

DCP AUTHORIZATION TEST CASES

T2S PROJECT

Version 4.10 REVIEW
dated 630th July~~ne~~ 2015

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1 DOCUMENT MANAGEMENT

1.1 Document History

Date	Version	Details
01/09/2014	0.4.0	Internal MT
18/09/2014	0.5.1	Draft to 'Testing&Migration' subgroup
14/10/2014	1.0	Draft to all the participants declaring to be DCP in T2S
18/11/2014	2.0	Changes from v. 1.0 to 2.0 <ul style="list-style-type: none"> All the test cases have been updated with reference to test evidences required. The messages SWIFT ISO20022 sent by T2S to DCPs have been introduced, as required by some DCPs, in all the test cases. According to the comments received by some DCPs, the test cases have been amended or more detailed.
30/12/2014	3.0	Changes from v. 2.0 to 3.0 <ul style="list-style-type: none"> Change of description of test case AUTH_06-PT
<u>30/06/2015</u>	<u>4.0</u>	<u>Changes from v.3.0 to 4.0</u> <ul style="list-style-type: none"> <u>Auth 08 CAOS</u> <u>Auth 09 CAOS</u> <u>Auth 10 CAOS</u> <u>Auth 11 CAOS</u> <u>Auth 12 CAOF descoped</u> <u>Auth 13 CAOF descoped</u> <u>Auth 14 CAOF descoped</u> <u>Auth 15 EXS</u> <u>Auth 16 EXS descoped</u> • <u>Auth 18 EXS</u> <u>Auth 20 XR descoped</u>

1.2 Acronyms and abbreviations

Name	Description
CA	Corporate Actions
CB	Correspondent Bank
COB	Close of Business
CSD	Central Securities Depository
DCA	Dedicated Cash Account
DCP	Direct Connected Participant
DV	Value Date
DVP	Delivery Versus Payment
ECB	European Central Bank
EXD	Ex-Date
FOP	Free of Payment
ICP	Indirect Connected Participant
ISD	Intended Settlement Date

Field Code Changed

MT	Monte Titoli
NCB	National Central Bank
OTC	Over the Counter
PA	Paying Agent
PB	Payment Bank
PD	Payment Date
RD	Record date
RCC	Client Fee Settlement
RTGS	Real Time Gross Settlement
SAC	Securities Account
SD	Settlement Date
TD	Trade Date
T2S	Target 2 Securities

1.3 Reference documentation

Document date	Document name
17-04-2014	PR FT UR [T2S-54] - MT USER REQUIREMENTS v. 2.3
The latest available	T2S MESSAGE LAYOUT - SWIFT 15022 published on MyStandards
4-4-2014 19-5-2015	<p>STANDARD PER UTENTI -CUSTODY-MODALITÀ RNI v. 03</p> <ul style="list-style-type: none"> • MT-RNI-CA001 Cash Distribution v 05 per T2S • MT-RNI-CA002 Reorganizations v 04 per T2S • MT-RNI-DS005 DDS Cash Distributions v02 per T2S • MT-RNI-EC001 Estratto Conto Titoli v06 per T2S • MT-RNI-CAMT v04 per T2S • MT-RNI-IC001 Informativa Contabile v 06 per T2S • MT-RNI-PM001 Position Management v 06 per T2S • MT-RNI-CS001 Coupon Stripping v 03 per T2S • MT-RNI-DS003 DDS Operazioni sul capitale v 1.6 per T2S • MT-RNI-IE001 Istruzioni da emittente v 05 per T2S • MT-RNI-MC001 7B2 Claim v 01 per T2S • MT-RNI-TR001 7B2 Transformation v 02 per T2S
12-05-2014 19-5-2015	Standard per utente X-TRM modalità RNI ver 0.11 T2S TRACCIATI UTENTE X-TRM (T2S) MODALITÀ RNI v. 0.8
12-05-2014 19-5-2015	Tracciati utente X-TRM modalità MT-A2A ver 0.8.0 T2S TRACCIATI UTENTE X-TRM MODALITA' MT- A2A v. 0.5
T2S version currently under review 2014/2015	<p>▲ MANUALE UTENTE MT-X: Italian version: Manuale Ammissione.pdf – v1.35 (Manuale Ammissione titoli e comunicazioni) Manuale MTX - Servizi FIS-CPA-SHID.pdf – v 2.35 (Manuale Utente MT-X Servizi FIS - CPA – SHID)</p> <p>Manuale per le operazioni di reorganisation.pdf - v 1.4 (Manuale Utente MT-X - Operazioni di reorganisation) Manuale utente_RCC.pdf – v Ottobre 2014 (Manuale Utente RCC Servizio Regolamento Corrispettivi Clienti)</p> <p>English version: under preparation</p>
7-10-2014	<p>MANUALE UTENTE XTRM-On-Line – T2S v. 8.0.2</p> <p>User Guide X-TRM On-Line – T2Sv. 8.0.2</p>

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2 PURPOSE OF THE DOCUMENT

The scope of DCP Authorization test is to make sure that DCPs are compliant with CSD's market and legal specific requirements. Among these Monte Titoli includes all those services which will not be available on the T2S platform and therefore will be offered through MT's existing procedures.

3 Principles

This document contains the description of detailed test cases for the Authorization Test of the DCPs.

Depending on the role that the Directly Connected Participant will have in production (issuer, intermediary, paying agent, paying bank, correspondent bank), execution of a concerned test will be deemed mandatory or optional.

Each test case reports the available communication standards to be used for execution of the concerned test; it is each participant responsibility to adopt the necessary standard among these:

- Communication standards; RNI, SWIFT, MT A2A, MTX, XTOL

The test cases describe the messages that the DCPs receive from MT and also those that the DCPs may receive from T2S platform, if subscribed by the DCPs themselves.

4 Disclaimer

Please refer to the communication "T2S – Testing Activities – DCP Authorization" dated 14th October 2014 accompanying this document.

5 DCP Authorization Test – list of test case titles

This paragraph reports high level description of the authorization test cases. Detailed test steps, expected results and evidences to be provided are included in chapter 6.

DCP role acronym used in the table :

- IS = Issuer
- IN = Intermediary
- PA = Issuer's Paying Agent
- PB = Paying Bank if different from IN
- CB = Correspondent Bank (entity engaged by the Intermediary to perform, on the latter's behalf, the accounting of funds between the Issuer's Paying Agent and the Intermediary itself)

MT flagged as 'M' those functionalities that must be tested by the DCP based on his role (IS, IN, PA, PB CB), provided that he makes use of the functionalities and with 'O' those functionalities that the DCP may decide to test but which are not mandatorily required to be tested by MT for that specific role.

However, in case the DCP will not use in production some of the functionalities which are marked as 'M' according to his role, since they are not applicable to his type of business, he should inform MT returning us the Annex 1, duly filled in no later than 2nd February 2015.

DCP comments related to detailed test cases have to be provided to MT no later than 21th October 2014, using the Annex 2.

