

Target2 Securities T2S COMMUNITY TEST

Test plan - general view

22nd April 2015

Version 2.1



London
Stock Exchange Group

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1.0 INTRODUCTION

Monte Titoli will migrate to the platform TARGET2-Securities (T2S) in the first wave of migration on June 22, 2015. To ensure a smooth and effective integration in T2S, all MT participants have to complete, in the multilateral testing period, the so called Community phase, the test cases regarding systems and services described in this test plan.

The Community Test encompasses "end to end" tests of the functionalities developed for T2S that involve all MT actors (Monte Titoli and the National Central Bank).

The Community Test is mandatory and is open to all participants to settlement and centralized administration services of Monte Titoli.

The goal of the Community Test is to check the functional implementations for T2S made by the participants in their systems, as well as the adaptations made by MT and Bank of Italy to allow, according to different scenarios, ICPs (connected indirectly to T2S) and DCPs (connected directly to the settlement platform) to work properly.

During the Community Test, MT will verify the completeness and correctness of such implementations and, in general, that they abide to the system rules, the procedures and the essential requirements to successfully migrate to T2S;

In order to carry out the abovementioned checks, MT defined specific test plans that participants are required to perform to demonstrate their readiness to operate effectively in the new context of T2S.

The test plans are described in the following documents in attachment, where you can find all the specific details of MT services to be tested:

- Annex 1 T2S Community - "Testing Outcome Declaration Template
- Annex 2 T2S Community - CUSTODY – Test Plan v. 4.0
- Annex 3 T2S Community - SETTLEMENT – Test Plan v. 1.0
- Annex 4 T2S Community - CROSS and EXTERNAL CSD SETTLEMENT – Test plan v. 2.0

Through the Community test phase two migration tests (MWDR) have been scheduled to be run on Saturdays and Sundays: 18th and 19th April, 16th and 17th May.

In case the above tests would produce a negative outcome, a backup migration test is scheduled on 30th and 31th May.

In order to align static data and clean up dynamic data, these tests are going to be run after a break period of the standard test (4 days before the migration weekend). After the migration, a maximum of 3 days (the so called Business Days) can be used to run tests: through these 3 days, migrated dynamic data will be elaborated by MT and T2S processes.

Detailed MWDR execution rules will be published by the migration team.

After Community test phase, a Business day test phase will be run by the system in order to test business days in T2S.

Detailed rules regarding these test executions will be published.

2.0 TEST APPLICABILITY

Consistently with ECB statements, the Community test cases will be executed starting from 2nd March till 15th May 2015 included, in MT "T1" environment connected to T2S Community testing environment "MIG2". Clients can test MT tools up to the 29th May, thus testing even after the official Community deadline.

T2S test environment 'MIG2' and MT 'T1' environment will not be available on 3th and 6th April 2015 (Catholic/Protestant Easter Monday) and 1st May 2015, in addition to periods in which maintenance activities are scheduled.

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In case of system unscheduled unavailability, Monte Titoli will promptly inform participants.

The standard testing day starts at 7:00am and closes at 7:00pm from Monday to Thursday and at 7:00am to 5:30pm on Friday.

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

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 SWEEP	15:15	15:15
- 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

Business Day Test will be run in MT "T1" environment (connected to T2S Community testing environment "MIG2"), starting from the 18th May and up to the 12th June inclusive.

Testing day starts at 7:00am and closes at 22:30pm from Monday to Friday. In case of any software release, the testing day will follow T2S Release day timetable (see previous table) in order to allow release activities through the weekend.

PROCESS	T2S LIVE TIMING
START OF TESTING	07:00
REAL TIME SETTLEMENT	
- PARTIAL SETTLEMENT 1	14:00-14:15
- PARTIAL SETTLEMENT 2	15:45-16:00
- DVP CUT-OFF	16:00
- CASH SR CUT-OFF	16:30
- BATM / CBO CUT-OFF	17:40

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- INBOUND LTO CUT-OFF / AUTOMATIC CASH SWEEP	17:45
- SECURITIES SR / FOP CUT-OFF	18:00
END-OF-DAY/START-OF-DAY	
- CHANGE OF BUSINESS DATE	18:45
- FEEDS FROM CMS	19:00
START OF NIGHT-TIME SETTLEMENT / CASH INJECTION	19:30
NIGHT-TIME SETTLEMENT	
END OF TESTING	~ 22:30

The applicability of the following operating hours through the period 18th May - 29th May is going to be validated by the ECB, in order to verify its compatibility with the environment TARGET2 cash, which is necessary to continue the execution of "community- like" tests (see the beginning of the paragraph).

