

MIGRATION WEEKEND PLAYBOOK

T2S Project

Version 1.0

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1.0 DOCUMENT MANAGEMENT

1.1 Document History

Date	Version	Description
09/04/2014	1.0	Italian version
30/05/2014	1.0	English version

1.2 Acronyms and abbreviations

Name	Description
A2A	Application 2 Application
CAoF	Corporate Action on Flow
CB	Central Bank
CCP	Central Counterparty
CMS	Collateral Management System
CSD	Central Securities Depository
DCP	Direct Connected Participant
DD	Dynamic Data
DL	Dedicated Link
DMT	Data Migration Tool
ECB	European Central Bank
FoP	Free of Payment
ICP	Indirect Connected Participant
ISD	Intended Settlement Date
MSP	Migration Synchronisation Point
MT	Monte Titoli
MWE	Migration Weekend
NSP	Network Service Provider
OTC	Over the Counter
PB	Payment Bank
PTA	Party Technical Address
RTGS	Real Time Gross Settlement
SI	Settlement Instruction

SME	Securities Maintain Entity
SoD	Start of Day
SP	Synchronisation Point
SR	Settlement Restriction
T2	Target 2
T2S	Target 2 Securities
U2A	User 2 Application
VAN	Value Added Network

1.3 Reference documents

Reference document	Source
Instructions X-TRM	http://montetitoli.it/area-download/normativa/expressii/instrxtrm28102013no.en.pdf
Instructions for CSD Service for intermediaries and issuers	http://montetitoli.it/area-download/normativa/gestioneaccentrata/instr14012014no.en.pdf
Migration Preparation Schedule	Documents of the “T2S/MT Testing & Migration” working group published on the appropriate documentary section of the MT-X
T2S User Detail Functional Specifications	http://www.ecb.europa.eu/paym/t2s/pdf/UDFS_v1_2_1.pdf?02dbde3be45b2d0bf5a5afcf4de34f36
T2S User Handbook	http://www.ecb.europa.eu/paym/t2s/pdf/User_Handbook_v1.0.pdf?cc76cbb67593fe9e8b489e733a315bea

2.0 PURPOSE OF THE DOCUMENT

The purpose of this document is to provide a description of the different activities to be performed during the migration weekend to T2S with particular reference to those that require the client's direct involvement and/or the need for synchronisation with the same.

The document defines the procedures and schedule for the actors involved in order to perform the activities envisaged.

It is better to underline that the guidelines reported in this document only refer to the first T2S migration wave. The peculiarities of the subsequent migration waves will be detailed in specific documents to be drafted in the future.

The “*Migration Weekend Playbook*” document covers the following topics:

- a detailed description of the schedule (activity identification and its timing) affecting the T2S migration weekend, with specific reference to the activities to be performed by the clients;
- identification of the synchronisation points defined at the Eurosystem level and those of them which are essentially bilateral between Monte Titoli and its clients;
- a description of the migration strategy of dynamic data in the “new” Monte Titoli legacy systems and in T2S and the direct impact for the Monte Titoli client's systems.

This document complements the information detailed in the “*Migration Preparation Schedule*” document.

The schedule of the T2S migration weekend may be changed as it is closely linked and correlated to the planning at Eurosystem level (the ECB plan may be found at the following link: www.ecb.int/T2S).

3.0 ACTORS INVOLVED

The following table summarizes the actors involved in the migration process to the T2S platform from 19 June to 22 June 2015.

Each actor taking part in the migration process to the T2S platform is supposed to fulfil depending on the specific role. The following list includes the roles that apply to the first T2S migration wave.

For a complete overview of the migration process, please refer to chapter 3 of the “*Migration Preparation Schedule*” document.

ACTORS	DESCRIPTION
Migrating CSD	<p>The CSDs are required to migrate their security settlement system to T2S with particular reference to the migration wave which they take part in.</p> <p>The migration process to T2S takes place by simultaneously involving the National Central Banks and CSD clients (CSD Participant)</p>
Migrating CB	<p>The Central Banks are required to migrate to T2S with particular reference to the migration wave which they take part in.</p> <p>The migration process to T2S takes place by involving simultaneously the national CSDs and the Payment Banks.</p> <p>The Central Banks may migrate to the new T2S platform by taking on one or more of the following roles:</p> <ul style="list-style-type: none"> • Owner of the RTGS system • Liquidity manager • System Entity • Settlement Agent
SME CSD	<p>The CSDs that operate in T2S as SME, (“Securities Maintaining Entities”) or CSDs that define in T2S the financial instruments they are entitled to operate through</p>
CSD participant (DCP/ICP)	<p>The CSD Participant or CSD clients. The CSD Participant can be distinguished among:</p> <ul style="list-style-type: none"> • DCP: entities that interact directly with the T2S platform in A2A or U2A mode;

	<ul style="list-style-type: none"> • ICP: entities that interact with the T2S platform through the CSDs
Payment Bank (DCP/ICP)	<p>The Payment Banks, meaning the entities that are client of the Central Banks. The Payment Banks can be distinguished among:</p> <ul style="list-style-type: none"> • DCP: entities that interact directly with the T2S platform regarding the cash component in A2A or U2A mode; • ICP: entities that interact with the T2S platform through the Central Banks
Network Service Provider (NSP)	<p>It includes the two VANs (Value Added Network) of T2S, meaning "SIA/Colt" and "SWIFT" just as the DL (Dedicated Link) that supplies the "CoreNet"</p>
RTGS Operator	<p>Operators of RTGS system connected to T2S platform, e.g. "T2S Operator"</p>
T2S Operator	<p>An entity of the Eurosystem that supports all the production activities of the new T2S platform</p>

4.0 PRE-CONDITIONS

The correct deployment of the migration weekend to the “new” T2S platform depends on the prior fulfilment of a series of pre-requisites that have to be met by the entities involved in the migration wave to T2S depending on their different roles.