The DCP Authorization test cases can be executed till 31st July 2015

Test ID	Communication standards	Test case title	DCP Role				
			IS	IN	PB	PA	CB
AUTH_01-FI	MTX / RNI / SWIFT	First Issuance of a Financial Instrument:	M	O	O	na	na
AUTH_02-MU	MTX / RNI / SWIFT	Mark Up by a Issuer DCP: Issuance of new tranches of financial instruments already issued	M	O	na	na	na
AUTH_03-MD	MTX / RNI / SWIFT	Mark Down by a Issuer DCP on the securities account of any beneficiaries: Reduction of nominal value as a result of repurchase / redemption	M	O	na	na	na
AUTH_04-CS	MTX / RNI / SWIFT	Coupon Stripping on fixed-rate or index-linked Government Bonds	Na	M	na	na	na
AUTH_05-CU	MTX / RNI / SWIFT	Coupon Unstripping on fixed-rate or index-linked Government Bonds	Na	M	na	na	na
AUTH_06-PT	MTX	Participant Positions partial transfer: DCP A sends a request to MT for transferring a part of its securities positions to another securities account owned by Intermediary B	Na	M	na	na	na
AUTH_07-CAOS	MTX / RNI / SWIFT	Cash Distribution: interest payment	M	M	M	M	M
AUTH_08-CAOS	MTX / RNI / SWIFT	Cash Distribution: redemption	M	M	M	M	M
AUTH_09-CAOS	MTX / RNI / SWIFT	Cash Distribution: dividends	M	M	M	M	M
AUTH_10-CAOS	MTX / RNI / SWIFT	Voluntary Reorganisation: conversion	M	M	O	na	na
AUTH_11-CAOS	MTX / RNI / SWIFT	Mandatory Reorganization with options: capital increase	M	M	M	M	M
AUTH_12-CAOF	MTX / RNI / SWIFT	Market claims originated from an unsettled instruction DVP when a CA Interest Payment takes place DESCOPED	na	M	M	na	na
AUTH_13-CAOF	MTX / RNI / SWIFT	Reverse Market Claim originated from a settled transaction (FOP) when a Rights distribution CA takes place DESCOPED	na	M	M	na	na
AUTH_14-CAOF	MTX / RNI / SWIFT	Transformations originated from an unsettled transaction (DVP) when a CA of redemption takes place DESCOPED	na	M	na	na	na

Test ID	Communication standards	Test case title	DCP Role				
			IS	IN	PB	PA	CB
AUTH_15-EXS	SWIFT / RNI / MT A2A/ XTOL	External-CSD settlement: the transactions instructed by a MT participant for settlement in which ISSUER CSD = external to T2S and MT = investor CSD	na	M	M	na	na
AUTH_16-EXS	SWIFT / RNI / MT A2A/ XTOL	External-CSD settlement: Allegement DESCOPED	na	M	O	na	na
AUTH_17-EXS	SWIFT / RNI / MT A2A/ XTOL	External-CSD settlement: Cancellation	na	M	O	na	na
AUTH_18-EXS	SWIFT / RNI / MT A2A/ XTOL	External-CSD settlement: Partial Settlement	na	M	M	na	na
AUTH_19-SH	SWIFT / RNI / MT A2A/ XTOL	Receipt of the Daily Statement of Holdings	M	M	na	na	na
AUTH_20-HR	SWIFT / RNI / MT A2A/ XTOL	DCP (A) requires visibility of H&R status indicator on the settlement instruction inserted by the counterparty DCP (B) DESCOPED	na	M	O	na	na
AUTH_21-REPO	SWIFT / RNI / MT A2A/ XTOL	Insert a PCT/PCR settlement instruction	na	O	O	na	na
AUTH_22-PORT	SWIFT / RNI / MT A2A/ XTOL	Portfolio Transfer: ICP A transfers all its securities positions from one securities account to the securities account of DCP B	na	M	na	na	na

