



RTGS Bulletin

June/July 2008

Austraclear Overview	2
Change to 'Lockout' time for entering trades	2
Values & Volumes	2
Statistics ESAS.....	3
Statistics Austraclear	4
Production and system issues	5
Business Development.....	7
Some tips and reminders from our Austraclear Team.....	8
<i>Who is your Password Administrator?</i>	8
<i>How do I add a User?</i>	8
<i>Limit Lowering</i>	9
<i>Transfers</i>	10
<i>Trades not settling?</i>	10
<i>Member Details?</i>	10
BCP Update.....	10

Contact us:

RTGS Help Desk
2 The Terrace
P O Box 2498
WELLINGTON

RTGSHelpDesk@rbnz.govt.nz

Phone +64 4 471 3918

Fax +64 4 471 3712

<http://www.rbnz.govt.nz/payment/austraclear/>

Austraclear Overview

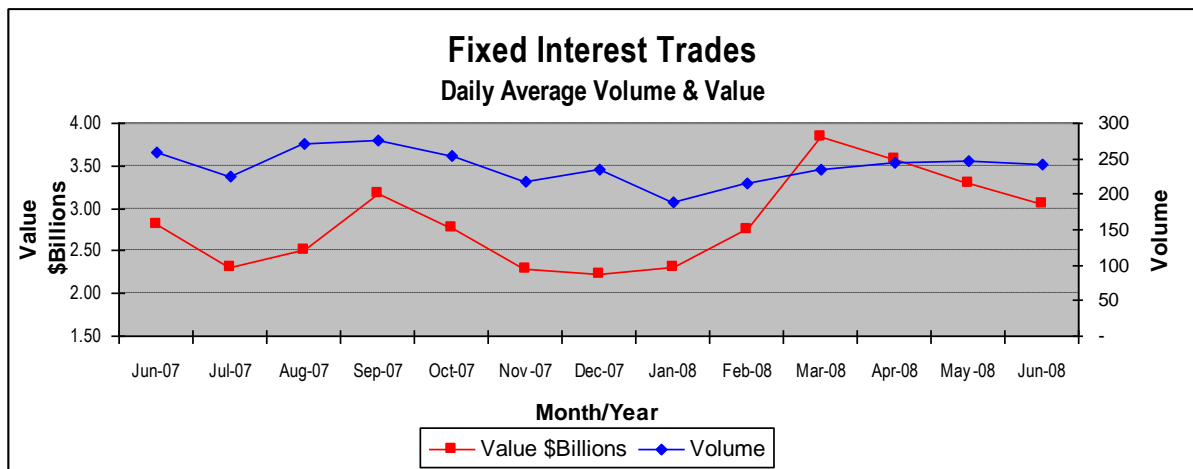
Change to 'Lockout' time for entering trades

