2".

T2S test environments 'MIG2' and MT 'T1' environment will not be available on 6th April 2015 (Catholic/Protestant Easter Monday) and 1 May 2015 and when maintenance activities are scheduled.

2.0 TEST ORGANIZATION

Operating procedures

- The test will be executed in MT environment named "T1" connected to T2S Community testing environment named "MIG2"
- The DCPs have to execute the Authorization test cases to assure that they can use successfully those MT services which are not available directly on the T2S platform (e.g. External CSD settlement, Corporate Actions on Stocks) and those events that have been developed according to international standards defined by the CAJWG and by CASG appointed by the ECB (Corporate Actions on Flows: Market Claims and Transformations)
- The test cases have been scheduled in a specific time period, specified in the section 3.0
- The execution of selected test cases may require modification of the standard operating cycle for the sake of optimizing timing and effort. In the case, MT may force the transition to the subsequent phase of each process and / or shorten or dilute the physiological execution time windows
- Each DCP, acting in the roles he declared to have in production for each specific test case, is requested to work on a voluntary basis, by sending MT the settlement instructions required and consequently verifying the outcome of that action, according to the test steps described in each test case (see document "DCP Authorization test cases v. 3.0 Final issued on 30th December 2014)

According to Art. 14.3 of the General Terms and Conditions, DCPs are requested to communicate by 15th May 2015 the outcome of the testing activities, set forth in this document and in the document "DCP Authorization test cases v. 3.0 Final issued on 30th December 2014", by way of a signed declaration according to the attached template (See Attachment 1 "Testing Outcome Declaration Template"). The declaration shall be sent to the following e-mail address: MT-T2S-Doctest@lseg.com.

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3.0 TEST PLAN TIME-LINE

Please find attached to the present document the excel file “Attachment 2 DCP AUTHORIZATION TEST PLAN TIMELINE 1.1 FINAL 31_01_2011” which presents the authorization test plan
Attachment 2 - DCP AUTHORIZATION TEST PLAN
 (DOUBLE CLICK TO OPEN)

Please note that the following changes have been introduced with respect to the previous time-line forwarded:

- the Migration WE Rehearsal and the associated PURGE and RELOAD activities previously planned in the following dates:
 - 16-17 March
 - 6-7 April
 - 13-14 April
 have been removed
- the time-line of the test cases AUTH_15-EXS, AUTH_16-EXS, AUTH_17-EXS and AUTH_18-EXS related to EXTERNAL CSD SETTLEMENT has been extended till 24th April included
- the time-line of the test case AUTH_22-PORT Portfolio Transfer has been changed from 27th April to 15 May included

4.0 TESTING TIME IN COMMUNITY ENVIRONMENT

During the Community testing period, the users of TARGET2 and T2S have agreed to align the operational day schedule of the TARGET2 test environment and the T2S test environment.

Also MT will align its T1 test environment to the same timeline as shown in the table below. Note: all time are CET

PROCESS	T2S SYNCHRONISED STANDARD DAY (FROM MONDAY TO THURSDAY)	T2S RELEASE DAY ON FRIDAY
START OF TESTING	07:00	07:00
REAL TIME SETTLEMENT		
- PARTIAL SETTLEMENT 1	12:30-12:45	12:30-12:45
- PARTIAL SETTLEMENT 2	14:15-14:30	14:15-14:30
- DVP CUT-OFF	14:30	14:30
- CASH SR CUT-OFF	14:30	14:30
- BATM / CBO CUT-OFF	15:10	15:10
- INBOUND LTO CUT-OFF / AUTOMATIC CASH	15:15	15:15

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SWEEP		
- SECURITIES SR / FOP CUT-OFF	15:30	15:30
END-OF-DAY/START-OF-DAY		
- CHANGE OF BUSINESS DATE	16:15	16:15
- FEEDS FROM CMS	16:30	16:30
START OF NIGHT-TIME SETTLEMENT / CASH INJECTION	17:00	17:00
NIGHT-TIME SETTLEMENT		
END OF TESTING	19:00	17:30

5.0 OBLIGATIONS EXPECTED

DCPs are required to verify the correctness of the following main components:

- ✓ exchange of messages with MT in(out) according to the Authorization test cases provided
- ✓ correctness of the transmission channel enabled
- ✓ timing of receipt of any information / reporting
- ✓ format of the messages received, on the basis of the technical documentation shared and published in the documentary section of the MT-X Platform and on MyStandards for SWIFT messages
- ✓ correctness and timeliness of cash debits for those test cases requiring payment of cash in Target2 Securities.