6 DCP Authorization Test - detailed test cases

Test ID AUTH_01-FI	
Applicable to	DCP role: ISSUER in MT DCP role: INTERMEDIARY in MT
Connectivity mode	MTX – RNI – SWIFT
Description	First Issuance of a Financial Instrument
Prerequisite	The financial instrument has been created in T2S DCP having role Issuer will have an issuance securities account opened The DCP having role Intermediary will have a securities account opened
Action required/Expected results	DCP will instruct MT through msg 710 or MT 542 DCP in the role of Issuer will receive: <ul style="list-style-type: none"> - 71N or MT548 of acceptance of the instruction (Acknowledgement) - 71N or MT 546 of settlement confirmation - Sese.025 of settlement confirmation from T2S (if subscribed) DCP in the role of Intermediary will receive: <ul style="list-style-type: none"> - 71N or MT544 of settlement confirmation - Sese.025 of settlement confirmation from T2S (if subscribed)
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_02-MU	
Applicable to	DCP role: ISSUER in MT DCP role: INTERMEDIARY in MT
Connectivity mode	MTX – RNI – SWIFT
Description	Mark Up by a Issuer DCP: Issuance of new tranches of financial instruments already issued
Prerequisite	The financial instrument has been created in T2S DCP having role Issuer has an issuance securities account opened The DCP having role Intermediary has a securities account opened
Actions required/Expected results	DCP will instruct MT through msg 710 or MT 540 DCP in the role of Issuer will receive: <ul style="list-style-type: none"> - 71N or MT548 of acceptance of the instruction (Acknowledgement) - 71N or MT 546 of settlement confirmation - Sese.025 of settlement confirmation from T2S (if subscribed) - DCP in the role of Intermediary will receive: <ul style="list-style-type: none"> - 71N or MT544 of settlement confirmation - Sese.025 of settlement confirmation from T2S (if subscribed)
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_03-MD	
Applicable to	DCP role: Issuer in MT DCP role: Intermediary in MT, directly connected to T2S and receiving reporting from T2S.
Connectivity mode	MTX – RNI – SWIFT
Description	Mark Down by a Issuer DCP on the securities account of any beneficiaries: Reduction of nominal value as a result of repurchase / redemption <u>It is assumed that DCP having role Intermediary will instruct the Mark Down Order directly to T2S as acceptance of instruction received by Issuer</u>
Prerequisite	The financial instrument has been created in T2S DCP having role Issuer has an issuance account opened and a securities position available DCP having role Intermediary has a securities account opened and securities positions available
Actions required/Expected results	The instructions will be forwarded by MT to T2S as "settlement instructions to be matched" with ISO transaction code REDM. Transactions will go through the matching process in T2S and an allegation notification will be notified to each intermediary taking part in the event <u>The DCP having role Issuer will:</u> <ul style="list-style-type: none"> • send the Mark Down order via 710 - MT540 to MT • receive from MT: <ul style="list-style-type: none"> - RNI 71N - MT548 of acknowledgment - RNI 71N - MT546 of settlement confirmation <u>DCP having role Intermediary will:</u> <ul style="list-style-type: none"> • receive sese.028 of allegation notification from T2S • send its Mark Down settlement instruction sese.023 to T2S • receive sese.025 of settlement confirmation from T2S
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_04-CS	
Applicable to	DCP role: Intermediary in MT
Connectivity mode	MTX – RNI – SWIFT
Description	Coupon Stripping on fixed-rate or index-linked Government Bonds
Prerequisite	The financial instrument has been created in T2S and is an Italian Government bond DCP has a securities account opened and a securities position available
Actions required/Expected results	DCP will send 7A7 or MT542 on principal ISIN to MT MT will perform the necessary stripping processing DCP will receive: - 71N or MT544/546 of settlement confirmation from MT - sese.025 of settlement confirmation from T2S (if subscribed)
Test evidence	The instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_05-CU	
Applicable to	DCP role: Intermediary in MT
Connectivity mode	MTX – RNI – SWIFT
Description	Coupon Unstripping on fixed-rate or index-linked Government Bonds
Prerequisite	The financial instrument has been created in T2S and is an Italian Government bond DCP has a securities account opened and a securities position available
Actions required/Expected results	DCP will send 7A8 or MT540 on principal ISIN to MT MT will perform the necessary unstripping processing DCP will receive: - 71N or MT544/546 of settlement confirmation from MT - sese.025 of settlement confirmation from T2S (if subscribed)
Test evidence	The instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_06-PT	
Applicable to	DCP role: Intermediary in MT Intermediary B = is the counterpart in the Partial Transfer instruction. He may be an ICP or a DCP
Connectivity mode	MT-X In substitution of the authorized letter (if the DCP in the role of Intermediary is not connected to MT-X), an email will be accepted for test purposes.
Description	Participant Positions partial transfer: DCP A sends a request to MT for transferring a part of its securities positions to another securities account owned by Intermediary B
Prerequisite	DCP A has a securities account opened and positions available. The Intermediary B has a securities account opened.
Actions required/Expected results	DCP A will send the mandate, through MT-X/letter, to perform the partial transfer and a file with the list of the ISINs to be transferred from its positions to another security account owned by Intermediary B. The Partial Transfer will be sent by DCP A and MT will send it to T2S as 'already matched'. DCP A will receive: <ul style="list-style-type: none"> - 71N or MT 546 of settlement confirmation from MT - sese.025 of settlement confirmation from T2S (if subscribed) Intermediary B will receive: <ul style="list-style-type: none"> - 71N or MT 544 of settlement confirmation from MT if he is an ICP or - sese.025 of settlement confirmation from T2S if he is a DCP
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_07-CAOS	
Applicable to	DCP role in MT: - Issuer - Intermediary - Issuer's Paying Agent - Correspondent Bank
Connectivity mode	RNI / SWIFT / MTX
Description	Cash Distribution: interest payment
Prerequisite	DCP having role Intermediary has a securities account opened and positions available on the ISIN involved in CA and a dedicated cash account (DCA) in T2S DCP having role of paying agent (PA) has a dedicated cash account (DCA) opened in T2S. DCP having role Issuer has an issuance account opened and available securities on issuance account.
Actions required/Expected results	DCP having role of Issuer will send the mandate containing the details to manage the cash distribution of interest payment. MT will produce the Announcement, sending 721 - MT564 to the intermediaries. <u>On PD – 20days</u> , MT will send: - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B3 Pre-advice notification to the Issuer <u>On PD – 2days</u> : - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B2 or MT 564 Pre-advice notification to Intermediaries/Correspondent bank - 7B3 Pre-advice notification to the Issuer <u>On RD, MT will send</u> - 7B1 Notification of position booked to Issuer's Paying Agent - 7B2 or MT 564 Notification of position booked to Intermediaries/Correspondent bank - 7B3 Notification of position booked to the Issuer <u>On PD</u> , MT will send: - 7B1Pre-advice notification to Issuer's Paying Agent - 7B2/MT 564 Pre-advice notification to Intermediaries/Correspondent bank - 7B3 Pre-advice notification to the Issuer On PD, the following scenarios may happen: • <u>each Issuer's paying agent may choose to be debited:</u> o either on their RTGS account in T2 o or on their DCA account on T2S - <u>each participant may choose to be credited:</u> o either on their RTGS account in T2, o or on their account in T2S DCA, The cash payment described in this test case is: Both the Issuer's paying agent and the Intermediary choose T2S as payment platform

	<p>On PD:</p> <ul style="list-style-type: none"> - MT sends to T2S PFOD instructions to debit the Issuer's paying agent's DCA and credit intermediaries' DCA. These instructions are sent in status "Hold" in order to replicate the T2 information period <p>On the deadline defined according to the international standards (11:45) MT releases all instructions that have not been revoked by the Issuer's paying agent.</p> <p>MT will:</p> <ul style="list-style-type: none"> - debit the Issuer's paying agent's DCA - credit the DCA account of the Intermediary <p>MT will send:</p> <ul style="list-style-type: none"> - 7B1 of Final notification to Issuer's Paying Agent - 7B2 or MT 566 of Final notification to Intermediaries/Correspondent bank - 7B3 of Final notification to the Issuer <p><u>Revoke/Refuse of cash payment:</u></p> <p>When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause REVPA/RIFPA, MT will send on PD:</p> <ul style="list-style-type: none"> - 7B1 Delay notification to Issuer's Paying Agent - 7B2 or MT 564 Delay notification to Intermediaries/Correspondent bank - 7B3 Delay notification to the Issuer <p><u>Cancellation of cash payment:</u></p> <p>When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause CANPA, MT will send: :</p> <ul style="list-style-type: none"> - 7B5 - MT567 Notification of acceptance of revoke payment to Issuer's Paying Agent - 7B1 Notification of payment cancellation to Issuer's Paying Agent - 7B2 or MT 564 Notification of payment cancellation to Intermediaries or Correspondent bank - 7B3 Notification of payment cancellation to the Issuer - sese.027 instruction cancellation to T2S
Test evidence	The instructing parties, instruction references and the message IDs of the received messages

Test ID AUTH_08-CAOS	
Applicable to	DCP role in MT: <ul style="list-style-type: none"> - Issuer - Intermediary - Issuer's Paying Agent - Correspondent Bank
Connectivity mode	RNI / SWIFT / MTX
Description	Cash Distribution: redemption The event is made of two steps: 1) Redemption of securities positions 2) Cash payment
Prerequisite	DCP having role Intermediary has a securities account opened and positions available on the ISIN involved in CA and a dedicated cash account (DCA) in T2S DCP having role of Issuer's paying agent (PA) has a dedicated cash account (DCA) opened in T2S. DCP having role Issuer has an issuance account opened and available securities on issuance account.
Actions required/Actions required/Expected results	DCP in the role of Issuer will send the mandate containing the details to manage the cash distribution of redemption. MT will produce the Announcement, sending 721 - MT564 to the intermediaries <u>1) Redemption of securities positions</u> MT will block the ISIN, object of redemption MT will send T2S a FOP "already matched" transaction with ISO transaction code set to "CORP" using the link "all-or-none" to decrease the ISIN total amount. When the settlement has been successfully executed by T2S, MT will send: <ul style="list-style-type: none"> • 71N - MT544 of settlement confirmation to the Issuer • 71N - MT546 of settlement confirmation to the Intermediaries Swift confirmation MT566 is sent when both securities and cash movements have been executed. <u>2) Cash payment</u> On PD – 20days, MT will send: <ul style="list-style-type: none"> - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B3 Pre-advice notification to the Issuer On PD – 2days: <ul style="list-style-type: none"> - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B2 - MT 564 Pre-advice notification to Intermediaries/Correspondent bank - 7B3 Pre-advice notification to the Issuer On RD, MT will send <ul style="list-style-type: none"> - 7B1 Notification of position booked to Issuer's Paying Agent - 7B2 or MT 564 Notification of position booked to Intermediaries or Correspondent bank - 7B3 Notification of position booked to the Issuer

