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# Market Notice

17 July 2015

## Functionalities under descoping in T2S: Cash Forecasting and CAoF

Dear Client,

as mentioned in the National User Group meeting of 19 June 2015, we would like to inform you that regarding the management of the Cash Forecasting and the Corporate Actions o Flow (CAoF), are not in scope for T2S migration scheduled for 31<sup>st</sup> August 2015. Therefore, no automated functionalities, as required by the technical documentation, will managed by Monte Titoli in the first period of operation of the new settlement platform.

### Cash Forecasting service

In this phase for support the participants, that have signed the functionality, Monte Titoli has developed an administrative workaround shared with the system during the PTTUG meeting of 3 and 7 July 2015.

The solution contains the extraction of a synoptic situation, for each account, aimed for highlighting the information for the definition of the cash position, indicating the section on government bonds. Reports, Excel format, will be sent to Clients that, from 27 July to 21 August, will request by e-mail to [helpdesk.settlement@lseg.com](mailto:helpdesk.settlement@lseg.com). The request must includes the following information: the involved securities accounts, the e-mail address where sending the processed reports, a contact for any problems.

The report will be daily extracted at the end of the gross settlement cycle and will be sent to the recipients indicatively before 5:00 p.m. of each business day.

Below the template that will be provided (with included data as an example)

account code	cash position	debit/credit	Gov.ment bonds payment	tot
1	2,000,000,000.00	D		- 2,000,000.00
2	3,000,000,000.00	C	100,000.00	3,100,000.00
tot	1,000,000,000.00	C	100,000.00	1,100,000.00



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Alternatively, the information may be provided by X-TRM online, setting the query:

The screenshot displays the X-TRM Online web application interface. The browser address bar shows the URL <http://xtrprod/XTO/Inquiry/T25.aspx>. The page header includes the Monte Titoli logo, the name 'eugazio', and the text 'MONTE TITOLI S.P.A. - SIMPLE SEARCH'. The business date is '17/07/2015' and the environment is 'T1'. The navigation menu includes 'Input', 'Inquiry', 'Settlement Reports', and 'Configuration'. The main form is titled 'Instructing Party: SIA' and contains various search criteria grouped into sections. The 'Selected parameters for the search: 9' are listed on the right. The form includes fields for 'Type of Settl. Trans.', 'Market', 'Counterparty', 'Settlement Agent', 'ISIN', 'Settl. Trans. Condition', 'Securities Trans. Type', 'Settlement System', 'Price', 'Exchange Rate', 'General Clear. Member', 'Presentable Flag', 'PDN', 'Transaction Sign', 'Market Identifier', 'Unit Accrued Neg.', 'HR Instructing Party Flag', 'HR Counterparty Flag', 'X-TRM ID', 'T25 ID', 'Cancel Flag', 'Trading Mem. Deal. Cap.', 'Delete Instr. Party Flag', 'Trade Trans. Condition', 'Intended Settl. Date', 'Effective Settl. Date', 'Insert Date', 'End Validity Date', 'Trade Date', 'Settlement Amount', 'Remaining Amount', 'Quantity', 'Remaining Quantity', 'Timestamp update from', 'Settlement Indicator', 'Settled', 'Source', 'Matching Status', 'Delete Counterparty Flag', and 'Trade Common Refer.'. The form also includes a 'Search' button, an 'Export C56' button, and a 'Template:' dropdown menu.

## Corporate Action on Flow (CAoF)

For those participants of Monte Titoli that want to use X-TRM, for independently managing the CAoF of OTC transactions:

- X-TRM allows:
  - sending OTC instructions type CLAI
  - indicating the value "TRAN" as Condition of Settlement
  - cancellation of pending instructions (bilateral cancellation);
- X-TRM does not allow:
  - Inserting the special operation number on OTC instructions (as workaround has been identified the field ID Contract 2 - corresponding TradID2 on sese023 message);
- The additional matching field (Opt in/out and Cum/Ex indicator) are not subject to validation;

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- Apply all the validation checks that insist on acquired settlement instructions in XTRM
- Special attention on evaluation of ISD on bond at maturity date

Finally, as agreed with the system in the PT-TUG meetings on 3 and 7 July 2015, Monte Titoli will delete the pending settlement instructions that, involving at least one ICP, relate to financial instruments subject of Reorganization no longer be exercised (rights for option right issue or Unoptioned) or bonds (for example redemption for bonds).

For any necessity do not hesitate to contact us:

Italian Settlement & X-TRM

e-mail: [helpdesk.settlement@lseg.com](mailto:helpdesk.settlement@lseg.com)

phone: +39 02 33635387.