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6.0 ASSISTANCE TO TESTING

A tool called 'JIRA' will be made available by MT to DCPs to collect users issues and questions. MT will dedicate a team to help at least participants with usage of the tool and other quick information about known system behaviors. Jira service guide is under preparation and will be sent to DCPs in the next days through a Notice.

The dedicated team can be contacted through:

- o Email: mt-t2s-test@lseq.com
- o Phone: +0039 (0)2 33635800

7.0 TEST PLAN (GENERAL CONCEPTS)

Assumption:

1. On 2nd March at the start of the Community period, the 'T1' environment will be populated with all the ISINs and the balances on these ISINs that the DCPs will have in MT Production environment at the close of business day on 26th or 27th February 2015 (date identification pending assessment with the T2S operator in order to achieve migration of balances by 2nd March)
2. The static data related to parties will be the ones input by the DCPs through the tool named 'CLIMP' at the date of 20 February 2015.
3. The DCPs will be informed of each event of Corporate Actions through an Announcement (Disposizione di Servizio) issued on Monday, on every week for the whole duration of the test
4. The operational details, the operational terms and any deadline for the instructions are inserted in the Announcement (Disposizione di Servizio)
5. To allow all DCPs to participate in corporate actions to be tested, MT will prepare accounting positions as follows:
 - a) 10,000 units for financial instruments in terms of quantity (e.g. shares / rights / warrants)
 - b) 100,000 Euro for financial instruments denominated in nominal value (bonds).

It is responsibility of each DCP to ensure that positions necessary for the corporate actions test are still available at Record Date of the Corporate Action.

8.0 TEST PLAN (DETAILS ABOUT EVENTS AND ISINS)

AUTH_07-CAOS Cash Distribution: interest payment

Week from 16th to 27th

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DESCRIPTION	ISIN	SECURITIES NAME	PAYMENT DATE	PAYING AGENT (ABI / BIC)
Cash Distribution: interest payment	IT0005000374	CREDEM 14/19 TF	20-03 / 27-03	3479 / PARBITMMXXX
	IT0005054348	CDP SPA 14/15 ZC	20-03 / 27-03	3566 / CITIITMXSEC
	IT0005003105	B.PASSADORE 14/16 TV	20-03 / 27-03	5000 / CIPBITMMXXX
	IT0005039669	B.CA PISTOIA 18 TV	20-03 / 27-03	8000 / ICRAITRRXXX
	IT0005022642	INTESA SP 14/19 TV	20-03 / 27-03	3069 / BCITITMMXXX
	IT0005004855	UNICREDIT 14/17 SU	20-03 / 27-03	3307 / TWOSITMMXXX
	IT0004967698	B.CARIGE 13/18 TF	20-03 / 27-03	3104 / DEUTITMMXXX

AUTH_08-CAOS: Cash Distribution: redemption

Week from 16th to 27th March

DESCRIPTION	ISIN	SECURITIES NAME	PAYMENT DATE	PAYING AGENT (ABI / BIC)
Cash Distribution: Redemption	IT0005026023	UNICREDIT 14/26 TF	20-03 / 27-03	3479 / PARBITMMXXX
	IT0005056103	CDP SPA 14/15 ZC	20-03 / 27-03	3566 / CITIITMXSEC
	IT0005055147	B.FINNAT 14/17 TV	20-03 / 27-03	5000 / CIPBITMMXXX
	IT0004628035	B.AGRILEASING 15 TV	20-03 / 27-03	8000 / ICRAITRRXXX
	IT0005073157	MED.TR.A.A. 14/18 TF	20-03 / 27-03	3069 / BCITITMMXXX
	IT0005055675	CR S.MINIATO 19 TF	20-03 / 27-03	3307 / TWOSITMMXXX
	IT0004331929	DEUTSCHE B. 18 TV	20-03 / 27-03	3104 / DEUTITMMXXX

AUTH_09-CAOS: Cash Distribution: dividends

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Week from 16th to 27th March