Test ID AUTH_08-CAOS

On PD, MT will send:

- 7B1 Pre-advice notification to Issuer's Paying Agent
- 7B2 or MT 564 Pre-advice notification to Intermediaries/Correspondent bank
- 7B3 Pre-advice notification to the Issuer

On PD, the following scenarios may happen:

- each Issuer's paying agent may choose to be debited:
 - either on their RTGS account in T2
 - or on their DCA account on T2S
- each participant may choose to be credited:
 - either on their RTGS account in T2,
 - or on their account in T2S DCA,

The cash payment described in this test case is:

Both the Issuer's paying agent and the Intermediary choose T2S as payment platform

On PD:

- MT sends to T2S PFOD instructions to debit the Issuer's paying agent's DCA and credit intermediaries' DCA. These instructions are sent in status "Hold" in order to replicate the T2 information period

On the deadline defined according to the international standards (11:45) MT releases all instructions that have not been revoked by the Issuer's paying agent.

MT will:

- debit the Issuer's paying agent's DCA
- credit the DCA account of the Intermediary

MT will send:

- 7B1 of Final notification to Issuer's Paying Agent
- 7B2 or MT 566 of Final notification to Intermediaries/Correspondent bank
- 7B3 of Final notification to the Issuer

Revoke/Refuse of cash payment:

When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause REVPA/RIFPA, MT will send on PD:

- ~~7B5 - MT567 Notification of acceptance of the 7B4 instruction to Issuer's Paying Agent~~
- 7B1 Delay notification to Issuer's Paying Agent
- 7B2 or MT ~~564 5646~~ Delay notification to Intermediaries/Correspondent bank
- 7B3 Delay notification to the Issuer

Cancellation of cash payment:

When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause CANPA, MT will send a sese.027 instruction cancellation to T2S and following notifications:

- 7B5 - MT567 Notification of acceptance of revoke payment to Issuer's Paying Agent
- 7B1 Notification of payment cancellation to Issuer's Paying Agent
- 7B2/MT 564 Notification of payment cancellation to Intermediaries/Correspondent bank
- ~~7B3~~ Notification of payment cancellation to the Issuer
-

Test ID AUTH_08-CAOS	
	Swift confirmation MT566 is sent when both securities and cash movements have been executed.
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_9-CAOS	
Applicable to	DCP in the role of: <ul style="list-style-type: none"> - Issuer - Intermediary - Issuer's Paying Agent - Correspondent Bank
Connectivity mode	RNI / SWIFT / MTX
Description	Cash Distribution: dividends
Prerequisite	DCP having role Intermediary has a securities account opened and positions available on the ISIN involved in CA and a dedicated cash account (DCA) in T2S DCP having role Issuer's Paying Agent (PA) has a dedicated cash account (DCA) opened in T2S. DCP having role Issuer has an issuance account opened and available securities on issuance account.
Actions required/ Expected results	<p><u>Processing of dividend payment</u></p> <p>The DCP having role Issuer will send the mandate containing the details to manage the cash distribution of dividends.</p> <p>MT will produce the Announcement, sending msg 721/MT564 to the intermediaries</p> <p><u>On PD – 20days</u>, MT will send:</p> <ul style="list-style-type: none"> - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B3 Pre-advice notification to the Issuer <p><u>On PD – 2days</u>:</p> <ul style="list-style-type: none"> - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B2 or MT 564 Pre-advice notification to Intermediaries/Correspondent bank - 7B3 Pre-advice notification to the Issuer <p><u>On RD, MT will send</u></p> <ul style="list-style-type: none"> - 7B1 Notification of position booked to Issuer's Paying Agent - 7B2 or MT 564 Notification of position booked to Intermediaries/Correspondent bank - 7B3 Notification of position booked to the Issuer <p><u>On PD</u>, MT will send:</p> <ul style="list-style-type: none"> - 7B1 Pre-advice notification to Issuer's Paying Agent - 7B2 or MT 564 Pre-advice notification to Intermediaries/Correspondent bank - 7B3 Pre-advice notification to the Issuer <p><u>Processing of cash settlement</u></p>

Test ID AUTH_9-CAOS

The cash payment described in this test case is:

Both the Issuer's paying agent and the Intermediary choose to pay in T2S

On PD:

- MT sends to T2S a PFOD instruction to debit the Issuer's paying agent's DCA
- MT pays the Intermediary by sending to T2S a PFOD instruction in status "Hold" in order to replicate the T2 information period

On the deadline defined according to the international standards (11:45) MT releases all instructions that have not been revoked by the Issuer's paying agent.

MT will:

- debits the Issuer's paying agent's DCA
- credits the DCA account of the Intermediary

MT will send:

- 7B1 of Payment confirmation to Issuer's Paying Agent
- 7B2 or MT 566 of Payment confirmation to Intermediaries/Correspondent bank
- 7B3 of Payment Confirmation to the Issuer

Revoke/Refuse of dividend payment:

When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause REVPA/RIFPA, MT will send on PD:

- 7B5 - MT567 Notification of acceptance of the 7B4 instruction to Issuer's Paying Agent
- 7B1 Delay notification to Issuer's Paying Agent
- 7B2 or MT ~~564.5646~~ Delay notification to Intermediaries/Correspondent bank
- 7B3 Delay notification to the Issuer

Cancellation of dividend payment:

When the Issuer's Paying Agent sends settlement instructions through 7B4 – MT565 having clause CANPA, MT will send send a sese.027 instruction cancellation to T2S and following notifications:

- 7B5 or MT567 Notification of acceptance of revoke payment to the Issuer's Paying Agent
- 7B1 Notification of payment cancellation to Issuer's Paying Agent
- 7B2 or MT ~~564.5646~~ of Notification of payment cancellation to Intermediaries/Correspondent bank
- 7B3 Notification of payment cancellation to the Issuer

Processing of Postponement of dividend payment

DCP having role Intermediary will send 704 – MT565 to postpone dividend.

