

MARKET NOTICE

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SUBJECT: CONFIRMATION OF T+3 PHASE 2 GO-LIVE DATES

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Dear JSE Stakeholder

The JSE has previously notified the market of its intention to complete two cycles of User Acceptance Testing (UAT) for T+3 Phase 2 in the months of August, September and October and that the formal go-live date for the second phase of the project would be confirmed based on the outcomes of the two UAT cycles: having completed UAT cycle 1 and having made significant progress with UAT cycle 2, the Exchange is now able to confirm the planned go-live dates.

UAT cycle 1 was concluded successfully in the beginning of September, with all entry and exit criteria being met. UAT cycle 2 (which was initiated mid-September and will be concluded in early October) has also shown encouraging results. In light of the positive results achieved during UAT, the JSE has agreed the following Phase 2 go-live approach and timing:

T+3 Phase 2 will be implemented over two consecutive weekends: *the weekend of 18/19 October 2014 and the weekend of 25/26 October 2014.*

- The first implementation (involving changes effective in production from **Monday 20 October 2014**), is focused on the Implementation of the new ECS system, as well as changes to BDA and other internal systems to allow for partial ECS functional integration.
- The second implementation (which will be visible to users from **Monday 27 October 2014**), involves the implementation of significant BDA changes including full integration to ECS for transactions data, real-time Deal Management, Prime Broking automation and the introduction of margin calculations from the ECS application.

This approach has been taken to reduce implementation complexity and risk, as well as to minimise potential deployment risk to the market during the go-live period. The JSE is acutely aware of the impact of the Phase 2 changes, and as such, has adopted a number of risk mitigants to ensure a seamless implementation, including:

- As mentioned, splitting the go-live over two successive weekends (incorporating numerous checkpoints)

- Implementing a parallel run between the new ECS system and the outgoing TMS application during the first week of go-live
- Incorporation of a contingency go-live weekend on the 10th of November 2014
- Testing of the Data migration process throughout the testing lifecycles (continuous cycles scheduled until user acceptance testing cycle 2)
- Testing of the transition of old code (current production) and new code (phase 2 implementation) continuously as part of the test cycles
- Contracting external auditors to do a full audit of the reference data being migrated from old systems (current production) to new (phase 2 implementation)
- The development of a reconciliation tool to provide granular data checks throughout the settlement cycle (enabling rapid response to data errors)

The JSE is confident that our planning for the implementation is thorough, and we will be doing detailed migration preparation as part of the JSE operational readiness testing that is due to commence shortly. An overview of the expected impacts to production systems during the implementation period will be provided in a subsequent Service Hotline (which will be distributed to impacted parties).

The JSE would like to thank our market participants for their ongoing support and the contributions made to ensure the successful implementation of T+3 Phase 2.

Kind regards,
Leila Fourie