In particular, a necessary condition to commence the migration weekend is the correct performance of the following activities:

Exit criteria in the User Testing phase

The positive outcome of the activities performed during the User Testing phase, which must be duly validated by both the Eurosystem and Monte Titoli (and the correspondent Central Banks), is a pre-condition in order to start with the activities required for the migration weekend to T2S.

The correct implementation of the T2S pre-migration activities

The correct implementation of the activities to be performed before the migration weekend to T2S is an essential requirement for the implementation of the activities that must be performed during the migration weekend to T2S (for more details on this topic please refer to the "*Migration Preparation Schedule*" document).

For example, the correct configuration and migration of static data both to T2S and to the “new” Monte Titoli legacy systems during the pre-migration phase, are an assumption to trigger the linked activities during the migration weekend.

Preparation and involvement of the entire Community

The Eurosystem has to check that all information and the set of processes to be implemented during the migration weekend to T2S have been duly and promptly communicated to the actors involved, so that they can carry out all the activities required.

Monte Titoli informed and involved its clients in relation to the methods and timing of the migration activities, by setting up ad-hoc meetings and working groups (i.e. "T2S/MT Testing e Migration"), training sessions and specific bilateral meetings.

The readiness activity promoted by Monte Titoli for their financial community aims to:

- obtain certification from the Eurosystem aimed to certify that the participants that must interact with the new platform (DCP) have an appropriate technical infrastructure to

ensure that the interactions with the “new” T2S platform will not generate critical situations;

- obtain the authorisation issued by Monte Titoli to direct and indirect participants in the T2S platform;
- ensure that the internal systems and procedures within the entire financial community involved in the first migration wave are ready to interact with the “new” T2S platform and with the Monte Titoli's legacy systems.

5.0 MIGRATION WEEKEND TO T2S

5.1 Introduction

The migration weekend to the new T2S platform for the first wave is divided in different phases whose implementation is intended to take place from Friday 19 June to Monday 22 June 2015 (see chapter: [Migration weekend scheduling](#)).

The schedule suggested in chapter 5.2, which matches the content and timing previously defined at the Eurosystem level, illustrates the sequence of activities and synchronisation points that mark out the migration weekend to T2S and must be executed by the entire community involved in the first migration wave to T2S, according to the specific role performed.

It should be noted that, despite the sequence of the activities reported in the scheduling detailed below should be effectively considered as final, its "timing" may be subject to changes compared to what established at the Eurosystem level.

The Migration Synchronisation Points (MSP) represent pre-defined connecting points that have been introduced in order to monitor the state of progress of all parties involved as well as to guarantee the alignment of the various stakeholders and of the activities to be carried out during the migration weekend to the T2S platform.

Depending on the nature of these points, the ECB makes the following distinctions:

- *Bilateral Synchronisation Points*: which only involve one CSD/CB and the Eurosystem;
- *Multilateral Synchronisation Points*: which involve more actors, including the CSD/CB participants.

In order to ensure the success of the migration process, Monte Titoli, in addition to the synchronisation points established at ECB level, has also foreseen other check points when alignment with its clients will be called for.

5.2 Migration weekend schedule

The following table provides the sequence of activities that must be carried out during the migration weekend to T2S. More specifically, the table is laid out as follows:

- "N": sequential numeration of the activity/synchronisation point;
- "Timing": date and time when a specific activity/synchronisation point is performed;
- "Actor involved": entity required to perform the activity/synchronisation point;
- "Description": description of the activity/synchronisation point.

We point out that the following schedule matches what defined at the Eurosystem level. It further specifies that not all the activities detailed in the following table require the participation of the client, as there are activities being exclusively under the control of the CSD/CB/T2S Operator/RTGS Operator.

Therefore each client must pay particular attention to the activities where it appears to be an "actor involved" (indicated as DCP, ICP, or client).

These same activities are highlighted in yellow to facilitate consultation.

The complete list of activities is available in the "Detailed Migration Storyline" document (and related attachments) of the ECB, to be published shortly.

N.	TIMING	ACTIVITY/SYNCHRONISATION POINT	ACTORS INVOLVED	DESCRIPTION
1		Start T2S migration weekend activities	CSD CB	The CSDs and the CBs communicate they are officially ready to start the activities that must be performed during the migration weekend to T2S.