MT will send:

- 71N - MT567 Notification of acceptance of the 704 instruction
- ~~71N~~ or MT544 of settlement confirmation to the Intermediary to credit its position on the Interim Security
- 71N or MT546 of settlement confirmation to the Issuer to debit its position on the Interim Security

After having postponed a dividend payment, DCP having role Intermediary can

Test ID AUTH_9-CAOS	
	<p>instruct MT to:</p> <ol style="list-style-type: none"> 1) receive the dividend payment that was previously postponed sending 704 or MT565 of instructions for collection (so called "istruzioni di incasso") 2) renounce the dividend payment that was previously postponed sending 704 or MT565 of renounce instruction <p>In case 1) MT will send:</p> <ul style="list-style-type: none"> - 71N - MT567 Notification of acceptance of the 704 instruction - 71N or MT546 of settlement confirmation to the Intermediary to debit its position on the Interim Security - 71N or MT544 of settlement confirmation to the Issuer to credit its position on the Interim Security <p>As regards the cash payment, it will be performed as described in the processing of cash settlement (described above), which will be executed the day after that the settlement instruction has been settled.</p> <p>In case 2) MT will send:</p> <ul style="list-style-type: none"> - 71N - MT567 Notification of acceptance of the 704 instruction - 71N or MT546 of settlement confirmation to the Intermediary to debit its position on the Interim Security - 71N or MT544 of settlement confirmation to the Issuer to credit its position on the Interim Security <p>Cash payment of the dividend is not executed.</p>
Test evidence	The instructing parties, instruction references and the message IDs of the received messages

Test ID AUTH_10-CAOS	
Applicable to	DCP role: Issuer in MT DCP role: Intermediary in MT
Connectivity mode	RNI / SWIFT / MTX
Description	Voluntary Reorganization: Conversion MT is the Issuer CSD
Prerequisite	DCP having role Intermediary has a securities account opened and an available balance on the financial instrument object of conversion DCP having role Issuer has an issuance account opened and an available balance on the financial instrument object of conversion.
Actions required/Actions required/Expected results	<p>MT will produce the Announcement, sending msg 722 or MT564 to the DCP in the role of Intermediary</p> <p>DCP having role Intermediary will send to MT msg 715 or MT565 containing settlement instructions</p> <p>MT will send 71N or MT567.44 in response to the instructions of Notification to the DCP in the role of Intermediary</p> <p>At the deadline of the conversion, MT will send:</p> <ul style="list-style-type: none"> • 7B2 or MT566 of Final notification to DCP as Intermediary • 71N or MT544/546 of debit/credit of the underlying ISIN to DCP as Intermediary and to DCP as Issuer • 71N or MT544/546 of credit/debit of the outturn securities to DCP as Intermediary and to DCP as Issuer <p>The swift notification MT566 contains both movements on underlying ISIN and outturn security</p> <p>At the deadline of the conversion, T2S will send:</p> <ul style="list-style-type: none"> • sese.025 of debit/credit of the underlying ISIN to DCP as Intermediary and to DCP as Issuer • sese.025 of debit/credit of the outturn securities to DCP as Intermediary and to DCP as Issuer
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_11-CAOS	
Applicable to	<p>DCP in the role of:</p> <ul style="list-style-type: none"> - Issuer - Intermediary - Issuer's Paying Agent - Issuer's Collecting Bank - Correspondent Bank <p>Please note that the Issuer's Collecting Bank means the intermediary appointed by the Issuer to withdraw the funds deriving from corporate events (for example Capital Increase) It may coincide with the Issuer's Paying Agent</p> <p>MT = Issuer CSD</p>
Connectivity mode	RNI / SWIFT / MTX
Description	Mandatory reorganization with options: Capital Increase
Prerequisite	<p>DCP having role Intermediary has securities accounts opened and positions available on the ISIN involved in CA and a dedicated cash account (DCA) in T2S</p> <p>The DCP having the role of Issuer's Paying Agent (PA) has a dedicated cash account (DCA) opened in T2S.</p> <p>DCP having role Issuer has an issuance account opened and available securities on issuance account</p>
Actions required/Actions required/Expected results	<p>Mandatory reorganization with options are managed in two different events: a right distribution followed by the option right exercise.</p> <p><u>A) Rights distribution</u></p> <p>MT will produce the Announcement of rights distribution, sending msg 722 or MT564 to the DCP in the role of Intermediary</p> <p>On PD, MT will perform the rights distribution processing</p> <p>Once rights have been distributed, DCP will receive from MT msg 71N or MT566 of rights credit and from T2S msg. sese.025 of settlement confirmation.</p> <p><u>B) Option right exercise</u></p> <p>MT will produce the Announcement of exercise of rights, sending msg 722 or MT564 to DCP in the role of Intermediary.</p> <p>DCP, who intends to exercise his right of option for the capital increase against payment, will communicate to MT the subscription instructions via msg 715 or MT565. <u>MT will send 71N or MT567 in response to the instructions to the DCP in the role of Intermediary</u></p> <p><u>On instructions deadline – 1day:</u></p> <p>MT will send to Intermediaries involved in the CA, according to the instructions received and the available balances, the following pre-advice messages:</p> <ul style="list-style-type: none"> • 7B1 or MT 564 Pre-advice notification to the Issuer's collecting bank • 7B2 or MT 564 Pre-advice notification to DCP/Correspondent bank • 7B3 or MT 564 Pre-advice notification to the Issuer <p><u>On Instruction deadline within the established cut-off:</u></p>

Test ID AUTH_11-CAOS

On the basis of the instructions received and of the available balances, MT will:

- calculate the countervalues to be received/paid
- ~~block the right ISIN for domestic securities or the instructed balance for foreign securities, and inform DCP through msg 71N or MT508~~
- send the messages of funds constitution indicating the total amount which has to be credited to the Issuer's collecting bank and debited to the subscribing intermediaries:
 - 7B1 Notification of Funds constitution to Issuer's collecting bank
 - 7B2 or MT 564 Notification of Funds constitution to DCP/Correspondent bank
 - 7B3 Notification of Funds constitution to the Issuer

Processing of cash settlement

If the DCP in the role of Intermediary has chosen payment in T2S:

- MT will send sese.023 for debiting DCA of intermediaries and crediting DCA of MT.
- DCP in the role of intermediary will receive sese.025 of settlement confirmation.

For Issuer's Collecting Bank who has chosen payment in T2S

- MT will send sese.023 for crediting the DCA of the Issuer's Collecting bank for the total amount
- T2S will send sese.025 of settlement confirmation to the Issuer's Collecting bank

If the DCP in the role of Intermediary has chosen payment in T2

- MT will debit RTGS account of DCP and will credit its own RTGS account

For Issuer's Collecting Bank who has chosen to receive cash payment in T2

- MT will credit the RTGS account of the Issuer's Collecting bank for the total amount
- T2 will send to DCP in the role of intermediary and to Issuer's Collecting bank MT900/910 of notification

Processing of credit of outturn securities

Contextually with the cash settlement, for all the instructions settled, MT will perform the accounting of debit/credit of the securities accounts both of DCP in the role of Intermediary and Issuer.