DESCRIPTION	ISIN	SECURITIES NAME	PAYMENT DATE	PAYING AGENT (ABI / BIC)
Cash Distribution: Dividend	IT0004307218	OMICRON F.DO IMM.RE	20-03 / 27-03	3479 / PARBITMMXXX
	IT0004791338	VENERE FONDO CL.B	20-03 / 27-03	3566 / CITIITMXSEC
	IT0000088853	BANCA FINNAT ORD	20-03 / 27-03	5000 / CIPBITMMXXX
	IT0001360749	SECURFONDO Q.RP	20-03 / 27-03	8000 / ICRAITRRXXX
	IT0000062957	MEDIOB ORD	20-03 / 27-03	3069 / BCITITMMXXX
	IT0003836043	SOFIPA EQUITY F.PORT	20-03 / 27-03	3307 / TWOSITMMXXX
	IT0001044731	DEUTSCHE B. ORD	20-03 / 27-03	3104 / DEUTITMMXXX

AUTH_10-CAOS: Voluntary Reorganisation: conversion

Week from 7^h to 17th April

DESCRIPTION	ISIN	SECURITIES NAME	INSTRUCTION DEADLINE
Conversion	IT0001463071	FONDIARIA SAI ORD	09-04
	IT0004458177	SEAT P.G. RN NC	16-04

AUTH_11-CAOS: Mandatory Reorganization with options: capital increase

Week from 7^h to 17th April

DESCRIPTION	ISIN	PAYMENT DATE	BANCA COLLETRICE (ABI / BIC)
Capital Increase	IT0000080553	10-04	3479 / PARBITMMXXX
	IT0004007560	10-04	3566 / CITIITMXSEC
	IT0000082591	16-04	5000 / CIPBITMMXXX

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DESCRIPTION	ISIN	PAYMENT DATE	BANCA COLLETRICE (ABI / BIC)
	IT0003121677	16-04	8000 / ICRAITRRXXX
	IT0001063707	17-04	3069 / BCITITMMXXX
	IT0000336518	17-04	3307 / TWOSITMMXXX
	IT0001237053	17-04	3104 / DEUTITMMXXX

AUTH 12-CAOF Market claims originated from an unsettled instruction DVP when a CA Interest Payment takes place

Week from 7^h to 17^h April

To receive market claims, DCPs will have to insert settlement instructions on the following financial instruments

ISIN	SECURITIES NAME	RECORD DATE	PAYMENT DATE
IT0005000374	CREDEM 14/19 TF	09-04	10-04
IT0005022642	INTESA SP 14/19 TV	16-04	17-04
IT0005004855	UNICREDIT 14/17 SU	14-04	15-04

AUTH 13-CAOF Reverse Market Claim originated from a settled transaction (FOP) when a Rights distribution CA takes place

Week from 20^h to 30^h April

To receive reverse market claims, the DCPs have to insert settlement instructions on the following financial instruments on which a right distributions is taking place having following features:

ISIN	EX DATE	RECORD DATE
IT0000336518	20-04	21-04
IT0001237053	27-04	28-04

AUTH 14-CAOF Transformations originated from an unsettled transaction (DVP) when a CA of redemption takes place

Week from 7^h to 17^h April

To receive transformations, the DCPs will have to insert settlement instructions on the following financial instruments:

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ISIN	RECORD DATE	PAYMENT DATE
IT0004551625	09-04	10-04
IT0004555576	15-04	16-04
IT0004564552	16-04	17-04

AUTH_15_16_17_18 EXTERNAL CSD SETTLEMENT/ALLEGEMENT/CANCELLATION/PARTIAL SETTLEMENT

AUTH_15-EXS External-CSD settlement: the transactions instructed by a MT participant for settlement in which ISSUER CSD = external to T2S and MT = investor CSD

Week from 7 to 24 April

AUTH_16-EXS, AUTH_17-EXS, AUTH_18-EXS

Week from 13 to 24 April

DESCRIZIONE	MT SME	CSD	ISIN
AUTH_15-EXS External-CSD settlement: the transactions instructed by a MT participant for settlement in which ISSUER CSD = external to T2S and MT = investor CSD	N	DAKVDEFFDOM	DE000A0D8Q15 DE0001135176
AUTH_16-EXS External-CSD settlement: Allegement	N	DAKVDEFFDOM	DE000A0D8Q15 DE0001135176
AUTH_17-EXS External-CSD settlement: Cancellation	N	DAKVDEFFDOM	DE000A0D8Q15 DE0001135176
AUTH_18-EXS External-CSD settlement: Partial Settlement	N	CRSTGB22XXX	GB00B15KY104

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