



Integrated Trading and Clearing (ITaC)

Client Forum

6 June 2018

Agenda



- 26 May Dress rehearsal feedback
- E2E testing
- ITaC Timeline
- Questions?



Dress Rehearsal Feedback

Dress Rehearsal Observations



- Enablements/Login issues
 - Password policy changes (4)
 - Password resets (5)
 - Client connectivity issues – issue on own internal networks - resolved during the test (2)
 - Incorrect ports configured (2)
- Trading
 - Incorrect TraderIDs used (2)
 - TraderIDs not enabled for market – resolved during the test (1)
 - Reset re-request counters
 - Rejected when doing a cancel/replace request - client was entering an invalid limit price
 - Volatility Auctions triggered – much fewer and will be addressed with the members causing the auctions to be triggered
 - Back office staff entering orders – may not and JSE to address with members; in future this will be a fail criteria
- Real-time Clearing
 - RTC config set-up error in client solution (1)
 - RTC password reset (1)
 - RTC client code enabled so that sub accounts can be created (1)

Dress Rehearsal Observations



- Front-end issues experienced by clients
 - FXM - Mismatch in trades window
 - FXM - Creation of Anyday Option, Futures and Delta Options were not working
 - FXM - Limit Order with TIF=IOC
 - FXM - Report only Trade
 - FXM - Single/Dual Sided Reported Trade: off book trade cancellation
 - FXM - Submit new order FOK on FXM
 - Consistent Re-Requests – indicates bandwidth constraints or incorrect multicast configurations e.g. throttled versus un-throttled feeds
 - Not able to modify an order
 - Slow response in submitting bids and offers
 - Not able to view currency contracts
 - Invalid Trade Error
 - Incorrect data/reason codes populated in deal management functions

Dress Rehearsal Observations



- Market Data
 - Multicast data not being received – network configurations issues at clients resolved by Internet Solutions quite late in the test
 - Malformed messages submitted and rejected
- Some general enquiries on Trader Groups and Trader Ids received

Overall Dress Rehearsal Results



24 March 2018

ORDER MANAGEMENT					
Submit New Order - TIF		Submit New Order - Type	Order Amend	Order Cancel	OOBD
DAY	GTD	MARKET	Amended	Cancelled	Recovery
59%		24%	37%	37%	5%

12 May 2018

ORDER MANAGEMENT															
Submit New Order - TIF								Submit New Order - Type					Order Amend	Order Cancel	OOBD
OPG	DAY	FOK	GFA	GTC	GTD	GTT	IOC	MARKET	MIT	MTL	STOP	STOP LIMIT	Amended	Cancelled	Recovery
	71%							56%					61%	63%	70%

26 May 2018 Average (not weighted) Trading Member results across both EDM and FXM – mandatory participant only

Submit New Order - TIF								Submit New Order - Type					Order Amend	Order Cancel	OOBD
OPG	DAY	FOK	GFA	GTC	GTD	GTT	IOC	MARKET	MIT	MTL	STOP	STOP LIMIT	Amended	Cancelled	Recovery
	71%							64%					60%	62%	92%

- 24 Mar & 12 May - Average (not weighted) Trading Member results across both EDM and FXM – both technical and functional results
- OWN ORDER BOOK DOWNLOAD (OOBD) is mandatory in order to recover and/or sync your order book in the event of a system failure – **improved from 70% to 92%**

Overall Dress Rehearsal Results



24 March 2018

TRADE MANAGEMENT					
On Book Trades	Off Book Trades - Dual-Sided	Off Book Trades - Single-Sided	Cancellation		OTBD
AT	NT	NT	On Book	Off Book	Recovery
58%	16%	20%	0%	4%	11%

12 May 2018

TRADE MANAGEMENT																		
On Book Trades		Off Book Trades - Dual-Sided					Off Book Trades - Single-Sided					OBO	Cancellation		Strategy Trade		OTBD	
UT	AT	CD	NT	PA	RT	SR	CD	NT	PA	RT	SR	NT	On Book	Off Book	ICS	Delta Option	Recovery	
	69%		47%					53%					35%	28%			59%	