2	19.06.2015 h. 18.45 - 18.46	Closing of liquidity transfer orders from T2 to T2S	RTGS Operator	The RTGS Operator closes all form of communication from its RTGS systems (i.e. T2 for Euro) to T2S. In this way no liquidity transfer orders are sent to T2S.
3	19.06.2015 h. 18.46 - 21.16	First saving data loaded	T2S Operator	The saving data operation ensures that the T2S Operator takes a copy of the data relating to the activities executed up to then. This is useful in case of potential contingency activities.
4	19.06.2015 h. 21.16	MSP 1: Green light for the start of the activities to be implemented during the migration weekend to T2S	CSD CB	The CSDs and the CBs declare that they are officially ready to start the T2S migration activities.
5	19.06.2015 h. 21.26 – 21.41	Change of business date	T2S Operator	The T2S Operator sets the T2S business date for the first day after the migration weekend (22/06/2015).
6	19.06.2015 h. 21.41 - 21.42	Blocking of DCP outgoing messages	T2S Operator	The T2S Operator blocks all DCP outgoing messages, based on list of the PTAs (Party Technical Address) provided by the respective CSDs/CBs
7	19.06.2015 h. 21.26 – 22.56	Upload of the Collateral Management System (CMS)	CB Payment banks (DCP)	The CBs and the PBs transfer their collateral systems (CMS, Collateral Management System) into T2S.
8	19.06.2015 h. 21.41 – 22.41	Process of Collateral Management System (CMS)	T2S Operator	A fundamental pre-condition to process this activity is that the collateral has been transferred from the CBs/PBs to the T2S systems.
9	19.06.2015 h. 23.26 – 00.11	Reconciliation of CMS feeds and of the assessment of the positions carried out by the	CB Payment banks (DCP)	The CBs and the PBs are required to reconcile the amount of collateral uploaded in T2S with what is registered on

		T2S systems		their own legacy systems.
10	20.06.2015 h. 00.12 – 01.02	MSP 3: Confirmation of static data uploaded by CSDs and CBs including the validation of the cross- CSD links	CSD CB	<p>The CSDs and the CBs have created/updated the new data available in T2S.</p> <p>In particular, the CBs and the PBs that provide self-collateralisation services starting from the first settlement cycle, must have duly completed the configuration of the affected securities and defined which of them are "eligible" in T2S.</p> <p>Furthermore, the CSDs and the CBs, at this stage of the analysis, must have completed the reconciliation of the static data, including the validation of the cross-CSD links. We underline that, in light of Monte Titoli's static data migration strategy, the set of static data available at this stage is the same uploaded during the pre-migration phase (27/04/2015).</p> <p>The complete set of configuration data is reported in the T2S GUI (only for DCP clients) and in the ad-hoc Monte Titoli web tool (for all clients).</p>
11	20.06.2015 h. 01.02 – 01.47	Second saving uploaded data	T2S Operator	<p>The saving data operation ensures that the T2S Operator takes a copy of the data relating to the activities performed up to then.</p> <p>This is useful in case of potential contingency activities.</p>

12	19.06.2015 h. 21.41 – 21.42	Liquidity transfer trials: Open liquidity transfers from T2 to T2S	RTGS Operator	The RTGS Operator opens the communication channels from its RTGS systems (example: T2 for EUR) to T2S, so that the liquidity can be transferred to T2S.
13	19.06.2015 h. 21.42 – 22.42	Liquidity transfer trials: instruction/upload of liquidity transfers to T2S platform	CB	At this stage the CBs send the liquidity trial instructions from RTGS systems (T2 if EUR) to T2S for trials.
14	19.06.2015 h. 21.43 - 22.52	MSP 4: Confirmation of the correct process of the liquidity transfer trials	CB	The CBs confirm that they have correctly completed the process of liquidity transfer trials.
15	19.06.2015 h. 22.52 – 23.22	Liquidity transfer trials: Process of liquidity transfer orders	T2S Operator	The T2S Operator starts the processing of the liquidity transfers sent to T2S for trials. Once the implementation has been completed, T2S sends to the CBs the confirmation of correct process of them.
16	19.06.2015 h. 23.22 – 23.52	Liquidity transfer trials: Reconciliation of liquidity transfer orders	CB	The CBs reconcile the liquidity transfers posted in T2S with the relative instructions sent by the CBs for trials.
17	20.06.2015 h. 23.53 - 00.03	MSP 5: Confirmation from the CBs of the correct process of the liquidity transfer trials	CB	The CBs provide the green light to continue the migration process after having verified that the liquidity transfer trials and their processes have been completed with a positive outcome.
18	20.06.2015 h. 00.03 – 00.04	Liquidity transfer trials: Closing of liquidity trials from T2 to T2S	RTGS Operator	The RTGS Operator closes the communication channels from its RTGS systems to T2S, thus making it impossible to transfer liquidity to T2S.
19	19.06.2015 h. 21.41 – 22.11	Securities settlement trials: FoP upload for the set-up of the securities	Migrating CSD	The CSDs input the FoP instructions for settlement trials into the settlement system.

		positions		
20	19.06.2015 h. 22.42 - 22.21	MSP 6: Confirmation of the correct uploading of FoP settlement instructions for trial	CSD	The CSDs must have completed the upload of the settlement instructions required for the execution of trials.
21	19.06.2015 h. 22.21 – 22.51	Securities settlement trials: Settlement of FoP instructions uploaded for trials	T2S Operator	The T2S Operator initiates the settlement instruction processing activities uploaded in the system. Subsequently, the T2S Operator sends confirmation of their correct process to the CSDs.
22	19.06.2015 h. 22.51 – 23.21	Securities settlement trials: Reconciliation of settled FoP instructions	Migrating CSD	The CSDs reconcile what they have recorded on their systems with the FoP instructions sent by the CSDs to the T2S for trials.
23	19.06.2015 h. 23.22 - 23.32	MSP 7: Confirmation of the correct process of the trials implemented by CSDs	CSD	The CSDs give the green light after having verified that the settlement instructions sent for trials have been correctly processed by T2S and duly reconciled.
24	19.06.2015 h. 23.32 – 00.29	Upload of positions: FoP upload for the initial set-up of holding positions	Migrating CSD	The CSDs upload the FoP instructions for security positions created in T2S.
25	19.06.2015 h. 00.29 – 00.30	Upload of positions: Response query sent by T2S relating to the FoP instructions	Migrating CSD	When the CSDs upload the FoP instructions in T2S, the CSDs can query the T2S platform for the FoP instructions uploaded in the system. This activity (query response) is a reply sent from T2S to the CSDs in relation to the query proposed.
26	20.06.2015 h. 00.30 – 02.30	Upload of positions: Reconciliation of settled FoP instructions	Migrating CSD	This activity is performed by the CSDs in order to reconcile the FoP instructions uploaded in the CSD legacy

