



# Integrated Trading and Clearing (ITaC)

Project Forum

5 September 2018

# Agenda

- ITaC Key Dates
- ITaC Market Dress Rehearsal 15 September 2018
  - High level objectives and approach
  - Participation requirements
  - Trading and Post-Trade Business functional test guides
  - Trading Member and Clearing Member trade reporting counterparty allocation
  - JSE measurement criteria
- General
  - Monthly User Readiness report timeline for September
- Questions?

# ITaC Key Dates - Proposed



Date	Milestone
<del>20 Aug – 3 Sep 2018</del>	<del>ETE Testing – Cycle 4 Scripted</del>
4 Sep - 7 Sep 2018	ETE focused Test
10 Sep – 14 Sep 2018	MMDR 8 Prep
<b>15 Sep 2018</b>	<b>Go-Live Ready Dress Rehearsal – mandatory for all clients</b>
17 Sep – 1 Oct 2018	ETE Testing – Cycle 5 Scripted
3 Oct 2018	Go-Live Checkpoint with ITaC Market Steering
<b>6 Oct 2018</b>	<ul style="list-style-type: none"> <li>- Go-Live Practice (JSE &amp; Clearing Members)</li> <li>- Optional Dress Rehearsal (will be mandatory for those trading members that still need to pass a remaining MMDR)</li> </ul>
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
<b>12 Nov 2018</b>	<b>Targeted Go-Live Date</b>

**We are here**

PLEASE NOTE:  
Mandatory for all clients for  
**ALL ITaC MARKETS**

Including EQM, EDM, FXM

# ITaC Agreements – Now **OVERDUE!**



- **JSE Services Agreement (JSA) – 85% complete**
  - Signed JSA is required to access *all production and test services* including the End-To-End environment
  - **JSA should have been signed by Friday, 27 July 2018** which was prior to the start of Scripted End-To-End testing on Monday, 30 July 2018 whether participating in ETE or not. JSE in the process of engaging clients as service access is problematic if JSA is not signed.
- **JSE Data Agreement (JDA) – 52% Complete**
  - Signed JDA is required to access all market data (live, intra day or EOD)
  - **JDA should have been signed by Friday, 27 July 2018 for clients wishing to participate in Scripted End-To-End** testing which started on Monday, 30 July 2018
  - JDA must be signed by 31 August 2018 for all other clients not participating in ETE testing

**SUSPENDED**

To avoid access to ITaC test services being removed – all JSA and JDA to be signed by 17 September 2018  
Your prompt attention is kindly requested.

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  - Trading Member and Clearing Member trade reporting counterparty allocation
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Thank you!

JS

***Thank you for your active engagement  
and participation!***



# High Level Dress Rehearsals Objectives



- **Key objectives** of the Go-Live Ready Dress Rehearsal:-
  - **Simulate a normal production business day for all ITaC Markets**
    - To ensure all Markets operate successfully together on ITaC go live
  - **All ITaC functionality, deployment and cut-over activities are successful**
    - Prove all access credentials correctly configured (CompIDs, Trader Groups, Trader IDs including back office users), etc.
    - Test and confirm that your chosen front end meets your business requirements
    - Test all system integration and ensure that the right information is passed between various system
    - Verify business integration between Trading Members and their Clearing Members
    - Practice deployment and cut over activities of your solutions
    - Prove your Firm's readiness for go-live to ensure you continue to operate successfully

• **ACHIEVE THE REMAINING DRESS REHEARSAL PASS CRITERIA REQUIRED**

# Participation in Dress Rehearsal – 15 Sept 2018

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- **Equity Market**

- **Mandatory** for all clients
- At least one user per Trading Member but as many as required to simulate a normal production day
- All Live Information subscribers with direct connectivity to the JSE
- All Shared Infrastructure Providers (SIPs)

- **Equity Derivatives and Currency Derivative Markets**

- **Mandatory** for all clients: **whether you have passed 2 dress rehearsals or not**
- All Clearing Members
- All Trading Members
- All Live Information subscribers with direct connectivity to the JSE
- All software providers (trading, deal management and clearing)
- All Shared Infrastructure Providers (SIPs)