MT will send to DCP in the role of intermediary:

- ~~71N or MT 508 with notification of the unblocking of the right ISIN~~
- 71N ~~or MT546~~ of debit of rights
- 71N ~~or MT544~~ of credit of the outturn securities

T2S will send to DCP in the role of intermediary sese.025 of settlement confirmation of the rights and outturn securities.

Swift confirmation MT566 is sent when both securities and cash movements have been executed.

MT will send to Issuer:

- 71N ~~or MT544~~ of settlement confirmation to credit rights
- 71N ~~or MT546~~ of settlement confirmation to debit outturn securities

T2S will send sese.025 of settlement confirmation of the rights and outturn securities to the Issuer.

Test ID AUTH_11-CAOS	
	<p>For domestic CA, outturn securities balances credited in intermediaries accounts are blocked by MT. MT will send to DCP in the role of intermediary:</p> <ul style="list-style-type: none"> - 71N or MT 508 with notification of blocking of outturn security balances <p>Outturn securities balances are unblocked on ISD+1. MT will send to DCP in the role of intermediary:</p> <ul style="list-style-type: none"> - 71N or MT 508 with notification of unblocking of outturn security balances <p>For foreign CA, outturn securities balances credited in intermediaries accounts are blocked only if the intermediary has not yet paid for the event. MT will send to DCP in role of intermediary:</p> <ul style="list-style-type: none"> - 71N or MT 508 with notification of blocking of outturn security balances <p>Outturn securities balances are unblocked once the payment by the intermediary is executed. MT will send to DCP in the role of intermediary:</p> <ul style="list-style-type: none"> - 71N or MT 508 with notification of unblocking of outturn security balance <p>MT will send the final notifications reporting the actual amounts settled:</p> <ul style="list-style-type: none"> • 7B1 Final notification to the Issuer's collecting bank • 7B2 or MT 564 Final notification to DCP/Correspondent bank • 7B3 Final notification to the Issuer
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

Test ID AUTH_12-CAOF	
Applicable to	DCP role: Intermediary
Connectivity mode	SWIFT / RNI / XTOL
Description	<p>Market claims originated from an unsettled instruction DVP when a CA Interest Payment takes place</p> <p>The market claim is created by MT.</p> <p>DCP will receive all the messages via T2S.</p>
Prerequisite	<p>DCP, as delivering party, has to insert a settlement instruction (DVP/FOP) to be matched.</p> <p>The Intermediary, being the receiving party, has to insert a settlement instruction (DVP/FOP) to the matched with the DCP</p> <p>The matching will take place in T2S.</p> <p>At the RD of a CA of interest, a pending settlement instruction unsettled at the ISD has to exist.</p> <p>The pending settlement instruction (DVP/FOP) by the DCP has the following features:</p> <ul style="list-style-type: none"> • Intended settlement date • "Opt out" in T2S
Actions required/Actions required/Expected results	<p>At the COB of the day, the DCP has to send:</p> <ul style="list-style-type: none"> - T2S message 024 of notification of Market Claim, through which the DCP delivers to the receiving party the coupon due. - T2S message 064 of notification of the Market Claim creation to both the receiving parties <p>T2S will send T2S message 024 of status advice to MT and DCP</p> <p>When the Market Claim is settled, T2S will send T2S message 025 of PFOD settlement confirmation both to MT and DCP.</p>
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

DESCOPE

Test ID AUTH_13-CAOF	
Applicable to	DCP role: Intermediary
Connectivity mode	SWIFT / RNI / XTOL
Description	<p>Reverse Market Claim originated from a settled transaction when a Rights distribution CA takes place.</p> <p>The settlement instruction must have:</p> <ul style="list-style-type: none"> • TD = EXD • the Indicator 'Ex/Cum' = blank or 'EX' • additional matching field "Opt out" y <p>and must be settled on or before the RD of Action</p> <p>The reverse market claim is created by</p> <p>DCP will receive all the messages via</p>
Prerequisite	DCP has to insert a settlement ins
Actions required/Actions required/Expected results	<p>At the COB of the Record De d to T2S a sese.023 FOP of notification of Reverse Market Claim, the e of the two counterparties delivers to the other one the rights due.</p> <p>T2S will send both to M (if subscribed) sese.024 of status advice</p> <p>Upon receipt of sese (ice), MT generates 7B2 or MT564 market claim both parties: DCP and the counterparty.</p> <p>When the Reverse is settled, T2S will send sese.025 of FOP settlement confirmation bo P.</p>
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

DESCOPE

Test ID AUTH_14-CAOF	
Applicable to	DCP role: Intermediary
Connectivity mode	SWIFT / RNI / XTOL
Description	<p>Transformations originated from an unsettled transaction (DVP) when a CA of redemption takes place</p> <p>The transformation is created by MT; DCP will receive all the messages via T2S.</p>
Prerequisite	<p>The DCP has to insert a settlement instruction (DVP) in T2S but remains pending in the case of an event of redemption.</p> <p>No partial settlement admitted of the DVP settlement instruction.</p>
Actions required/Actions required/Expected results	<p>At the COB of the RD, MT will:</p> <ul style="list-style-type: none"> - generate the transformation settlement instruction of cancellation of the underlying transaction to T2S - receive sese.027 of cancellation of the underlying transaction from T2S - send sese.023 PFOD (PFOD) countervalue of redemption to T2S - send sese.023 PFOD (PFOD) countervalue of the underlying instruction to T2S - receive from T2S status advice of PFOD (TRAN) - send 7B2 of redemption transformation creation to both the delivering and receiving parties. <p>The DCP will receive:</p> <ul style="list-style-type: none"> - sese.027 status of advice of the PFOD (TRANS) input by MT - 7B2 of the transformation creation from MT <p>T2S will send:</p> <ul style="list-style-type: none"> - sese.025 settlement confirmation for the countervalue of redemption - sese.025 settlement confirmation for the countervalue of underlying instruction
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

DESCOPE

Test ID AUTH_15-EXS	
Applicable to	DCP role: Intermediary
Connectivity mode	RNI / SWIFT /XTOL ¹ /MT A2A ²
Description	External-CSD settlement: the transactions instructed by a MT participant for settlement in which ISSUER CSD = external to T2S and MT = investor CSD
Prerequisite	DCP in the role of Intermediary has a securities account opened..
Expected results	<p>The test case describes the management of a RVP (Receive Versus Payment) and a RFP (Receive Free of Payment) transactions between a MT Intermediary (A) and a Foreign Counterpart (B).</p> <p>DCP will send the transactions to MT through:</p> <ul style="list-style-type: none"> - G50/G52 or MT540/541 - sese.023 (if DCP connected to MT via SWIFT ISO 20022) <p>After receiving the instructions, MT will perform the validation process before sending them to T2S. If MT validation is positive, MT will send the transactions to T2S as a FOP transaction, independently from the original instruction (RVP or RFP).</p> <p>If T2S validation is positive, DCP will receive:</p> <ul style="list-style-type: none"> • G53 or MT548 of 'Accepted' which contains "Market Infrastructure Transaction Identification" assigned by T2S • sese.024 from MT of acceptance of the settlement instruction. • sese.024 from T2S of Acceptance of the settlement instruction which contains "Market Infrastructure Transaction Identification" assigned by T2S <p>On ISD, MT will perform the 'cash provision' process.</p> <p>MT will perform the external settlement, sending the RVP transaction to the External CSD. MT will send to DCP:</p> <ul style="list-style-type: none"> - MT 548 or sese.024 Status advice informing about matching notification, settlement pending of the RVP transaction (if DCP connected to MT via SWIFT ISO 20022) <p>When MT receives the settlement confirmation of the transaction from the External CSD, the transaction is also settled in T2S.</p> <p>DCP will receive:</p> <ul style="list-style-type: none"> • 71N or MT545.4 of settlement confirmation from MT • sese.025 of settlement confirmation from MT • sese.025 of settlement confirmation from T2S (if subscribed in T2S)
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

