
Market Notice

3rd August 2015

Govies' settlement in T2S – Operating workaround on *Link After* management

Dear Client,

As agreed at the last meetings of the *National User Group*, of May 25th and June 19th, Monte Titoli would like to recap all those temporary procedures will be put into force to manage govies' events after T2S launch and throughout this first phase of platform adjustment.

The following operating administrative workaround has become necessary as a result of T2S platform malfunction in *Link After* (LA) management; this issue was detected by Monte Titoli in March 2015 and it was recognized by T2S Operator, the 2nd of April 2015, as a platform defect whose code is "PBI000000154860".

1. As you may find in the operative rules of Centralised Administration Services for intermediaries and issuers (Instructions), MT executes govies' events (auction, interest payments and capital redemption) sending to T2S platform, at the settlement/payment date, the relating *settlement instructions*.
2. MT sends *settlement instructions* in time to be processed throughout the first phase of the first settlement night cycle (NSC). As established in T2S UDFSs, in order to ensure the proper settlement sequence, instructions' set up is based on a specific T2S feature, called "Link After" (LA).
3. Given the above defect, some instructions may not be settled and a GUI administrative workaround may result necessary in order to remove LA.



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4. Please note there is no certainty all instructions will be settled throughout the first NSC; indeed the required intervention has an administrative nature and it is not possible to estimate the exact number of unsettled instructions. Therefore any unsettled instructions are going to be settled in the next settlement cycles.
5. At the end of the process, the standard settlement notification is sent to participants via 7B2 MSG (interest payments and capital redemption) and G56 / 71N (auctions), as indicated in technical documentation and Instructions.

The above operating instructions are going to be applied starting from the 31st of August 2015, up to the successful ending of (internal and community) testing of those T2S Operator releases you may find the 4th of September in EAC environment.

After T2S Operator releases and defect resolution, a test plan will follow as soon as possible in order to verify with the system the proper platform functioning.

For further information please refer to Direct Custody office

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Best Regards.