				system and in T2S.
27	19.06.2015 h. 23.32 – 23.33	Upload of positions: Settlement restrictions upload for initial set-up of the restricted positions	Migrating CSD	The CSDs upload the settlement restrictions for the initial setting of the affected positions
28	19.06.2015 h. 23.33 – 23.34	Upload of positions: Query sent by T2S relating to the settlement restrictions	Migrating CSD	When the CSDs upload the settlement restrictions in T2S, the CSDs can query T2S directly by sending the query. This activity (query response) is a reply sent by T2S in relation to the query request made by the CSD.
29	19.06.2015 h. 23.34 – 00.04	Upload of positions: Reconciliation of settlement restrictions	Migrating CSD	This activity is performed by the CSDs in order to reconcile the settlement restrictions uploaded in its legacy system and in T2S.
30	20.06.2015 h. 02.31 - 02.41	MSP 8: Dynamic Data confirmation/settlement restrictions uploaded in T2S.	CSD	The CSDs are required to confirm the success of the FoP instructions and the settlement restrictions upload in to T2S platform.
31	20.06.2015 h. 02.41 -03.26	Third data saving uploaded	T2S Operator	The data saving operation ensures that the T2S Operator takes a copy of the data relating to the activities implemented up to then. This is useful in case of potential contingency activities.
32	20.06.2015 h. 03.26 – 03.51	Settlement sequence M1: settlement of FoP instructions for set-up of holding positions and earmarked positions	T2S Operator	The T2S Operator starts the settlement sequence for the processing of FoP instructions.
33	20.06.2015 h. 03.51 – 03.56	Reporting sequence M1: report sent to the CSDs	T2S Operator	The T2S system sends the reporting of the FoP instructions that are settled in sequence M1.

34	20.06.2015 h. 03.56 – 04.21	Settlement sequence M1: Settlement of settlement restrictions for set-up of blocked, reserved or earmarked positions	T2S Operator	The T2S Operator initiates the settlement sequence to process the settlement of restrictions.
35	20.06.2015 h. 04.21 – 04.26	Reporting sequence M2: report sent to the CSDs	T2S Operator	The T2S system sends the reporting of the FoP instructions that are settled in sequence M2.
36	20.06.2015 h. 04.26 – 06.26	Reconciliation of FoP settlement instructions and settlement restrictions	Migrating CSD	The CSD reconciles the created positions and the settled FoP instructions. The CSD may also reconcile the positions on their mirror accounts with the corresponding omnibus accounts of the CSD Issuers.
37	20.06.2015 h. 06.26 - 06.57	MSP 9: Check of securities positions and restrictions of holding positions (consistency check between mirror and omnibus accounts)	CSD	The CSDs, after having verified that the security positions and the security restrictions have been correctly created in T2S, give the green light.
38	20.06.2015 h. 06.57 – 07.42	Fourth data saving uploaded	T2S Operator	The data saving operation ensures that the T2S Operator takes a copy of the data relating to the activities implemented up to then. This is useful in case of potential contingency activities.
39	20.06.2015 h. 08.42 – 08.43	Dynamic data upload of pending instructions: Pending instructions upload	Migrating CSD	The CSDs upload the pending instructions in T2S. It should be noted that the CSD systems may already contain pending instructions related to the day before the migration weekend to T2S. Reference should be made to the MIGRATION OF DYNAMIC DATA FROM X-TRM chapter for details on the

				methods chosen by Monte Titoli to proceed with the migration of dynamic data in T2S and in the Monte Titoli legacy systems.
40	20.06.2015 h. 08.43 - 08.44	Dynamic data upload of pending instructions: Response query sent from T2S	None	Once the CSDs complete the input of instructions in T2S, the CSDs could query T2S for pending instructions uploaded. This activity is the response from T2S to the CSD's query for pending instructions.
41	20.06.2015 h. 08.44 – 10.14	Dynamic data upload of pending instructions: Pending instructions reconciliations	Migrating CSD	The CSDs reconcile the pending instructions in T2S against the ones in their legacy system
42	20.06.2015 h. 08.43 – 08.44	Dynamic data upload to pending instructions: Response query sent from T2S relating to cross-CSD instructions	None	Once the CSDs complete the uploading of cross CSD instructions to T2S, the CSDs could query T2S for cross-CSD instructions uploaded. This activity is the response from T2S to the CSD's query for pending instructions.
43	20.06.2015 h. 08.44 – 08.45	Dynamic data upload of pending instructions: Pending cross-CSD instructions reconciliation	Migrating CSD	The CSDs reconcile the cross-CSD pending instructions in T2S against the ones in their legacy system.
44	20.06.2015 h. 11.15 – 11.25	MSP 10 Final confirmation of dynamic data upload in T2S performed by CSDs	CSD	The CSDs must have completed the upload of pending instructions and any reconciliation issue must have been solved.
45	20.06.2015 h. 11.25 – 12.10	Fifth data saving uploaded	T2S Operator	The data saving data operation ensures that the T2S Operator takes a copy of the data relating to the activities executed up to then.