¹ As regards XTOL please see chapter 1.3 Reference documentation

² As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_16-EXS	
Applicable to	DCP in the role of Intermediary
Connectivity mode	RNI / SWIFT /XTOL ³ /MT A2A ⁴
Description	<p>EXTERNAL CSD SETTLEMENT - ALLEGEMENT</p> <p>External-CSD settlement: the transactions is instructed by a participant of a CSD in which ISSUER CSD = external to T2S and MT = investor CSD</p> <p>This type of transaction consists in a RVP (Receive Versus Payment) and a RFP (Receive Free of Payment) transactions between a Titoli participant (Part.A) and a Foreign Counterpart (Part.B).</p>
Prerequisite	<p>The DCP has a security account and a DCA in</p> <p>The transaction instructed by the foreign participant is loaded in X-TRM</p>
Expected results	<p>The external CSD sends to MT a MT578 when a transaction has been instructed by a foreign participant before the external CSD. The DCP is the counterparty in this transaction.</p> <p>MT receives MT578 "Allegement" and the details of the transaction in X-TRM.</p> <p>The DCP will receive the Allegement from MT via:</p> <ul style="list-style-type: none"> - MT578 - sese.028 (if DCP connected to MT via SWIFT ISO 20022) <p>DCP will instructs MT with the following messages:</p> <ul style="list-style-type: none"> - G50 or G52; - MT540 or M - sese.023 (if DCP connected to MT via SWIFT ISO 20022) <p><u>The external CSD performs the Allegement removal:</u></p> <p>MT receives Message "Allegement Removal" from the External CSD</p> <p>DCP will receive the Allegement Removal from MT via:</p> <ul style="list-style-type: none"> - M - P connected to MT via SWIFT ISO 20022) <p><u>the external CSD performs the Allegement cancellation:</u></p> <p>MT receives Message "Allegement Cancellation" from the External CSD</p> <p>DCP will receive the Allegement Cancellation from MT via:</p> <ul style="list-style-type: none"> - MT578 - sese.020 (if DCP connected to MT via SWIFT ISO 20022)
Test evidence	The instructing parties, instruction references and the message IDs of the received messages

³ As regards XTOL please see chapter 1.3 Reference documentation

⁴ As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_17-EXS	
Applicable to	DCP in the role of Intermediary
Connectivity mode	RNI / SWIFT /XTOL ⁵ /MT A2A ⁶
Description	<p>EXTERNAL-CSD SETTLEMENT: CANCELLATION</p> <p>External-CSD settlement: the cancellation of a transaction instructed by a participant of a CSD in which the ISSUER CSD is external to T2S and MT = investor CSD, can be sent by:</p> <ul style="list-style-type: none"> a) foreign counterpart b) DCP (MT's Participant); c) the counterparty CSD; d) T2S platform
Prerequisite	<p>The DCP has a security account and a DCA in T2S opened</p> <p>The transaction instructed by the foreign participant has to be loaded in X-TRM</p> <p>An already matched transaction has to exist in T2S</p>
Expected results	<p>a) Cancellation request by foreign counterpart</p> <p>This is a cancellation, required by the foreign counterpart of an external CSD, of an already matched transaction.</p> <p>Monte Titoli is notified by the External CSD through MT548. This information is reported in X-TRM and the bilateral cancellation is activated. The process the DCP has to follow is the same described for 'Cancellation by participant'</p> <p>b) Cancellation by DCP (MT's participant)</p> <p>DCP will instruct MT with a request of transaction cancellation via:</p> <ul style="list-style-type: none"> - G50/G52; - MT540/MT541/MT542/MT543; - sese.020 (if DCP connected to MT via SWIFT ISO 20022) <p>There are two possible cases:</p> <p>b.1) The transaction to be cancelled has not yet sent to the external CSD: MT executes the cancellation both in X-TRM and T2S</p> <p>DCP will receive from MT the cancellation execution notification via:</p> <ul style="list-style-type: none"> - G51/G53; - MT 548; - sese.027 (if DCP connected to MT via SWIFT ISO 20022) <p>b.2) The transaction has already been forwarded to the external CSD; MT will send the cancellation request to the external CSD through MT54n</p> <p>DCP will receive the cancellation execution notification or the notification that the request of cancellation has been rejected via:</p> <ul style="list-style-type: none"> - G51/G53; - MT548; - sese.027 (if DCP connected to MT via SWIFT ISO 20022) <p>c) Cancellation by the counterparty CSD</p>

⁵ As regards XTOL please see chapter 1.3 Reference documentation

⁶ As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_17-EXS	
	<p>When the external CSD requires the cancellation of a transaction, MT will receive MT548 from the external CSD of transaction cancellation and has to reverse the effects of the cash or securities provision. This action is performed by MT without involvement of the DCP</p> <p>DCP will receive from MT the cancellation execution notification or the notification that the request of cancellation has been rejected via:</p> <ul style="list-style-type: none"> - G51/G53; - MT548; - sese.027 (if DCP connected to MT via SWIFT ISO 20022) <p>d) Cancellation by T2S Platform</p> <p>In case of unsuccessful generation of realignment (due to erroneous links or accounts configuration or to unsuccessful validation of the realignment instructions) the Settlement instruction is cancelled by T2S and a Securities Settlement Transaction Status Advice sese.024 is sent to DCP.</p> <p>The DCP will receive from MT a cancellation execution notification via:</p> <ul style="list-style-type: none"> - G56; - MT548; - sese.024 (if DCP connected to MT via SWIFT ISO 20022)
Test evidence	The instructing parties, instruction references and the message IDs of the received messages