# Participation in Dress Rehearsal – 15 Sept 2018



- **Equity Derivatives and Currency Derivative Markets**
  - **Prove all access credentials – Every Trader ID must be tested** (unless JSE has specifically indicated otherwise to your firm)
    - including TraderIDs assigned to back office trading AND clearing staff to perform deal management activities*
  - **Trading Members test:**
    - **All** Trader IDs for Trading activities
    - **All** Trader IDs that will be used for Deal Management activities – the relevant Trader ID must test at least one deal management activity that is a pass criteria and requires a Trader ID to be included
    - **All** User IDs in RTC that you intend to go-live with
  - **Clearing Members test:**
    - **All** Trader IDs permissioned by their trading members for On-Behalf-Of functionality
      - Trade Reporting – Each Trader ID must submit at least one Off Book Trade Report
      - Deal Management – Each Trader ID must submit at least one allocation/assign
    - **All** User IDs in RTC that you intend to go-live with

# Equity Market – key steps to success!



1 Test is in Production Environment

2 Mandatory participation for all clients – at least one representative per firm

3 Trading Members: Simulate normal production business day activity

4 Information Subscribers: Subscribe to and process all market data

5 CLEAN UP all test data generated during the test to ensure no impact to business on Monday

# Derivatives Markets - key steps to success!



1 Test is in Production Environment

2 Mandatory participation for all clients

3 All clients MUST PASS all defined minimum criteria as this is a Go Live Ready dress rehearsal

4 **Trading Members:** Must successfully submit at least ONE ORDER OR TRADE PER TRADER ID. For BackOffice Trader IDs at least one deal management activity

5 **Trading Members:** Must successfully execute all the Deal Management activities that are applicable to them (unless the clearing member does this on their behalf as part of normal BAU)

6 **Clearing Members:** Must successfully execute all the activities that are conducted On Behalf Of (OBO) trading members that they clear for and where OBO is normal BAU or the Clearing Member is the business continuity fail safe

7 **Clearing Members:** Must successfully execute all their BAU clearing activities

# Participation in Dress Rehearsal – 15 Sept 2018

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- **Live Information Subscribers**

- Subscriber to real-time multicast data
- Login to perform recovery via the Replay and Recovery Gateways
- Verify the new Symbol Directory message for the user created instruments change
- International Access Point subscribers **MUST ALSO** test

- **Non Live Market Data subscribers**

- We will produce the NLMD files for Equity Derivatives and Currency Derivatives market as part of EOD run
- Verify content post the dress rehearsal

# Dress Rehearsal Checklists



- **Equity Market**
  - A high level test schedule will be provided
  - NO CHECKLIST to be completed or returned to the JSE
  - Simulate normal business activity for a normal production day
  - **PLEASE USE REALISTIC PRICES AND MAKE THE TEST SUCCESSFUL FOR EVERYONE!!**
- **Equity Derivative and Currency Derivative Markets**
  - Dress rehearsal results are generated by the JSE based on transaction data in JSE systems – retain your system logs

Trading Business Functional Test Guide	Post-trade Checklist
<b>DO NOT</b> need to be completed & returned to the JSE	<b>Must be completed</b> and returned to the JSE by Trading and Clearing Members
All functionality highlighted in Yellow is mandatory – <b>PLEASE USE MOST RECENT VERSION AS THERE ARE CHANGES</b>	Mandatory functionality identified by column “Part of MMDR Success criteria”
• <b>Pass mark is 85% for EDM &amp; FXM</b>	• <b>Pass mark is 80%</b>

**Confirm what business functionality is not applicable to your firm**

# Dress Rehearsal Scope Exclusions

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- Remember to **confirm what business functionality is not applicable** to your firm
  - **Please also ensure that if a Trading Member outsources functions to a Clearing Member that this is clearly indicated in your Post-trade checklist returned to the JSE**
  - Business functionality **not applicable to your business** and as provided to the JSE for August dress rehearsals will be used for September test results
    - If you did not previously provide these business exclusions - kindly send an email to your JSE buddy indicating the scenario(s) not applicable to your Firm
    - Your JSE buddy will update the recent Dress Rehearsal Test Worksheet with functional exclusions

