


Member Notification

RepoClear SA – Migration of Italian Market to Classic Repo

30 January 2017

Dear RepoClear Member,

Following our original communication in August 2016 we would like to provide you with an update on the planned migration of Italian Repo contracts from Buy Sell Back to Classic Repo. Since this time we have been working in collaboration with the key infrastructure providers in order to plan technical readiness in order to proceed. We are pleased to announce that an agreement has been reached between the key infrastructure providers on the timeline of the “Switchover”.

Originally the provisional date for migration was March 2017 however in order to accommodate more time for testing between Monte Titoli, CC&G and LCH SA, and also all of our participants, the migration date has now been targeted for 24th July 2017, following completion of a successful member test and the necessary regulatory approvals.

This change will be introduced via a Big Bang approach in order to avoid any potential split in liquidity:

- From Switchover – BSB will no longer be available, Classic Repo will be the only method for trade registration
- All trade sources will be required to submit trades as Classic Repo. BSB trades submitted after the Switchover will be rejected

- Trades executed and registered prior to Switchover will NOT be converted into Classic Repo and will continue as BSB for the remainder of their term

Co-ordinated end to end testing with the CCPs and Monte Titoli will be available for members from June 22nd 2017 – July 21st 2017. Members are advised to participate in order to check all processes and system run correctly. More details will be distributed to members close to the time.

Background: Following feedback from market participants, the introduction of Classic Repo will introduce a number of benefits including mitigation of issues associated with cross-coupon trades, notably trades on floating coupon bonds (CCTs) and term trading of Index Linked Bonds.

If you have any additional questions, please contact the Membership Sales & Relationship Management team.

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