				This is useful in case of potential contingency activities.
46	20.06.2015 h. 14.52- 14.53	Open liquidity transfer orders from T2 to T2S	RTGS Operator	The RTGS Operator opens the communication channels from RTGS system to T2S, so that liquidity transfer orders can be sent to T2S.
47	20.06.2015 h. 14.53 – 15.53	Liquidity transfers upload	CB Payment banks (DCP)	The CB/PB can send new liquidity transfers to T2S that will be considered valid from the start of the Night Time Settlement cycle.
48	20.06.2015 h. 14.54 – 15.54	Response query sent from T2S relating to liquidity transfers	CB PB	The CBs and the PBs upload their liquidity transfers instructions and they can query T2S for the unsettled liquidity transfer instructions. The above activity represents a response sent from T2S to CBs/PBs for their queries.
49	20.06.2015 h. 14.55 – 16.54	Liquidity transfers reconciliation	CB PB	The CBs/PBs reconcile the liquidity transfers uploaded in T2S relative to what is recorded on their systems.
50	20.06.2015 h. 16.55 - 17.05	MSP 11.2 Confirmation of the correct upload of liquidity transfers in T2S	CSD CB	Green light given by the CBs which includes any further check that the CBs carry out with their clients (ICP and/or DCP). The correct implementation of all previous activities is the assumption to initiate the Night Time Settlement phase.
51	20.06.2015 h. 12.11 – 14.10	Loading of dynamic data: Corporate Action instructions upload	Migrating CSD	The CSDs upload in the T2S system the Corporate Action instructions (payments, any company transactions, etc...) calculated after the change of date.
52	20.06.2015 h. 12.12 – 14.11	Dynamic data upload : Response query sent from T2S	None	This activity represents a response from T2S to the CSDs regarding the specific queries sent to the T2S platform.

53	20.06.2015 h. 12.13 – 14.41	Dynamic data upload: Reconciliation of the new instructions uploaded in the system and "maintenance" instructions	Migrating CSD	The CSDs reconcile the "new" instructions and the "maintenance" instructions in T2S against their legacy system .
54	20.06.2015 h. 14.42 - 14.52	MSP 11.1 Loading Confirmation of new dynamic data uploaded/maintenance instructions submitted	CSD	Green light provided by the CSDs
55	20.06.2015 h. 17.05 – 22.45	First night time settlement cycle	T2S Operator	The T2S Operator attempts to settle the transactions considered eligible by the system for the sequences 0, 1, 2, 3 and 4 of the first night time settlement cycle.
56	20.06.2015 h. 22.45 – 01.45	Reconciliation of the first night time settlement cycle	CSD CB	During this phase the CSDs and the CBs reconcile the transactions that have been settled in the first night time settlement cycle.
57	21.06.2015 h. 01.46 - 01.56	MSP 12 Confirmation of the correct implementation of the first night time settlement cycle	CSD CB	Green light issued by the CBs and the CSDs after having checked the correct implementation of the night time settlement.
58	21.06.2015 h. 01.56 - 02.06	MSP 13 Point of no return for the Go-live of the first T2S migration wave	CSD CB	The "point of no return" set at the end of the first cycle of "Night Time Settlement" enables to check the qualitative outcome of the night time settlement cycle. A positive outcome entails the issue of the settlement instructions to the clients (DCPs or ICPs); a negative outcome results in the possible decision to "leave" migration.

59	21.06.2015 h. 02.06 - 02.07	Unblocking of DCP outgoing messages	T2S Operator	The T2S Operator unblocks all DCP outgoing messages, based on a list of the PTAs (Party Technical Address) provided by the respective CSD/CBs
60	21.06.2015 h. 02.10 – 04.30	Last night time settlement cycle	T2S Operator	The T2S Operator attempts to settle the transactions considered eligible by the system for the sequence 4 of the last night time settlement cycle.
61	21.06.2015 h. 04.30 – 06.10	Reconciliation of the transactions settled during the last night time settlement cycle	Migrating CSD CB DCP	The CSDs, the CBs and the relative clients (ICP/DCP) reconcile the transactions settled in the Night Time Settlement cycle.
62	21.06.2015 h. 06.10	MSP 14 Final confirmation of the correct implementation of the first night time settlement cycle	CSD CB	The CSDs and the CBs give the green light after having checked the correctness of the first night time settlement cycle.
63	21.06.2015 h. 06.10 - 06.11	Window for any possible problem solving	T2S Operator	The T2S Operator defines a specific time lapse for the solving of any problems that has arisen during the night time settlement cycle.
64	21.06.2015 h. 06.10 - 06.11	Reports regarding the management of the settlement outcomes and/or new instructions	All clients	The clients must report any issues in the management of the settlement outcomes or new instructions to Monte Titoli.
65	21.06.2015 h. 06.11 - 06.21	MSP 15 Green light for Real-Time Settlement	CSD CB	The CSDs and the CBs give the green light after having reconciled the instructions uploaded in the T2S system during the night time settlement phase with what they have recorded in their own legacy systems.
66	22.06.2015	Real-Time Settlement	All	The T2S system begins the settlement phase for eligible

	h. 05.00 – 18.00			transactions by the system. This is the beginning of the standard real-time settlement activity for the entire system.
67	22.06.2015 h. 18.00 - 18.10	MSP 16 Green light for End of Day procedures	CSD CB	The CBs and the CSDs give the green light for the start of the "End of Day" procedures after having reconciled the instructions settled during the "business day".
68	22.06.2015 h. 18.10 – 18.20	End of Day procedures	None	The T2S system performs the "End of Day" procedures.
69	22.06.2015 h. 18.20 - 19.20	MSP 17 Closing of the settlement day	CSD CB	The CSDs and the CBs will give the green light after having verified the results of the "End of Day" procedures.

