Operational Notice

05 March 2018
ON_14/2018

XCOM Service: new features

For the attention of: **XCOM Participants**
Re: **XCOM Service: new features**

Dear Client,

We wish to announce that, as part the ongoing effort to improve our services, the following features have been implemented in XCOM:

- **Management of state-guaranteed corporate securities:** XCOM will be in a position to manage, for guaranteed market transactions, corporate and agency securities with state guarantee, guarantor group code GG2 of the ECB eligible securities file, applying the criteria of concentration limits for government securities. The eligibility criteria and haircuts will not be subject to changes in application logic following this implementation.
A report on guaranteed corporate securities will be available on MT-X reporting.

- **Collateral Recall with option to indicate the exposure to be recalled**: in cases of collateral recall, an option has been introduced to insert the specific bilateral exposure from which to recall the securities in substitution. In the absence of an indication, the system will follow the current selection logic of the exposures to be selected. In the case of partial Collateral recall, without an indication of bilateral exposure, when the default parameters indicated in the service communications are reached, the system will cancel the Collateral instructions and subsequently propose them on other bilateral exposures.

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- **Change of the minimum settlement amount order of ISINs in the allocation phase:** in order to improve the usage logics of customer securities portfolios, the order of allocation has been altered to provide that, with the same type of security and rating, the securities are identified starting from the highest minimum settlement amount. In the event of parity of minimum settlement amount, the selection will continue to take place in ascending order of balance.

Test and release dates

Due to the nature of the additional features as described above, these implementations are not subject to formal external testing with clients. Validation will be performed directly by MT until 16 March 2018 in the XCOM platform environment.

In the event of positive validation by Monte Titoli, as of 19 March 2018, clients will be able to access the "Moti4U Collateral" start-up environment to familiarise themselves with the new features and application screens, which will include new information on the use of the new features.

The release into production, subject to a successful outcome of MT testing, is scheduled for 26 March 2018, upon XCOM Service Instruction update after the necessary consultations and with specific market notice.

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