3.0 TEST SUPPORT

In order to support all participants through the execution phase of both Community and Business Day Test, Monte Titoli has developed a new tool called Jira. Jira tracks assistance requests, error messages and all those interactions which are common when complex systems are tested by different parties.

Jira is a free web-based tool in which participants can login entering their MT credentials. Monte Titoli allows only one credential for each participant.

On Jira participants can upload questions or point out other highlights while the tool will automatically send out email notifications to inform participants when the instance has been taken in charge, if there is a status change of any instance, as well as other relevant information, including ticket resolution and closure. More details will be available in the user manual to be published soon.

Moreover, Monte Titoli has arranged a support team to provide expert assistance to participants through Community/Business Day Test phase.

To contact the support team, refer to:

mail: mt-t2s-test@lseg.com

tel: +0039 (0)2 33635800

Besides, for interested participants, a weekly conference call is going to be scheduled in order to share test wellness or issues, to define intervention priorities or in case of any relevant or urgent notice regarding Community/BD Test execution.

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4.0 TESTING OUTCOME

According to Art. 14.3 of the General Terms and Conditions, clients must communicate within the 29th May 2015 the outcome of the testing activities.

Testing outcome shall be sent to MT by way of a signed declaration according to the attached T2S Community template - "Testing Outcome Declaration Template".

The declaration shall be sent to the following e-mail address: MT-T2S-Doctest@lseg.com

5.0 SET-UP OF COMMUNITY TEST ENVIRONMENTS

In order to enable a smooth and easy set-up of the Community Test environment, both configuration and population (in T1 environment) of the participation profile, and of demographic and financial information are mandatory.

Population activities will be taken in charge by Monte Titoli, that will report the configuration master data entered by clients in the platform CLIMP as of February 20, 2015 (as agreed within T2S workstream following all the migration aspects).

The financial instruments available both in MT and in T2S will be consistent with those present in the production environment as of February 23, 2015.

The securities balances present both in MT and in T2S will be consistent with those present in the production environment, on 26th February, 2015.

After the execution of the planned migration tests (MWDR), the securities balances present both in MT and T2S will be consistent with those present in the production environment (the date is to define yet but it will be surely before the MWDR test).

The settlement instructions will be input by each participant. Markets will be available to insert trades created by customers.

Changes in static data entered by the participants (ICP and DCP)

Database updates regarding demographic data will be input by participants (ICP and DCP) in CLIMP; information will be copied both in MT test environment and T2S according to the following cases.

Database updates regarding static data (if admitted after 20th March) after 20th February have to be input twice by the participant: in CLIMP of production environment and/or in test environment. Three cases are possible:

- Case 1: update submitted by the participant in 'double' both in production and test environments. Any update will be reflected by MT in both environments (MT and T2S).
- Case 2: update input by the participant only in test environment. The configuration elements submitted will not be present in the production environment and for this reason they will not be migrated to T2S and into the new legacy MT systems. The participant can use the updated database only for testing purposes.
- Case 3: update input only in production environment: the configuration elements will be migrated to T2S and into the new legacy MT systems.

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6.0 TEST PLAN TIME-LINE

The verification of the functionalities available in MT system is possible according to the schedule indicated in the following table.

For more details, refer to the attached documents

Functionality description	Start date
Input of OTC settlement instructions and trades from markets	2nd March
Issuance of financial instrument	2nd March
Mark up	2nd March
Mark down	9th March
Coupon stripping	16th March
Coupon unstripping	30th March
Cash distribution	16th March
Reorganization	21th April
Market claim	21th April
Transformation	27th April
Reverse market claim	27th April
Cross e External CSD settlement	21th April
Cross e External CSD settlement (Allegation/Cancellation)	21th April
External CSD settlement /Partial settlement	27th April

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