Test ID AUTH_18-EXS	
Applicable to	DCP in the role of Intermediary
Connectivity mode	RNI / SWIFT /XTOL ⁷ /MT A2A ⁸
Description	<p>EXTERNAL-CSD SETTLEMENT: PARTIAL SETTLEMENT</p> <p>External-CSD partial settlement: is applicable only to receive settlement instructions from Euroclear UK (CREST)</p> <p>The transaction is instructed by a participant of Euroclear UK in which the ISSUER CSD is external to T2S and MT = investor CSD and can be executed partially.</p> <p>The test case describes the management of a RVP (Receive Versus Payment) and a RFP (Receive Free of Payment) transactions between a MT Intermediary (A) and a Foreign Counterpart (B).</p>
Prerequisite	<p>DCP has a securities account and a DCA in T2S opened</p> <p>The transaction instructed by the foreign participant has to be loaded in X-TRM</p>
Expected results	<p>DCP will instruct MT with a settlement instruction through:</p> <ul style="list-style-type: none"> - G50/G52; - MT54n; - sese.023 (if DCP connected to MT via SWIFT ISO 20022) <p>Every time the transaction is partially executed, the DCP will receive the notification of partial settlement of the transaction via:</p> <ul style="list-style-type: none"> - 71n - MT544/545sese.025 (if DCP connected to MT via SWIFT ISO 20022) <p>The G56 message containing the details of the transaction partially settled is received by the DCP against his prior request to MT.</p> <p>When the last quantity of the transaction is settled, the DCP will receive the last partial settlement notification through the same messages as above.</p>
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

⁷ As regards XTOL please see chapter 1.3 Reference documentation

⁸ As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_19-SH	
Applicable to	DCP role: Issuer/Intermediary
Connectivity mode	RNI / SWIFT
Description	Receipt of the Daily Statement of Holdings MT will produce the Statement of Holdings reconciling the data provided by the T2S platform with those stored by MT itself.
Prerequisite	The DCP has a securities account opened and securities positions available The DCP settled transactions in T2S
Expected results	MT will provide to DCP both in the role of Intermediary and Issuer:: ➤ 706 or MT535/536 Daily Statement of Holding and Statement of Transaction: The DCP will also receive from T2S semt.002 Statement of Holdings (if subscribed)
Test evidence	Copy of the Daily Statement of Holdings sent by MT

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Test ID AUTH_20-XR	
Applicable to	DCP (A) role: Intermediary in MT DCP (B) role: Intermediary in MT
Connectivity mode	RNI/SWIFT/XTOL ⁹ /MT A2A ¹⁰
Description	DCP (A) requires visibility of H&R status on the settlement instruction inserted by the counterparty DCP (B). T2S envisages that the sending DCP (A) will send messages to make available the information related to the CoSD Hold & Release status will happen only starting from the Intended Settlement Date of the (A) settlement instruction is on 'release' status. MT will provide the CoSD Hold status even before the ISD to those DCP (B) requiring it.
Prerequisite	DCP (A) and DCP (B) securities accounts opened and securities positions available. DCP (B) settled in T2S with the Hold indicator valued.
Expected results	DCP (A) request of information about the H/R indicator of the settlement instruction inserted by the counterparty DCP (B). The information is obtained in on-line Pull mode through ACB. DCP (A) will receive the following messages: • G58 flow as request confirmation and G56 with the required information • MT537 (Statement of pending transactions) or MT 536 (Statement of transactions) • semt.017 (Statement of transactions), semt.018 (Statement of pending transactions) DCP(A) will receive the following messages from MT with the information required: • G58 flow as request confirmation and G56 with the required information • MT537 (Statement of pending transactions) or MT 536 (Statement of transactions) • semt.017 (Statement of transactions), semt.018 (Statement of pending transactions)
Test evidence	The message IDs of the received messages

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⁹ As regards XTOL please see chapter 1.3 Reference documentation

¹⁰ As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_21-REPO	
Applicable to	DCP role: Intermediary in MT
Connectivity mode	RNI / SWIFT /XTOL ¹¹ /MT A2A ¹²
Description	Insert a PCT/PCR settlement instruction
Prerequisite	DCP has a securities account opened and a securities position available
Action required/expected results	<p>MT will provide DCP with Repo full enrichment and duplications services only when DCP uses X-TRM infrastructure.</p> <p>DCP instructs MT through the following messages:</p> <ul style="list-style-type: none"> - G50/G52; - MT540/541; - Sese.023 (if DCP connected to MT via SWIFT ISO 20022) <p>After that MT has sent the PCT/PCR transaction (both spot and forward leg) to T2S, the DCP will receive:</p> <p><u>If both legs are accepted or rejected:</u></p> <ul style="list-style-type: none"> • G51/G53 or MT548 confirmation message of 'Accepted'/'Rejected' of the spot leg of the transaction sent • G51/G53 or MT 548 confirmation message of 'Accepted'/'Rejected' of the forward leg of the transaction sent. <p><u>If one leg is rejected (forward leg) and one accepted (spot leg)</u></p> <ul style="list-style-type: none"> • G53 or MT 548 of 'Denied'/'Rejected' of the forward leg of the transaction sent. <p>MT will forward to T2S the cancellation request related to the spot leg.</p> <p><u>On the ISD of the spot leg, DCP will receive from MT:</u></p> <ul style="list-style-type: none"> • 71N or MT544 Settlement confirmation of the spot leg of the instruction settled • sese.025 Settlement Confirmation (if DCP connected to MT via SWIFT ISO 20022) • <p><u>On the ISD of the forward leg, DCP will receive:</u></p> <ul style="list-style-type: none"> • 71N or MT544 Settlement confirmation of the forward leg of the instruction settled from MT • sese.025 Settlement Confirmation (if DCP connected to MT via SWIFT ISO 20022)
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

¹¹ As regards XTOL please see chapter 1.3 Reference documentation

¹² As regards MT-A2A please see chapter 1.3 Reference documentation

Test ID AUTH_22-PORT	
Applicable to	DCP 'B' role: Intermediary in MT Participant 'A' role: ICP in MT
Connectivity mode	RNI / SWIFT /XTOL ¹³ /MT A2A ¹⁴
Description	Portfolio Transfer: ICP A transfers all its securities positions from one securities account to the securities account of DCP B
Prerequisite	DCP B has a securities account opened ICP A has a securities account opened and a security position available
Expected results	<p>ICP A will instruct MT through the following messages:</p> <ul style="list-style-type: none"> - G50/G52 - MT540/MT541; <p>with Transaction Type = PORT</p> <p>MT will send to T2S msg sese.023; T2S will send a msg sese.028 of Allegement Notification to the DCP B.</p> <p>DCP B has to check that the fields of msg. 028 are correctly valued according to the market practise established for Portofolio Transfer.</p> <p>DCP B will send to T2S msg sese.023 and receive msg. sese.024 of Settlement Instruction status.</p> <p>When the settlement instruction is settled:</p> <ul style="list-style-type: none"> • MT will send msg. 71N or MT546 of Settlement confirmation to ICP A • T2S will send msg sese.025 of settlement confirmation to DCP B
Test evidence	The instructing parties, instruction references, the message IDs of the received messages and copy of the Daily Statement of Holdings

¹³ As regards XTOL please see chapter 1.3 Reference documentation

¹⁴ As regards MT-A2A please see chapter 1.3 Reference documentation

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