
Market Notice

21 August 2015

T2S - External Settlement - Operational guidelines

Dear Client,

as bilaterally anticipated during the Test Community to the interested subjects, we would like to sum up the operational procedures to be adopted for the transitional administration of the External Settlement in the first operative period of T2S, as a result of the incorrect activity of the platform reported to the T2S Operator and identified as a problem on August 3rd, 2015, with the reference "PBI000000157080".

The error impacts the following operating situations:

1. Instructions submitted by participants without securities capacity on the SAC: MT correctly receives the operation and forwards it to T2S for settlement. The platform confirms properly the transaction acquisition through sese.024 message, with reason code "LACK of securities" but, at the constitution of the available securities, does not consider these transactions pending, de facto preventing the regulation.
2. Instructions with deferred settlement currency: MT correctly receives the operation and forwards it to T2S for settlement. The platform confirms properly the transaction acquisition through sese.024 message but it does not send the reporting sese.024 to the ISD with the information "COSD active". As a result, the operation remains pending without producing the relevant SWIFT messages notification for the external CSDs.



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To fix this problem, the following administrative workarounds can be activated by the participants involved:

- a) Operations not settled as a result of lack of capabilities on the SAC: participants must delete pending transactions and re-submit them, taking care of ensuring the availability in the account;
- b) Operations with postponed deadline: participants must delete pending transactions and instruct to ISD.

Please note that the operative procedures above mentioned will be applied starting from August, 31st 2015, until the end, with positive outcome, of the tests (internal and Community ones) of the applicative arrangement whose release in production is currently scheduled by T2S operator for the forthcoming January, 30th 2016.

For any other further information, please contact:

External Settlement

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