26 May 2018 Average (not weighted) Trading Member results across both EDM and FXM – mandatory participant only

On Book Trades		Off Book Trades - Dual-Sided					Off Book Trades - Single-Sided					OBO	Cancellation		Strategy Trade		OTBD
UT	AT	CD	NT	PA	RT	SR	CD	NT	PA	RT	SR	NT	On Book	Off Book	ICS	Delta Option	Recovery
	67%		59%					48%					33%	47%			91%

- 24 Mar & 12 May - Average (not weighted) Trading Member results across both EDM and FXM – both technical and functional results
- OWN TRADE BOOK DOWNLOAD (OTBD) (aka TRADE CAPTURE REQUEST) is mandatory in order to recover and/or sync your trades view to the JSE in the event of a system failure - **improved from 59% to 91%**
- Increase in Off Book Trade Report Cancellations

Overall Dress Rehearsal Results



24 March 2018

INSTRUMENT MANAGEMENT					
Permissions		Sessions/Status		Instrument Creation	
Correct Market	Correct Instrument Type	Suspend/Halt	No trading session	Future	Option
96%	100%	97%	92%	2%	12%

12 May 2018

INSTRUMENT MANAGEMENT					
Permissions		Sessions/Status		Instrument Creation	
Correct Market	Correct Instrument Type	Suspend/Halt	No trading session	Future	Option
Functional	Functional	Functional	Functional	Functional	Functional
94%	100%	96%	95%	4%	5%

26 May 2018

Permissions		Sessions/Status		Instrument Creation	
Correct Market	Correct Instrument Type	Suspend/Halt	No trading session	Future	Option
96%	100%	97%	96%	3%	5%

- 24 Mar & 12 May - Average (not weighted) Trading Member results across both EDM and FXM – both technical and functional results
- Reference Data downloads and reference data management – **consistent across the dress rehearsals**
- User created instruments – clients are still familiarising themselves with this process – **more testing is required and this will be one of the key objectives for end to end testing**

Overall Dress Rehearsal Results



- Average Post-trade (deal management) results for Trading Members only
- March and May results % Met is derived on this **minimum set of criteria** which will be revised for the next dress rehearsal

		24-Mar	12-May	26-May
Trade feed into RTC	Receive Trades in RTC for all participants	100%	100%	100%
Deal Management	Accumulate	55%	79%	73%
	Allocate	35%	66%	63%
	Allocate Correction	25%	37%	33%
	Assigned	44%	67%	60%
	Option Exercise	13%	37%	46%
	Modify Position Sub Account (if used by clients)	10%	24%	31%
	Position Abandon	6%	33%	38%
	Principal Correction (if used by clients)	6%	24%	31%
	Trade Sub Account Mod (if used by clients)	28%	51%	50%
Commissions	Tripartite Assign (if used by clients)	13%	22%	6%
	New Commission	18%	67%	60%
	Cancel Commission	10%	38%	33%
	Reject Commission	10%	28%	17%

* Includes all trading members even if not active or deal management outsourced to clearing member



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ITaC End-to-End (ETE) Testing

End-To-End (ETE) Testing



- End-To-End (ETE) testing is an opportunity for clients to test in an integrated environment that closely mirrors production
 - Some data for testing purposes not aligned to production
 - Size of environment not the same as production
 - Times of market events different for testing purposes
 - Integration not as automated as production
- End-To-End testing is available to the following Equity Derivatives and Currency Derivatives clients subject to meeting the criteria:
 - Clearing Members - mandatory
 - Trading Members – mandatory for some; optional for others
 - Software Providers - mandatory for some; optional for others
 - Information subscribers (Live and Non-Live) - mandatory for some; optional for others