# Measuring Success of Dress Rehearsals



- **Equity Derivative and Currency Derivative Markets**
  - **ALL CLIENTS MUST PASS the minimum criteria in this dress rehearsal as Software Providers have made changes to their Front Ends and the JSE has implemented some bug fixes**

Clients	Business	Technical
<b>Trading Members</b>	<p>Same as previous tests EXCEPT no AM order but LIMIT order</p> <p><b>PLUS</b></p> <p><b>Less than 5</b> volatility auctions and price band breaches initiated by the Firm overall</p> <p><b>Every Trader ID</b> needs to be tested (unless JSE has indicated otherwise to you specifically)</p> <p>Confirm Clearing Member performs all business as usual activities on your behalf <b>where applicable</b></p> <p>Confirm Clearing Member tests their Trader IDs for your firm</p>	<p>Same as previous tests</p> <p><b>Login</b> to all Native Trading, Post-Trade and Drop Copy GWs</p> <p>Own Order Book Download (<b>OOBD</b>)</p> <p>Own Trade Book Download (<b>OTBD</b>)</p> <p>Reconnect via Gateway failover</p>
<b>Clearing Members</b>	<p>Same as previous tests</p> <p><b>PLUS</b></p> <p><b>Every Trader ID for every Trading Member</b> needs to be tested</p>	<p>Same as previous tests</p> <p>Login all RTC User IDs</p> <p>Execute at least one of every deal management On-Behalf-Of activity per Trading Member they clear for</p>
<b>Information Subscribers</b>	<p>Same as previous tests</p> <p>Subscribe to and process real-time market data</p> <p>- Process suspensions/halts</p>	<p>Same as previous tests</p> <p>Recover missed multicast data via the Replay/Recovery Gateways</p> <p>Reconnect via Gateway failover</p>

# Dress Rehearsal 15 Sept 2018 – Reference Data



## Fri 7 Sept 2018

### TAKE NOTE! Data cut as at Fri 7 Sept 2018 for:

- Production data cut taken

- All Trading, Market Data and RTC **enablements** (Complds & RTC UserIDs)
- All **TraderIDs** and **TraderGroups**
- **Passwords** – therefore any password changes required **MUST** to be done before this Friday

## Mon 10 Sept

- Prep Environment
- Instrument reference data changes updated to align to Production

## Tues 11 Sept

## Wed 12 Sept

- Instrument reference data as at 7 Sep and then **updated to align to Production**
- Full position take-on as at 12 Sept 2018
- Only EDM and FXM member clients that have been active over the past 2 years will be migrated to new real-time clearing system

## Thur 13 Sept

- **IMPORTANT: Client CSV files will be available in the END-TO-END (ETE) folder on IDP**

- Instrument reference data changes with **instruments set to expire if applicable as per Prod**
- Members to verify positions against own systems
- **Test logins** and setup for trading, market data and real-time clearing to the Gateways
- **Test connectivity to Front-end / SIP** i.e. logon to your front-end before Saturday test

## Fri 14 Sept

- **IMPORTANT: Client CSV files will be available in the PRODUCTION folder on IDP**

Password resets applied after 7 Sept 2018 will need to be re-done on Saturday, 15 Sept 2018

# Dress Rehearsal Testing – Issue Logging

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- Ensure clear issue logging procedure for your team
  - Ensure you have the **support helpdesk contact details of your software provider** for support during the dress rehearsals and log all software issues with them
  - **Log all queries with first line JSE Client Service Centre (CSC)** - via email to [CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za) or call us on +27 (11) 520 7777
  - Keep track of all actions in the event of a problem to assist with troubleshooting and to recreate the issue
- Verify all software bugs, configuration and setup issues reported during the last dress rehearsal(s) with your software provider have been resolved and are tested in CTS environment prior to the dress rehearsal if not already tested in ETE since last dress rehearsal

# Dress Rehearsal Schedule – 15 September 2018



- **Technical Teams**

- **6h30 – 13h00** - technical teams be on site 6h30 – 7h00
- **~11h30 – 12h00 Market Halt** – all automated trading will be halted for 10 mins and followed by a 5 min re-opening auction call in EQM & EDM (staggered and for applicable instruments) and straight into continuous trading for EDM (applicable instruments) and FXM (whole market)
- **12h00 – 13h00** – Technical Gateway failover testing for trading and post-trade with software providers and own solution developers

