
Market Notice

23 July 2015

Standard settlement Instructions of Monte Titoli in T2S - integration

Dear Client,

following a number of requests for clarification received by the participants on the implementation of the guidelines contained in the Market Notice published on May 4, 2015 (for simplicity we report below this communication) with subject "Standard for the settlement instructions to Monte Titoli in T2S", some DCP participants have noted that the configurations currently used to identify their clients within their systems and manage the process of matching in X-TRM, are not compatible with those described in the same Market Notice.

In particular, in relation to matching of OTC operations, it must be considered the set of customers that have many BICs for the same X-TRM client code and/or the same BIC correspond to different X-TRM client codes.

So, if the BIC used by the settlement agent is not equal to the one resulting from Monte Titoli configurations, or is not in line with the previous Market Notice provisions, it is necessary for the DCP to leave the Party2 blank in case of matching operations between DCP/ICP.

Monte Titoli has also completed the consistency check about account structure in respect to the first three bullet points of the Market Notice reporting bilaterally any situation that need further analysis.



London
Stock Exchange Group

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Dear Client,

With the introduction of T2S, Monte Titoli's Participants (both DCPs and ICPs) are asked to change the configuration of static data and matching standards, in order to fully comply with the new settlement platform's functionalities, and keep compatibility with the practices of the Italian market for OTC transactions. Clients shall abide to the following rules when configuring their accounts and clients and populating Settlement Instructions:

1. Assign to each CSD Participant's client (CED code) a BIC11 which identifies it as Legal Entity. The BIC11 must be univocal in Monte Titoli's system; this means that, if the BIC is already assigned to another client (CED code), it cannot be assigned to another client (CED code). Nevertheless, one client can be assigned more than one BIC11, given compliance to what is stated above.

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2. Maintain a univocal correspondence between the BIC11 of the client and the Party1 assigned by the CSD Participant to the accounts dedicated to that client or group of clients.
3. Set for each client a configuration such that the default CSD Participant is associated to it, as well as the default account/s for negotiation type.
4. The DCP CSD Participant, when instructing OTC transactions, shall always indicate in Party2 the BIC11 which identifies the counterparty CSD Participant's client, and the BIC11 of its own client in case it is operating on his behalf. If one of these fields is left blank, the transaction is considered to be initiated on behalf of the CSD Participant itself.

For more information, please do not hesitate to contact us at:

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