With reference to the sequence of activities suggested in the previous table, we invite the participants to pay particular attention to the following key points:

- **Activities related to the Blocking/Unblocking of DCP outgoing messages:** it has to be specified that these activities will be undertaken by Monte Titoli as well, also for the information flow directed to ICP clients.
Once the information is unblocked, the clients will receive all the messages and information flows generated by the T2S platform and by the Monte Titoli legacy system.
- **Point of No Return:** concerning this synchronisation point (MSP 13), we wish to focus the client attention on the need to eventually restore its legacy systems and procedures starting from Monday morning in case Monte Titoli will decide to leave the first migration wave.
- **Green light for Real-Time Settlements:** in order to enable Monte Titoli to respect this synchronisation point (MSP15), the clients are required to report any issue identified in the management of the settlement outcomes and/or in the capacity of generating/forwarding new instructions directly to the T2S platform (DCP clients only) or to the X-TRM system (ICP clients).

6.0 MIGRATION OF DYNAMIC DATA

The purpose of this chapter is to describe the approach to the migration of dynamic data adopted by Monte Titoli which is different depending on the type of transactions migrated. The dynamic data are the transactions awaiting matching or settlement and, more in general, the transactions available in the Monte Titoli legacy systems at the time of migration.

With a view to the migration to the new T2S platform, Monte Titoli has decided to adopt "new" legacy systems adapted to the new T2S functions.

We wish to specify that "new" means that the "old" legacy system will be changed in its current functionalities and therefore it may be "restored" in case of migration failure.

The analysis we provide below distinguishes between:

Migration of dynamic data from the Custody system:

1. FoP transactions (unmatched)
2. Dividend suffix management

Migration of dynamic data from X-TRM:

3. Unmatched and matched cross-border transactions ("00" settlement system)
4. Transactions sent to the Gross Express settlement system ("01") and Net Express settlement system ("02"), differentiating among:
 - a. Direct transactions with matching indicator "1"
 - b. Dual transactions with matching indicator "2"
 - c. Matched transactions with matching indicator "3"
5. Matched transactions not handled by Monte Titoli settlement systems, meaning Euroclear ("03") and Clearstream ("04") settlement systems.
6. Any transaction not included in the above mentioned points

In compliance with the classification above detailed, we provide details for the set of:

- Transactions that will be migrated to the "new" Monte Titoli legacy systems
- Instructions that will be sent to the T2S platform
- Transactions that will not be migrated to the "new" Monte Titoli legacy systems
- Instructions that will not be sent to the T2S platform

The current X-TRM and Custody services will be operated in the usual standard mode until Friday June 19 2015. This grants the clients the possibility to maintain the same visibility of transactions until the migration weekend (19.06.2015).

All the related functions will presumably remain available for the participants until 10:00 p.m. of Friday June 19 2015 for the X-TRM service, and until 06:30 p.m. for Custody service. After such deadline, X-TRM, Express II and Centralised Administration services as well as their data will no longer be accessible by clients using the current channel and formats. Should the closing cut off be brought forward due to operational needs in order to offer a better support in the migration process, it will be promptly notified, .

6.1 Migration of dynamic data from the Custody

6.1.1 Unmatched FoP transactions

DEFERRED SETTLEMENT DATE TRANSACTIONS with $ISD \geq 22.06.2015$

INSTRUCTIONS TO FEED THE SETTLEMENT with $ISD = 22.06.2015$

The unmatched FoP transactions (currently instructed via the RNI 710 message), will not be migrated to the "new" Custody system and consequently will not be sent to the T2S platform. Therefore, if the client requires the transactions to feed the settlement system with $ISD = 22.06.2015$ and the deferred settlement date transactions with $ISD \geq 22.06.2015$ to be included in the migration to T2S and thus to be settled in T2S, Monte Titoli suggests the use of the X-TRM service by submitting as CTC FoP transactions; such transactions will be migrated as matched or to be matched OTC transactions .

6.1.2 Dividend suffix management

We describe below the migration process for the holdings corresponding to securities for which the participant has decided to postpone the payment of the dividend for one or more coupons. Such holdings are currently registered on particular suffixes (old coupon numbers) of each relevant "cum" security. Due to the fact that it will not be possible to manage the suffixes in the new T2S platform, it is necessary to migrate all such holdings on "interim" ISINs, each one representing a dividend for which at least one postponement in the payment has been carried out.

The process of definition of these financial instruments is managed by Monte Titoli and started by the issuer of the original security, exactly as it happens for all financial instruments where Monte Titoli is the Issuer CSD. Monte Titoli will urge the issuers few months before the migration weekend, in order to have the above mentioned process completed in time and to provide appropriate reporting on these "interim securities" to the clients, using the standard communication channels.