- **Business Users**

- **08h30 – 12h00** – Business users on site from 8h30 for start of trade reporting
- **Note:** Should you require more time for testing, please notify CSC or your buddy on the day
- **Attention Traders:** If you are not currently enabled to trade in a specific market **YOU WILL NOT** be able to conduct activity on the market e.g. if you are not currently a Currency Derivatives dealer you cannot trade currency derivatives
- **Ensure realistic prices are used – make the test successful for everyone!**

- Monitor online status via this link:

<https://www.jse.co.za/services/technologies/market-communications>

- Enablement requests/amendments **cut-off date is today – 5 September 2018**
- **Trader ID changes cut-off date is 7 September 2018**
- Be aware of the JSE published known issue list as well as that of your software provider

# Dress Rehearsal Tracking – additional support



- Each JSE client has a dedicated JSE user readiness contact (“buddy”) – don’t know who your buddy is? Send an email to [ITaC@jse.co.za](mailto:ITaC@jse.co.za)
- Your JSE “buddy” will contact your nominated key ITaC contact person (primary/responsible officers) to exchange contact details (by Friday, 7 September 2018)
  - this person is your **escalation contact** (if required) during the dress rehearsals
  - If a **more senior escalation** contact is required, please contact Leanne Parsons, the JSE Executive Sponsor for ITaC via [LeanneP@jse.co.za](mailto:LeanneP@jse.co.za) or via Client Service Centre (CSC) +27 11 520 7777
- We will **reuse the SMS groups from the May** dress rehearsals – **IF YOU WISH TO AMEND CONTACTS** for your Firm, send an email to [ITaC@jse.co.za](mailto:ITaC@jse.co.za) by Friday, 7 September 2018 with:
  - Firm Name
  - Name & Surname
  - Cell phone Number
  - Email Address

# Trade Reporting counterparty allocation

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- As indicated in the Trading test guide each Trading Member and each Clearing Member will be allocated two trade reporting counterparties for the dress rehearsal
- The intention is that clients are paired with counterparties that they deal with in a normal business day – should you have a preference please notify your buddy
- Counterparties will be allocated in any of these categories: Client, Broker or Bank
- Your JSE “buddy” will provide you with your counterparties for the dress rehearsal by Wed, 12 Sept 2018

# ETE Focused test observations

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- **PLEASE NOTE FOR TESTING IN DRESS REHEARSAL**
  - Invalid Trade Times – check that the time is populated correctly and regional settings and times are correct on the Front End
  - Trader IDs not authorised for market – use the correct Trader IDs for the correct markets
  - Trade Size and Quantity not correct
  - Incorrect Trade Types used – valid trade types indicated on next slide
  - Not populating the strategy link ID correctly – Roll Trade & Strategy Trade requires that the trade legs be linked and this ID must be the same for both trade legs

# Off Book (Reported) Trade Types

EDM & FXM



Trade Type	Trade Name	Dealing Capacity	Reporting Model (Single or Dual)	Market	Published to Market Y/N	Include In Cumulative Statistics for Current Trading Day
AT	Automated Trade	A-A, A-P, P-A, P-P	N/A	JSE_EDM JSE_FX	Y	Y
UT	Uncrossing Trade	A-A, A-P, P-A, P-P	N/A	JSE_EDM JSE_FX	Y	Y
NT	Negotiated Trade	A-A, A-P, P-A, P-P	Both	JSE_EDM JSE_FX	Y	Y
RT	Roll Trades	A-A, A-P, P-A, P-P	Both	JSE_EDM JSE_FX	Y	Y
CD	CFD Reported Trade	A-A, A-P, P-A, P-P	Both	JSE_EDM	Y	Y
SR	Strategy Trade	A-A, A-P, P-A, P-P	Both	JSE_EDM JSE_FX	Y	Y
EP	Exchange for Physical	A-A, A-P, P-A, P-P	Both	JSE_FX	Y	Y

