Integrated Trading and Clearing (ITaC)
Project Forum

19 September 2018

Agenda

- ITaC Key Dates

- ITaC Market Dress Rehearsal 15 September 2018
  - Observations and lessons learnt (functional and technical)

- End-To-End (ETE) Testing
  - ETE Cycle 5 business specific scenario testing

- Questions?

ITaC Key Dates

Date	Milestone
~~20 Aug – 3 Sep 2018~~	~~ETE Testing – Cycle 4 Scripted~~
~~4 Sep - 7 Sep 2018~~	~~ETE focused Test~~
~~10 Sep – 14 Sep 2018~~	~~MMDR 8 Prep~~
~~15 Sep 2018~~	~~Go-Live Ready Dress Rehearsal – mandatory for all clients~~
17 Sep – 1 Oct 2018	ETE Testing – Cycle 5 Scripted
3 Oct 2018	Go-Live Checkpoint with ITaC Market Steering
6 Oct 2018	- Go-Live Practice (JSE & Clearing Members) - Optional Dress Rehearsal (will be mandatory for those trading members that still need to pass a remaining MMDR)
8 Oct – 12 Oct 2018	Go Live Confirmation Cycle 1
17 Oct – 23 Oct 2018	Go Live Confirmation Cycle 2
27 Oct 2018	JSE deploys RTC/CIS into production
29 Oct – 9 Nov 2018	RTC Daily Production Runs
12 Nov 2018	Targeted Go-Live Date

PLEASE NOTE:
Mandatory for all clients for
ALL ITAC MARKETS

We are here

JSE

ITaC INTEGRATE ACCELERATE GROW

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ITaC Key Dates

- **3 Oct 2018**
  - ITaC Market Steering Committee decision on 12 November go-live

- **6 Oct 2018**
  - Go-Live Dry Run – JSE, Clearing Members, Clearing SWP (Other SWPs –TBC)
  - Optional Dress Rehearsal however will be mandatory for those Trading Members that still need to pass a remaining MMDR

- **08 Oct – 12 Oct 2018**
  - Go Live Confirmation Cycle 1 – Mandatory clearing member go live proving test

- **17 Oct – 23 Oct 2018**
  - Go Live Confirmation Cycle 2 – Final Mandatory clearing member go live proving test

- **27 Oct 2018**
  - JSE deploys Real-Time Clearing (RTC) and Valuations Input System into production
  - Daily instrument reference data maintained in parallel to current production environment and published via new real-time Live and NLMD services daily

- **29 Oct – 9 Nov 2018**
  - Real-Time Clearing (RTC) Daily Production Runs – daily system start-up and end of day processing and logical day rollover

Agenda

- ITaC Key Dates

- **ITaC Market Dress Rehearsal 15 September 2018**
  - **Observations and Lessons learnt (functional and technical)**

- End-To-End (ETE) Testing
  - ETE Cycle 5 business specific scenario testing

- General
  - Monthly User Readiness report timeline for September

- Questions?

Key Observations – Trading topics for discussion

JSE

- Market Orders (MO) - disabling Market Orders and SWP "workarounds"

  - Allows a user to get into and out of a moving market quickly and with confidence
  - During regular trading, a market order to buy (sell) executes with the sell (buy) side of the order book starting from the lowest (highest) available price and moving on to the highest (lowest) available price in the book
  - 15 Sept 2018 dress rehearsal had Market Orders, Stop Orders Market If Touched and Market to Limit Orders disabled as these are all linked to Market Order functionality and cannot function independently
  - Key questions for SWPs and own solution developers

- Off Book Trade Types disabled

  - Exchange for Physical (EP) and Price Adjust (PA) - update and confirmation of Trade Sub Types

  - Seamless integration through client csv files

  - Confirm no impact

- Cancellation of orders for expired instruments

  - Order cancellation messages are not sent for instrument expiries

  - Need to understand how these are handled by software provider solutions

ITaC INTEGRATE ACCELERATE GROW

Key Observations – Trading topics for discussion

- Failover of the trading and market data gateways
  - Short summary of failover process and questions from SWPs as to how their failover worked

- Errors raised on Order and Trade rejections during the dress rehearsals
  - Follow up on issues still occurring in dress rehearsals

- Clearing member and Back office users trading On Book
  - Permissions on trading frontends should not allow Back Office Trader IDs to do this
  - All back office Trader IDs have "Back Office" in the Surname field

- Clients do not understand the symbology / instrument codes on their frontends.
  - Need to encourage clients to engage with their SWP's to understand.