End-To-End (ETE) Testing



- Two phases of End-to-end testing are envisaged:
 - **Structured ETE testing** - test specific identified scenarios and events on specific days
 - **Scripted ETE testing** – ring fenced with specific data and functionality on specific days with specific expected outcomes as well as other testing along side
- Structured ETE testing starts on 25 June and will have 2 cycles
 - *Full Direct participation* – connect and execute throughout Cycles; EOD reports checked by clearing members, trading members and clients
 - *Partial Direct participation* – trade packs submitted by JSE; deal management executed by trading members; EOD reports checked by clearing members, trading members and clients
 - *Indirect participation* – trading packs submitted by JSE; deal management executed by clearing members; EOD reports checked by clearing members trading members and clients; Non-Live Market Data products checked by subscribing clients
- Testing will be managed and any unusual activity will need to be addressed
- Outcomes of ETE testing will be measured against identified criteria and results published

End-To-End (ETE) Testing



- **Members and Live Information subscribers** to contact CustomerSupport@jse.co.za via email to request enablement IP address information and to schedule required connectivity tests
 - Provide the CompIDs for Trading and RTC that you will connect with
 - Request the target IP address details for Native Trading, Post Trade and Drop Copy Gateway and ensure you configure these in your test environment
 - Production enablements as used during dress rehearsals have been copied to ETE environment - no new enablements will be created and JSE will update existing enablements to include the IP addresses that you will connect from
 - CSC will arrange for NW enablement of the nominated CompIDs
 - Requests received before 12 noon, will be processed on the same day
 - Requests received after 12 noon, will be processed on the next day
 - Test connectivity to the ETE environment
 - Template of information required:

Software Provider	XXX			
Member Firm	Native CompID	Trading	Post Trade CompID	Drop Copy CompID
ABC				

- **Non-Live Information subscribers** to contact MDSupport@jse.co.za via email to request access to the Non Live Market Data products



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ITaC Project Timeline & Key Dates

ITaC Timeline



- Most recent consultation with key stakeholders reached consensus on and a commitment to a targeted go-live date with a closed scope
- Go-Live is subject to certain critical milestones being met
- A Market Steering Committee comprising representatives from the JSE, Clearing Members (and their software provider), Strate and some Trading Members has been formed and will:
 - Agree scope changes
 - Review the success of ETE testing and dress rehearsals
 - Agree market go-live readiness criteria and monitor progress against these
 - Recommend to JSE Executive Go/No-Go at Go-Live
- Minutes of the Market Steering Committee meetings which will be outcome based will be made available to all ITaC Primary and Responsible Officers

ITaC Key Dates



Date	Milestone
11 Jun – 22 Jun 2018	Clearing Member & Software Provider Testing in ETE environment
25 Jun 2018	Start of End to End Testing in ETE environment
25 Jun – 6 Jul 2018	ETE Testing – Cycle 1 Structured
9 Jul – 13 Jul 2018	Prep for MMDR; data clean up and full position take on
14 Jul 2018	Mandatory Market Dress Rehearsal (MMDR)
16 Jul – 26 Jul 2018	ETE Testing – Cycle 2 Structured
30 Jul – 10 Aug 2018	ETE Testing – Cycle 3 Scripted
13 Aug – 17 Aug 2018	Prep for Dress Rehearsal; data clean up and full position take on
18 Aug 2018	ETE Dress Rehearsal – mandatory for all clients
20 Aug – 4 Sep 2018	ETE Testing – Cycle 4 Scripted
15 Sep 2018	Go-Live Ready Dress Rehearsal – mandatory for all clients JSE will take RTC live into production
8 Oct 2018	Targeted Go-Live Date (could also use 15 Oct 2018)
12 Nov 2018	Contingency Go-Live Date

PLEASE NOTE:
Mandatory for CMs and those TMs & live Information subscribers that have not passed two dress rehearsals

PLEASE NOTE:
Mandatory for all clients

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Mandatory for all clients

Questions?



Please refer all queries to the
JSE Client Service Centre (CSC)



CustomerSupport@jse.co.za



+27 11 520 7777