# Dress Rehearsal Trading Results Criteria



Pass mark is 85%  
for EDM & FXM

## Connectivity

PASS RATE	Market	Connectivity							
		Native Trading		Post Trade - Own		Post Trade - OBO		Drop Copy	
%	EDM/ FXM	Login All 3 GWs	Login	Login both GWs	Login	Login both GWs	Login	Login both GWs	Login

## Trading – Order Management

Submit New Order - TIF								Submit New Order - Type					Order Amend	Order Cancel	OOBD
OPG	DAY	FOK	GFA	GTC	GTD	GTT	IOC	LIMIT	MIT	MTL	STOP	STOP LIMIT	Amended	Cancelled	Recovery

## Trading – On Book and Off Book Trades

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

## Trading – Reference Data

Permissions			Sessions/Status				Instrument Creation	
Correct Market	Correct Instrument Type		Suspend/Halt		No trading session		Future	Option

\* Single Sided NT not applicable for FXM

**NO AT MARKET ORDERS WILL BE ALLOWED & LIMIT ORDERS WILL BE MEASURED**

# Dress Rehearsal Post-trade Results Criteria



15 September 2018 - Mandatory Market Dress Rehearsal

Firm Name:

## Post-trade Business Functional Test Worksheet

### Instructions for completion of the Post-trade Business Functional Test Guide:

1. Trading Members and Clearing Members are required to complete **COLUMN D** of this document and indicate whether the function is applicable to the firm or not
2. Kindly submit completed test worksheets to your ITaC Dress Rehearsal Buddy by Monday, **17 September 2018**
3. Please note that the **pass criteria** for Post-trade activities is **80%** for the 15 September 2018 dress rehearsal

### TECHNICAL / FUNCTIONAL FEEDBACK

#	Test Category	Test Activity	Is this function applicable to my firm?	Part of CM MMDR success criteria	Part of TM MMDR success criteria	Additional Information
4	Deal Management	Perform an Allocation to a Trading Member Client Main Account		Yes	Yes	
		Perform an Allocation to a Branch Member Client Main Account		Yes	Yes	
		Initiate an Assign to a Trading Member		Yes	Yes	
		Accept an Assign from a Trading Member		Yes	Yes	
		Cancel an Assign to a Trading Member		Yes	Yes	
		Reject an Assign from a Trading Member		Yes	Yes	
		Initiate an Assign to a Trading Member Branch		Yes	Yes	
		Accept an Assign from a Trading Member Branch		Yes	Yes	
		Cancel an Assign to a Trading Member Branch		Yes	Yes	
		Reject an Assign from a Trading Member Branch		Yes	Yes	
		Perform a Tripartite allocation to a TM Client		Yes	Yes	
		Perform a Tripartite allocation to a Branch Client		Yes	Yes	
		Perform an Accumulation on a Trading Member House Account		Yes	Yes	
		Perform an Allocation Correction within a Trading Member		Yes	Yes	This is moving a deal from one client account/sub-account to another client account/sub-account
		Perform an Allocation Correction within a Branch		Yes	Yes	This is moving a deal from one Branch client account/sub-account to another Branch client account/sub-account
		Perform a deal sub-account modification between house accounts		Yes	Yes	This is moving a deal from one house account to another.
		Perform a deal sub-account modification between branch house accounts		Yes	Yes	This is moving a deal from one Branch house account to another.
Perform a principal correction from a Client Main Account to a Trading Member House Account		Yes	Yes			
Perform a principal correction from a Branch Client Main Account to a Trading Member Branch House Account		Yes	Yes			

**YES = Min PASS criteria for TMs and CMs**

**Pass mark is 80%**

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  - Trading Member and Clearing Member trade reporting counterparty allocation
  - JSE measurement criteria

- **General**
  - **Monthly User Readiness report timeline for September**

- Questions?

Remember that your September User readiness reports **are due** on Friday, **14 September 2018**

- If you have not previously submitted a checklist - kindly remember to do so
- **Who can assist me in understand the checklist?**
  - Please contact your JSE buddy for assistance
- **Who needs to submit this?**
  - Trading and Clearing Members and Information Subscribers

# Questions?



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



[CustomerSupport@jse.co.za](mailto:CustomerSupport@jse.co.za)



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