- Segregation of different desks
  - Follow up on issues still occurring in dress rehearsals

Key Observations – Trading topics for discussion

JSE

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ITaC INTEGRATE ACCELERATE GROW

Key Observations – Clearing Topics for discussion

- Client maintenance – loading of a foreign / non-resident client

    - JSE will now pre-load a member cash account for all members firms who do not currently have a cash account loaded to allow all members to add foreign clients

    - JSE observed that the foreign client loading process in software provider solutions is not always intuitive resulting in users not loading the cash accounts which prevents the JSE from enabling these clients in some cases

- Commissions reference fields

    - **Commissions reference fields are still not being populated correctly in all cases**

    - Issues were identified in the focused testing in End to End from 4-7 September and JSE were provided to each software provider

    - <u>**Software providers are requested to urgently address these if issues**</u> if they haven't already or contact the JSE if the issues identified need clarification or discussion

    - A second focussed test is planned for week 2 of E2E cycle 5 i.e. next week

- Commissions scenarios

    - An additional scenario is being investigated on the back of a request by a member which involves charging the counterparty member/branch on a reported trade a commission

Optional Market Dress Rehearsal – 6 Oct 2018

- **Key objectives** of the Go-Live Dry Run for the Equity Derivatives and Currency Derivatives Markets

  - Practice the go live cut-over activities and timings as they will occur on the weekend of go live i.e. the position take-on process will only start on Friday evening after market close

  - This means the dress rehearsal on 6 Oct is only expected to start at approx. 12 noon – exact schedule times will be communicated in due course

- **Participation requirements**

  - **Mandatory** for all Clearing Members

  - **Mandatory** for all clients that have not yet achieved the min of 2 dress rehearsal pass criteria

  - **Optional** Dress Rehearsal for other clients not mentioned above

Agenda

- ITaC Key Dates

- ITaC Market Dress Rehearsal 15 September 2018
  - Observations and Lessons learnt (functional and technical)

- **End-To-End (ETE) Testing**
  - **ETE Cycle 5 business specific scenario testing**

- General
  - Monthly User Readiness report timeline for September

- Questions?

End-To-End (ETE) Testing - Cycle 5

Start Date:　17 September 2018
End Date:　　1 October 2018

Basic Events Scope	Specific Events Scope
Order Management	Users to create intra day instruments
Trade Execution - On Book & Off Book	Month End – 30 September 2018
Options Exercised & Abandoned	EDM Multiple FCOs & FXM Multiple Expiries
Deal Management	Tripartites
	Corporate Actions - Basic - Complex
	Public Holiday 24 September 2018
	FXM market making obligations (daily)
	Decommissioning impact on remaining markets (daily)
	Member and client transfers (on request to JSE ClearOps team)
	Clearing EOD re runs: • CM1 balancing and at CM2 balancing • On FCO • T+1
	Default Management
	Business Continuity Scenarios e.g. market halt & gateway failover

End-To-End (ETE) Testing - Cycle 5

JSE

End-To-End Testing Cycle 5 Business Specific Events

Date	17-Sep-18	18-Sep-18	19-Sep-18	20-Sep-18	21-Sep-18	22-Sep-18	23-Sep-18
FCO / Expiries	FX Expiry			EDM FCO			
JSE User Created							
Corporate Actions		CM-104 (LDT)	CM-104 (Ex)				
Default Management							
EOD Exceptions (T+1)					CM-569 CM-565		
EOD Reruns (T)							
Failover					RTCF-03		
Market Halt/ Pause			All JSE initiated scenarios				
Add Tradeable (Production Reliant							

End-To-End (ETE) Testing - Cycle 5

End-To-End Testing Cycle 5 Business Specific Events

Date	24-Sep-18	25-Sep-18	26-Sep-18	27-Sep-18	28-Sep-18	29-Sep	30-Sep	01-Oct
FCO / Expiries			FX Expiry	EDM FCO				
JSE User Created		All JSE initiated scenarios						
Corporate Actions			CM-624 (LDT) RD-16 (LDT)	CM-624 (Ex) RD-16 (LDT)	RD-16 (Ex)			
Default Management								CM-108
EOD Exceptions (T+1)		CM-569 CM-565						
EOD Reruns (T)								CM-311 CM-651
Failover					RTCF-04			
Market Halt/ Pause								
Add Tradeable (Production Reliant								

Questions?

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

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