
Market Notice

4 July 2013

Release of Hold & Release function

The objective of this communication is to inform clients that Monte Titoli will implement the Hold & Release function on 8th July 2013 in “dormant” mode, and that the activation will be implemented from 9th September 2013.

In addition we wish to communicate that the enforcement of the relative modifications of Express II Rules and X-TRM Instructions will occur on the 9th September 2013.

Dear client,

Please be advised that the external test phase of the Hold & Release functionality has been successfully completed on 28th June, in line with the X-TRM test plan for Hold & Release published on 23rd April.

Given the systemic importance of the readiness of the entire customer community for the introduction of Hold & Release, Monte Titoli and intermediaries have agreed that the new function will be released on 8th July 2013 as planned, although in “dormant” mode until the 9th September, in order to allow intermediaries to complete a full adjustment of the relative market practices and alignment of procedures.

“Dormant” mode foresees that the Hold & Release function is not activated, even though the message layouts are already adjusted for the new records.

The operative measures for the release and the subsequent production phase in “dormant” mode are described in the attached presentation.

Please pay particular attention to the following points:

Migration weekend and activation in “dormant” mode:

During the migration weekend (6th-7th July) no activity is required by participants.

The Service will not be accessible due to the roll out operations necessary for the release.



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From 8th July it will be necessary to update version of your systems, in order to manage the modifications of the message layouts, which are necessary for the introduction of the new Hold & Release functionality.

Settlement reporting with settlement date 8th July will be released at the usual timing, according to the current procedure.

“Dormant” period 8th July – 6th September 2013:

Monte Titoli will operate on Hold & Release cut-offs in order to avoid the input into the system of instructions with On-Hold status and/or variations from Released to On-Hold and vice versa. It will be possible to insert Instructions on Released status.

In the production phase, the static data of client accounts relative to Hold & Release management (e.g. transfer and re-proposition, etc) will not be implemented. Without express notice from participants, the static data configuration valid from 9th September will be the same as those already communicated through the relevant documentation.

Activation 9th September 2013:

The software version in use since 9th September will be the same as the one brought into production in “dormant” mode on 8th July.

Availability in testing environment:

The testing environment remains available, for those who would like to continue the testing activities, under the same current configuration.

Rules modifications:

The relative modifications on the Rules and Instructions of Settlement and Instructions of X-TRM Service, which are aimed at modifying the moment of irrevocability and implementing the Hold & Release function, will be deployed on 9th September instead of the previously communicated 8th July.

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X-TRM Hold/Release Go live on “dormant” mode

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July 4 2013

Production release and first set up



Effects of first set up/production release of operations present on X-TRM at the release:

- For all sources (markets, OTC, institutions) the Hold & Release function will be implemented according to plans (active on OTC and non guaranteed MTS and not active for other sources)
- Matched instructions in X-TRM with gross settlement will be updated according to the following criteria:
 - The operations not forwarded to settlement (not presentable, already settled/not settled, cancelled) will have all Hold & Release indicators populated as «space», keeping the original timestamp
 - Operations not yet sent to settlement (presentable instructions with settlement value date greater or equal to the one at the go-live date) and the instructions already sent and re-cycled will have all Hold & Release indicators populated as «R»
- Matched instructions in X-TRM with net settlement will be updated according to the following criteria:
 - Instructions not forwarded to settlement (not presentable, cancelled) and instructions already sent to settlement will have all Hold & Release indicators populated as «space», maintaining the original timestamp
 - Instructions not yet sent to settlement (presentable instructions with settlement date greater or equal to the one at the go-live date) will have all Hold & Release indicators populated as «R»
- All un-matched instructions with gross or net settlement, independent from their settlement date, will be logically cancelled with system update timestamp. All H/R indicators will be populated as «space».
- Instructions with settlement systems different from Express I and Express II will have H/R indicators populated as «space» and will keep original timestamp

Postponement of Hold & Release function «Dormant» mode release



- Since the instructions coming from OTC and not guaranteed MTS are inserted before go-live date and having settlement date equal or greater than the successive go-live will be technically «holdable», similarly to the operations coming from OTC and not guaranteed MTS inserted after the go-live, which will also be technically «holdable». We invite intermediaries to avoid to set their operations as On-Hold
- Monte Titoli will set Hold & Release cut-offs in order to avoid the insertion into the system of instructions with On-Hold status and/or variations from Released to On-Hold and vice versa. It will be possible to insert Instructions on Released status, as an activity of transaction input

Focus points

- Clients will have to use the user layouts of the Hold & Release version, which have been available on MT-X since December 2012
- Clients who are using communication channels LU6.2 and RNI will have to ensure that the records in use for Hold & Release are initialized



Post-activation operations

Insertion

Intermediaries will have to insert the instructions record relative to H&R indicators as «space». In detail:

- Record H/R indicator populated as 'space' : the operation are always accepted
- Record H/R indicator populated as 'R' : the operations are always accepted
- Record H/R indicator populated as 'H' : the operations are rejected by X-TRM

Variation

- No intermediary will be able to use Hold & Release function to vary the H/R indicator until the forthcoming activation. This means that in case of variation, the intermediary will have to input a value equal to "R" for the H/R indicator (a "space" record in variation is not accepted) and X-TRM will reject the variation request if the H/R record is anything other than "R"

Report

- Hold/Release reports of instructions with Express I or Express II settlement will always be populated with Release status (value "R") in the ROM and ACB (G56) report

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