Operational Notice

16 September 2019
ON_52/2019

T2S release 3.2 – Test guidelines

For the attention of: DCPs, ICPs
Re: T2S release 3.2 – Test guidelines

Dear Client,

We wish to announce that, as communicated in ON 33/2019 of 3 June 2019, release 3.2 of T2S will be available in an external test environment (UTEST) as of 30 September 2019.

Monte Titoli's verifications of the functions introduced by this release will conclude on 15 October.

The sections below describe the release testing methods and operational details of some of the functions introduced with the CRs.

Operational details

➢ Hold report for ICPs

Currently, prior to cut-off on the ISD, the platform sends a FUTU pending reason code ("no holds remaining") for instructions that are released and on which there is no longer any type of "hold" by the counterparty or by its own side (party hold, CSD validation hold, CoSD).

T2S R3.2 introduces a failing reason code CYCL ("no holds remaining") to notify the same status change after the cut off. However, it should be noted that when T2S R3.2 starts production, XTRM will not inform that the counterparty's hold indicator has been reset <u>only if the last hold condition is removed by a DCP counterparty after the cut-off</u>.

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> ## ON/OFF management switch

In order to meet the adjustments required by the CSDR, all instructions matched but not adjusted to the ISD up to the relevant cut off will be identified as Pending, and after the cut off will be identified as Failing.

In order to avoid a massive sending of messages before the entry into force of the standard, the T2S system will start in "off" mode: the massive sending of messages notifying the change of status from Pending to Failing at the cut-offs will be deactivated.

> ## Place of Clearing and Place of Trade

In order to satisfy the adjustments required by the CSDR, the option of setting the Place of Clearing and the Place of Trade has been introduced in the instructions sent to T2S. This information will be reported by the platform in its response messages and reporting.

However, for ON-Exchange operations, the MIC field with the Place of Trade information will be set at a later stage, after release of T2S R.3.2.

> ## CR 694 "Extension of the 8:00 and 15:45 partial settlement windows"

The CR will be activated in the production environment on 9 December 2019 and the relevant tests in the UTEST environment will be coordinated and organised by the OMG. Accordingly, during the test phase of release 3.2 the partialisation windows will not be modified.

Test mode and availability of the test environment

The launch of release 3.2 in UTEST will take place on 27 September 2019, according to the so-called "mode 2" whereby the SW will be released on Saturday post-EOD and the SOD and NTS phases will also take place at the same time.

To facilitate these activities, the environment will not be available for testing throughout the day.

Monte Titoli and all participants that have expressed an interest in using the functions of the CR 613 are invited to participate in a volume test session in the UTEST environment organised by the ECB on Tuesday, 1 October 2019, with a massive input of operations which is expected to total approximately 11,000. All pending instructions will be deleted as the recycling period will be set to 1

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on Wednesday 2 October and it will be reset to its original value on Thursday 3 October . Please take into account possible slowdowns in the response time of the environment on that day.

Monte Titoli and all participants that have expressed an interest in using the functions of the CR 613 are invited to participate in a volume test session in the UTEST environment organised by the ECB on Tuesday, 2 October 2019, with a massive input of operations which is expected to total approximately 11,000. All pending instructions at the end of the day will be deleted as the recycling period will be set to 1. Please take into account possible slowdowns in the response time of the environment on that day.

For participants who use Swift messaging during testing of the release as announced with ON No. 50 of 13 September 2019, the future mode for the exchange of SWIFT ISO15022 messages will be active from 30 September.

To enable testing of the Target2 ECONS1 contingency module, on 15-16-17 October and 22-23-24 October, the T2S UTEST environment will not be connected to the T2 CUST environment. Therefore, during the dates indicated, participants that need to conduct testing with cash in their account must send a request to mt-t2s-test@lseg.com indicating the reference DCA, by 4 October 2019 and Monte Titoli will request the creation of liquidity through the Bank of Italy.

Test plan

DCPs are invited to test all the CRs and defects applicable to their own operational model, indicating their interest in the relevant "R2.3 PBI and CR content incl declaration to test.xls" form and reporting on the status of verification activities, using the same form, on a weekly basis to the address mt-t2s-test@lseg.com.

Final feedback on the outcome of the tests is required by 12:00 noon on 29 October 2019. This feedback will be included in the report sent to the T2S decision-making bodies on 30 October 2019. After this date, and until 15 November 2019, it will be possible to continue with the testing. Any additional evidence will be communicated on a continuous basis to the said decision-making bodies for the purpose of verifying the stability of the release.

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Relevant documentation

The updated document indicated above, including the PBI defects identified during testing in the EAC environment, can be found in the folder dedicated to release 3.2 in the document section of MT-X (Home > Documentation > T2S-Change Management and client Test Plan > T2S Releases).

Please use the following contact addresses for any support requirements:

Helpdesk.Settlement@lseg.com
Ptts-somt@lseg.com