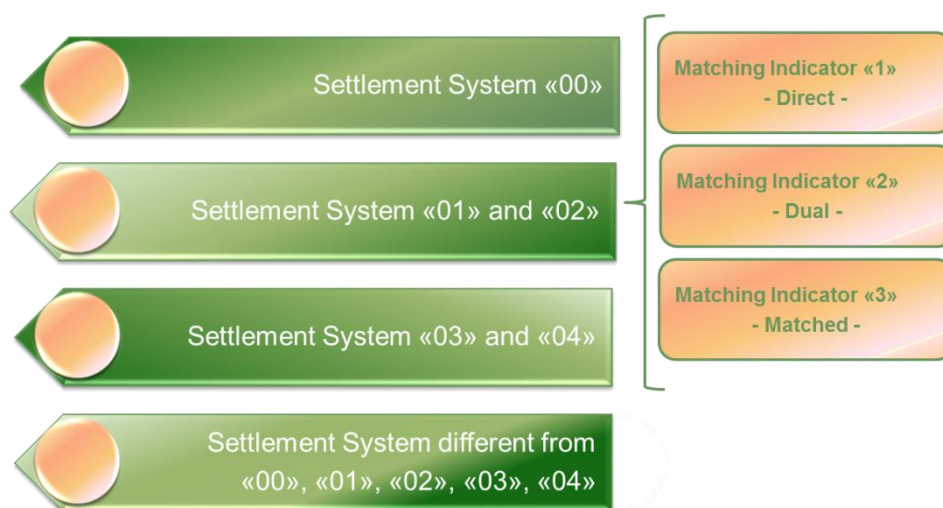
In order to provide proper information on the book entries at CSD level (cancellation of the holdings in the original securities with suffix and registration of book entries in the new "interim securities"), Monte Titoli will perform such activities shortly before the closing of the business day of Friday 19 June 2015.

Consequently the clients with such holdings, will find all the above mentioned book entries registered in the daily statement of account.

6.2 Migration of dynamic data from X-TRM

The Monte Titoli approach to migration of dynamic data from X-TRM is defined to guarantee the success of the migration process and to minimize any further critical impact connected to the migration itself.

The following graph provides a representation of the transactions that are in the scope of the analysis:



6.2.1 Unmatched and matched cross-border transactions

All cross-border transactions (meaning transactions that adopt the "00" settlement system - no settlement) awaiting matching (matching indicator "1") and/or matched (matching indicator "3") and awaiting settlement on the cross-border platforms are cancelled¹ by Monte Titoli initiative before downloading the migration data. The cancellation takes place only if the cross-border counterparty sends the cancellation instructions as well, for its leg of the transaction not yet cancelled by the relevant cross-border systems.

Monte Titoli will not migrate the above transactions to the "new" X-TRM system and will therefore not send them to the T2S platform.

However, if certain transactions that cannot be handled during the migration process remain still pending in the cross-border settlement systems, Monte Titoli will provide to fill them manually at the beginning of the daily settlement cycle of T2S.

As such transactions cannot be processed automatically during the migration process, it is reasonable to invite the participants to reduce or, if possible, to avoid uploading cross-border

¹ It is here underlined that the transactions cancelled by Monte Titoli can be viewed by clients in the standard X-TRM reports.

instructions in the current X-TRM system, with settlement date later or equal to 19 June 2015, in the days before the migration weekend.

These transactions may be uploaded directly by the participants in the "new" X-TRM at the start of the T2S daily Settlement cycle on 22 June 2015.

6.2.2 Transactions using the Gross and Net Express II settlement system

DIRECT TRANSACTIONS [WITH MATCHING INDICATOR "1"]

DIRECT TRANSACTIONS WITH GROSS SETTLEMENT SYSTEM ["01"]

ISD ≥ 19.06.2015

CANCELLATION INDICATOR = "N"

Unlike the current procedures that foresee the logical cancellation of unmatched transactions, in the light of the new rules governing the T2S platform and for migration purpose, the transactions that fall within this category are migrated in the "new" X-TRM and subsequently sent to T2S for matching.

It should be noted that T2S allows to fill in Settlement Instructions with ISD prior to the current date.

DIRECT TRANSACTIONS WITH NET SETTLEMENT SYSTEM ["02"]

ISD ≥ 22.06.2015

CANCELLATION INDICATOR = "N"

The transactions with ISD equal to Monday 22 June 2015, according to the current X-TRM rules, should be cancelled at the end of business on 19 June 2015.

However, for migration purpose and given the new T2S rules (the possibility of uploading Settlement Instructions with an ISD prior to the current date), such transactions are migrated in the "new" X-TRM and subsequently sent to T2S for matching.

DIRECT TRANSACTIONS WITH GROSS ["01"] AND NET ["02"] SETTLEMENT SYSTEMS

ISD ≤ 19.06.2015

CANCELLATION INDICATOR = "S"

The transactions that meets these requirements are already cancelled by the dedicated X-TRM procedures or by the participants themselves and are therefore not subject to migration in the new "X-TRM" and, since they are not registered in the "new" Monte Titoli legacy systems, they are not sent to the T2S platform. The cancellation status has already been notified to the clients.

DUAL TRANSACTIONS [WITH MATCHING INDICATOR "2"]

For all direct transactions, the current X-TRM generates the correspondent dual transactions (or so called "responses") for each single input in the system.

It is here specified that the dual transactions are not migrated in the "new" X-TRM and consequently they are not sent to the T2S platform.

It should be noted that these transactions are replaced by the allegation message that the T2S platform sends according to the previously set timing.

MATCHED TRANSACTIONS [WITH MATCHING INDICATOR "3"]

TRANSACTIONS MATCHED WITH GROSS SETTLEMENT SYSTEM ["01"]

SETTLEMENT INDICATOR = "S/N"

The transactions that meet these requirements will not be migrated to T2S because they have reached a definitive/final - matched/unmatched settlement status.

