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# Market Notice

02 May 2017  
MN\_40/2017

## Launch of Classic Repo

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**For the attention of:**

**Priority:**

**Re:**

DCPs, ICPs

HIGH

Avvio Classic Repo

Dear Client,

We are pleased to announce that Monte Titoli, in collaboration with the MTS, Brokertec and e-MID Markets and the Central Counterparties Cassa di Compensazione e Garanzia and LCH SA, have reached agreement on the migration methods from Buy and Sell Back to Classic Repo, which is scheduled to launch, subject to the successful testing outcome on 24 July 2017.

It is therefore confirmed that:

- as of the start-up date of the new service, the Markets will send only “Classic” type guaranteed and non-guaranteed “Repo” trades and will no longer send “Buy Sell Back” trades;
- trades guaranteed by CCPs will use a separate account to segregate amounts resulting from the payment of coupons;
- the Markets do not currently have any plans to negotiate floating rate Repo trades .

The Classic Repo Operating Model, published on the Monte website ([link](#)) on 09 August 2016 describes the functional requirements for the management of the Classic Repo in the X-TRM service and illustrates the technical changes that have been made.



**London**  
Stock Exchange Group

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In order to enable all Participants to verify that Classic Repo trades have been correctly managed, a testing period has been scheduled between the dates of 13 June 2017 and 21 July 2017 and a test plan has been published with guidelines for the tests. The test plan and supporting documentation have been posted in the folder “*Documentazione / T2S – Change Management & Client Test Plan / T2S Client Test Plans / Classic Repo*” in the documentary section of the MT-X platform.

Monte Titoli is playing an active part in the process and will provide full support to its Clients, Markets and CCPs in order to ensure the successful outcome of the tests.

With respect to the requirement expressed by some Participants to have a reference for linking the coupon with the original trade, Monte Titoli informs that both the technical implementation methods and the high implementation priority have been shared with PTPC – T2S Change Management and that by 15 May 2017 a hypothesis for this new Release planning will be submitted to the said Working Group.

Please use the following contact address for any operating or functional support requests during the test phase:

[mt-test-sett@lseg.com](mailto:mt-test-sett@lseg.com)

requests for general information should be sent to:

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