Operational Notice

20 July 2020
ON_30/2020

Account Operator Service and SWIFT messaging rationalisation - Test Plan

For the attention of: **Intermediaries and their Account Operators**

Re: **Test Plan**

Dear Client,

We are pleased to announce that Monte Titoli has completed its development of new Account Operator functionalities through the SWIFT channel and has synergistically taken the opportunity to rationalise SWIFT 15022 custody services messaging to bring it into line with client requirements, established practice and international standards.

To complete this adaptation, the CLIMP portal for the configuration of accounts and services has also been re-engineered and optimised to provide clients with greater flexibility and operational efficiency through the implementation of a new 'Op. Mandates & Swift Config.' menu for the set-up of all SWIFT messaging, whether used directly or delegated to an Operator.

Accordingly, as provided in the 2020 road map, from 31 August next the new service and functionalities will be available to all participants using the SWIFT transmission channel for the launch of the external test phase.

The SWIFT messages affected by the Account Operator functionalities are as follows:

Outbound Message MT508: Intra position Advice
Outbound Message MT535: Statement of Holdings
Outbound Message MT536: Statement of Transactions
Outbound Message MT535: Statement of Holdings (response to MT549 message)
Outbound Message MT548: Settlement Status and Processing Advice (response to MT540/2 messages described below)
Outbound Message MT564: Corporate Action Notification
Outbound Message MT566: Corporate Action Confirmation
Outbound Message MT567: Corporate Action Status and Processing Advice (response to MT565 message)
Outbound Message MT568: Corporate Action narrative (linked to an MT564)
Outbound Message MT568[1]: Corporate Action narrative (used Stand Alone)

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[1] This is the message used by Monte Titoli to communicate operations that are not managed automatically.

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Inbound/Outbound Message MT599: Free Format message

Inbound Message MT540: Receive Free (only for First Issuance, Coupon Stripping and Mark Down)
Inbound Message MT542: Delivery Free (for Coupon Unstripping and Mark Up only)
Inbound Message MT549: Request for Statement/Status Advice
Inbound Message MT565: Corporate Action Instruction

The details of SWIFT messages that have been adapted to client requirements, established practice and international standards are provided below.

- **DVCA class 21, 22, 23 and 24**
  MT564 REPE and REPE CAPA, MT566 NEWM and REVR
  TAG:98A::PAYD will report the original payment date of the transaction
  TAG:98A::VALU will report the actual date of execution of the payment/reversal

- **CONV MAND**
  MT564 NEWM, REPL, CANC and REPE
  elimination of TAG :22F::CONV//FINL (Sequence D)
  elimination of TAG :69A::PWAL (Sequence E)

  MT566
  elimination of TAG :22F::CONV//FINL (Sequence C)

- **CONV VOLU**
  MT564 NEWM, REPL, CANC and REPE
  elimination of TAG :22F::DISF//RDDN (Sequence E2)

- **EXWA**
  MT564 NEWM, REPL, CANC and REPE
  TAG :22F::CAMV can be set to VOLU or CHOS (Sequence A)
  TAG :22F::CAOP can be set to NOAC or LAPS (Sequence E2)
  elimination of TAG :22F::DISF//RDDN (Sequence E2)

  Creation of MT566 NEWM SECU message regarding the upload and download of securities (Global Custody only)
  Creation of MT566 NEWM CASH message regarding the handling of the cash part (Global Custody only)
  Creation of MT566 NEWM LAPS message regarding the download of the original security

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- **MCAL**
  MT564 NEWM, REPL, CANC and REPE
  addition of TAG :92A::PRFC *Current Pool Facto*r (Sequence D)

  MT566 NEWM and REVR
  addition of TAG :92A::PRFC *Current Pool Facto*r (Sequence C)

- **EXRI**
  MT564 REPE
  addition of TAG :98A::PAYD (Sequence E1)

  MT566 NEWM (Domestic Custody only)
  addition of TAG :98C::RDDT (Sequence D)
  addition of TAG :98A::PAYD (Sequence D1)
  addition of TAG :98A::PAYD (Sequence D2)
  elimination of TAG :98C::RDTE// (Sequence D)

  Creation of MT566 NEWM SECU message regarding the upload and download of securities
  (Global Custody only)
  Creation of MT566 NEWM CASH message regarding the handling of the cash part (Global
  Custody only)
  Creation of MT566 NEWM LAPS message regarding the download of the right

- **BONU with right distribution**
  MT564 NEWM, REPL, CANC and REPE
  TAG :22F::CAMV can be set to MAND (Sequence A)
  elimination of TAG :98A::XDTE (Sequence D)
  elimination of TAG :98C::RDTE (Sequence D)
  elimination of TAG :98C::RDDT (Sequence E)

  MT566 NEWM
  Elimination of Sequence C:
  - TAG :16R:CADETL
  - TAG :98A::XDTE
  - TAG :98C::RDTE
  - TAG :16S:CADETL

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Test plan

The tests have the following objectives:

- verification of the new interface for the configuration of SWIFT messaging and mandates relating to the SWIFT Account Operator functions;

- verification of SWIFT messages modified to conform to client requirements, established practice and international standards;

- non-regression verification for all the above SWIFT messaging.

For further details on how to participate and perform user tests, see to the detailed test activities plan entitled "Account Operator and SWIFT messaging rationalisation Project – Test Plan v.1.0_ENG", available at the following address on MT-X platform:

- Documents > Post Trade Participants Committee (Ptpc) > SWIFT messages Technical Group.

A supplement to the Test Plan will be issued by 7 August 2020, through a dedicated ON, setting out the details of each event prepared by Monte Titoli for individual test cases (cf. Appendix 1 Test Plan).

Test and release dates

The tests will take place between 31 August and 25 September 2020 in the Monte Titoli test environment named "Pre-production", connected to the T2S test environment named "UTEST".

If no contraindications are documented (to be sent to the address MT-test-custody@lseg.com by and not later than 29 September 2020), the 'Go Live' in the production environment is scheduled for 5 October 2020.

Monte Titoli will consider the absence of feedback as tacit consent to the introduction of the new functionalities into production.

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Relevant documentation

The relevant technical documentation may be consulted through the following channels:

- CLIMP_User Manual_2Q 2020_eng, available in the MT-X document section in folder: "Documents > Documentazione Tecnica > Manuali Utente in Lavorazione";

- Account Operator SWIFT_OPERATIVE MODEL ENG_1.0, available in the MT-X document section in folder: "Documents > Documentazione Tecnica > Manuali Utente in Lavorazione";

- new format specifications for SWIFT ISO15022 messaging, in the Monte Titoli messaging section of the SWIFT MyStandards portal.

Please use the following contact addresses for any support requirements:

with respect to events with EST securities
Global Custody
email: helpdesk.internationalcustody@lseg.com

with respect to events with ITA securities
Direct Custody
email: MT-test-custody@lseg.com

for support or clarifications on the new CLIMP functionalities
Membership & Client Integration
email: mdm@lseg.com