Please note that the correspondent information has already been sent to participants. Such transactions will not be migrated to the "new" X-TRM and consequently will not be sent to the T2S platform.

TRANSACTIONS MATCHED WITH GROSS SETTLEMENT SYSTEM ["01"]

SETTLEMENT INDICATOR = "BLANK"

This category includes the failed transactions of the previous days still awaiting settlement, the transactions with a "hold" status and $ISD \geq 22.06.2015$ as well as the new transactions. Such transactions are migrated to the "new" X-TRM and sent to the T2S platform as settled transactions.

TRANSACTIONS MATCHED WITH NET SETTLEMENT SYSTEM ["02"]

ADMISSION INDICATOR = "N"

NON GUARANTEED TRANSACTIONS

The transactions that fall in this category are usually market contracts, meaning the set of original non-guaranteed PCT overnight transactions.

The reason why these transactions are not migrated is that they are not admitted and do not contribute to the definition of a bilateral balance, seeing as they are not guaranteed transactions. The corresponding settlement instructions are generated automatically by the system.

TRANSACTIONS MATCHED WITH NET SETTLEMENT SYSTEM ["02"]

ADMISSION INDICATOR = "N"

GUARANTEED TRANSACTIONS

This category includes the set of non-admitted transactions that help to determine the net bilateral balance relative to the central counterparty.

These transactions will be subjected to migration to the "new" Monte Titoli legacy systems and consequently migrated in T2S.

TRANSACTIONS MATCHED WITH NET SETTLEMENT SYSTEM ["02"]

SD < 22.06.2015

ADMISSION INDICATOR = "S"

These transactions are already transformed in settlement instructions for the net cycle relative to the ISD and, if not settled, are registered as settlement instructions in the gross cycle (fail). It is here specified that these transactions are not migrated to the "new" X-TRM and consequently are not sent to the T2S platform.

TRANSACTIONS MATCHED WITH NET SETTLEMENT SYSTEM ["02"]

SD ≥ 22.06.2015

ADMISSION INDICATOR = "S"

CANCELLATION INDICATOR = "S"

This category includes admitted transactions relative to non-guaranteed market contracts cancelled by the market itself as well as OTC transactions cancelled on a bilateral basis by the participants.

These transactions are not migrated to the "new" X-TRM and consequently are not sent to the T2S platform.

TRANSACTIONS MATCHED WITH NET SETTLEMENT SYSTEM ["02"]

SD ≥ 22.06.2015

ADMISSION INDICATOR = "S"

CANCELLATION INDICATOR <> "S"

This category includes non-guaranteed market contracts, net bilateral balances and OTC transactions inputted by participants.

Such transactions are migrated to the "new" X-TRM and consequently sent to the T2S platform as matched transactions.

6.3 Corporate Action on Flow

The current Corporate Action On Flow (CAoF) management process will be executed for the last time on the evening of Friday of the migration weekend. The transactions created according to current criteria are therefore subject to migration based on the characteristics above specified and therefore reported in the "new" X-TRM.

The new Corporate Action On Flow management process will be executed for the first time according to international standards on the Monday evening following the first day of Settlement in T2S.

6.4 Transactions not handled by Monte Titoli settlement systems, meaning Euroclear ("03") and Clearstream ("04") settlement systems.

All transactions with ICSD (Euroclear and Clearstream) as settlement systems, meaning contracts closed on MEM, EuroTLX and HI-MTF platforms guaranteed by CCP and non-guaranteed, are migrated to the "new" X-TRM.

However it is worthwhile to underline that these transactions, as already sent to other settlement systems, will not be sent to the T2S platform.

6.5 Transactions sent to Settlement Systems other than those detailed above

This category is reported to ensure the completeness of the analysis. Currently no other settlement systems are managed than the ones described above.

We provide below a scheme of the contents of chapter 6 concerning the Monte Titoli's dynamic data migration strategy to T2S and the Monte Titoli legacy systems.

More specifically, given what has been previously outlined:

- the following table lists the set of transactions NOT migrated onto the "new" Monte Titoli legacy systems and onto T2S;

• Unmatched FoP transactions (from Custody System)

• Unmatched and matched Cross-Border transactions

• Transactions using the Gross and Net ExpressII settlement system

→ Direct transactions with matching indicator «1»

- Gross and Net settlement system; ISD ≤ 19/06/2015;
Cancellation Indicator = «S»

→ Dual transactions with matching indicator «2»

→ Matched transactions with matching incator «3»

- Gross settlement system; Settlement indicator«S/N»
- Net settlement system; Admission indicator «N»;
NON Guaranteed transactions
- Net settlement system; SD < 22/06/2015; Admission indicator «S»
- Net settlement system; SD ≥ 22/06/2015; Admission indicator «S»;
Cancellation Indicator «S»

• Any transactions not included in the above points

- the following table lists the set of transactions migrated to the “new” Monte Titoli legacy systems and to T2S.

• Transactions using the Gross and Net ExpressII settlement system	
→	Direct transactions with matching indicator «1»
→	Gross settlement system; ISD ≥ 19/06/2015; Cancellation Indicator = «N»
→	Net settlement system; ISD ≥ 22/06/2015; Cancellation Indicator = «N»
→	Matched transactions with matching incator «3»
→	Gross settlement system; Settlement indicator «blank»
→	Net settlement system; Admission indicator «N»; Guaranteed transactions
→	Net settlement system; SD ≥ 22/06/2015; Admission indicator «S»; Cancellation indicator < > «S»

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