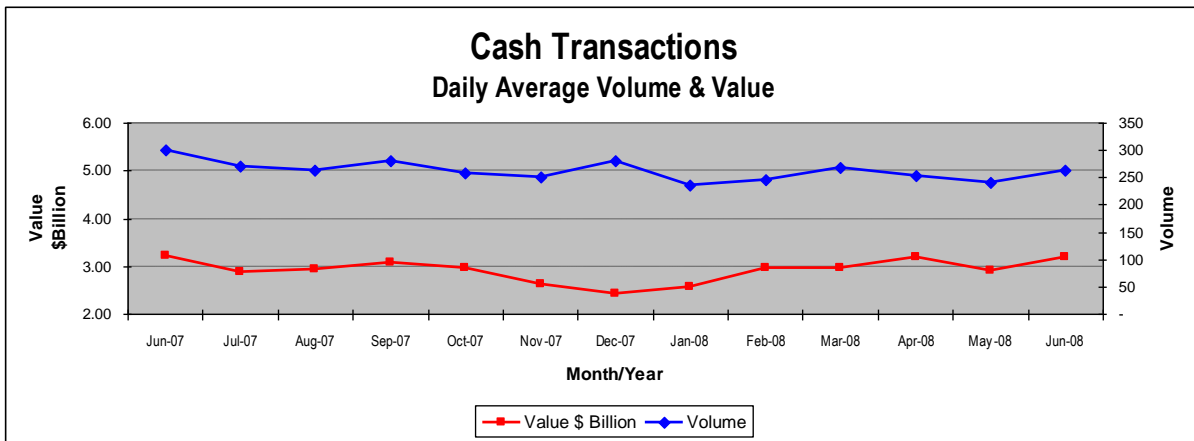
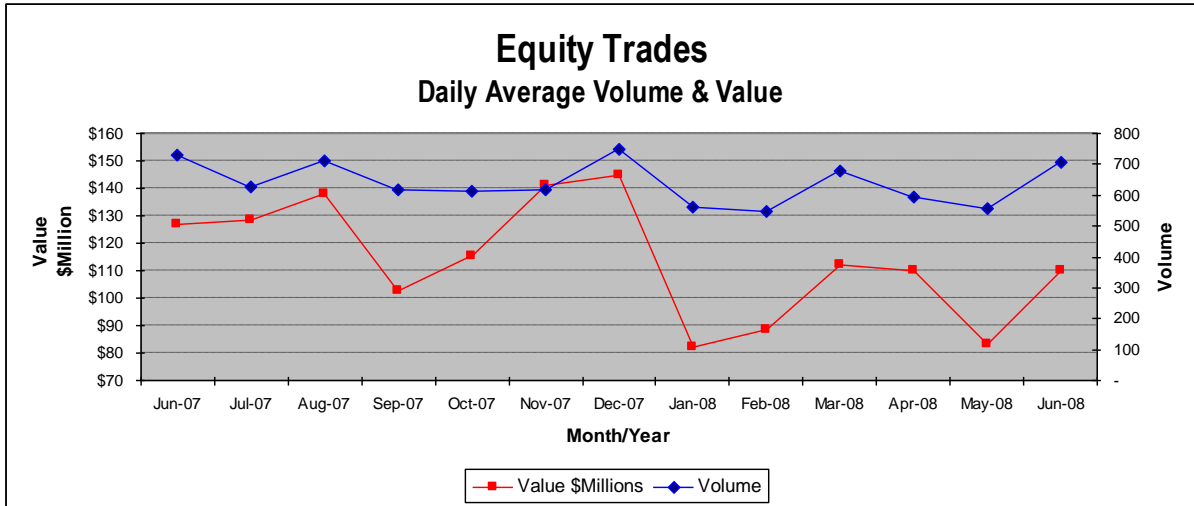
A request was granted on the evening of 04th June 2008 to extend the equity input times due to a huge increase in equity transactions, this extension was until 10:00pm. There was a 420% increase in volume for settlement the following day.

As a result, we reviewed the 'lockout' time for these functions and have made a decision to remove restrictions on them. The system cash **cut off times are still in force** and all transaction for a 'record date' must be completed in accordance with our Corporate Action and registry requirements, but members now have the access to **enter** trades 23.5 hours 5 days a week,

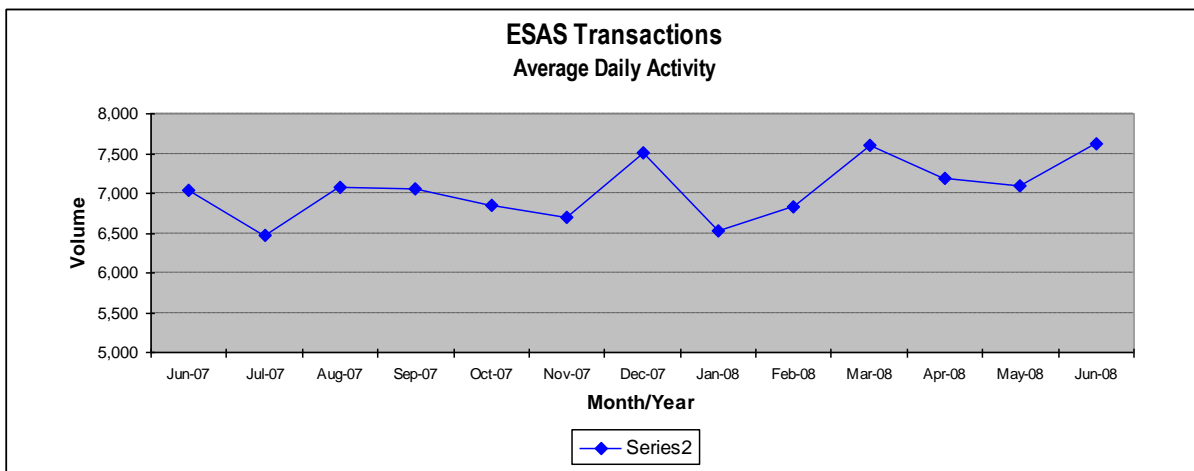
Cash cut-off was extended on the 05th June 2008 until 5:55pm to facilitate the settlement of the previous days extraordinary volume for that day.

Values & Volumes



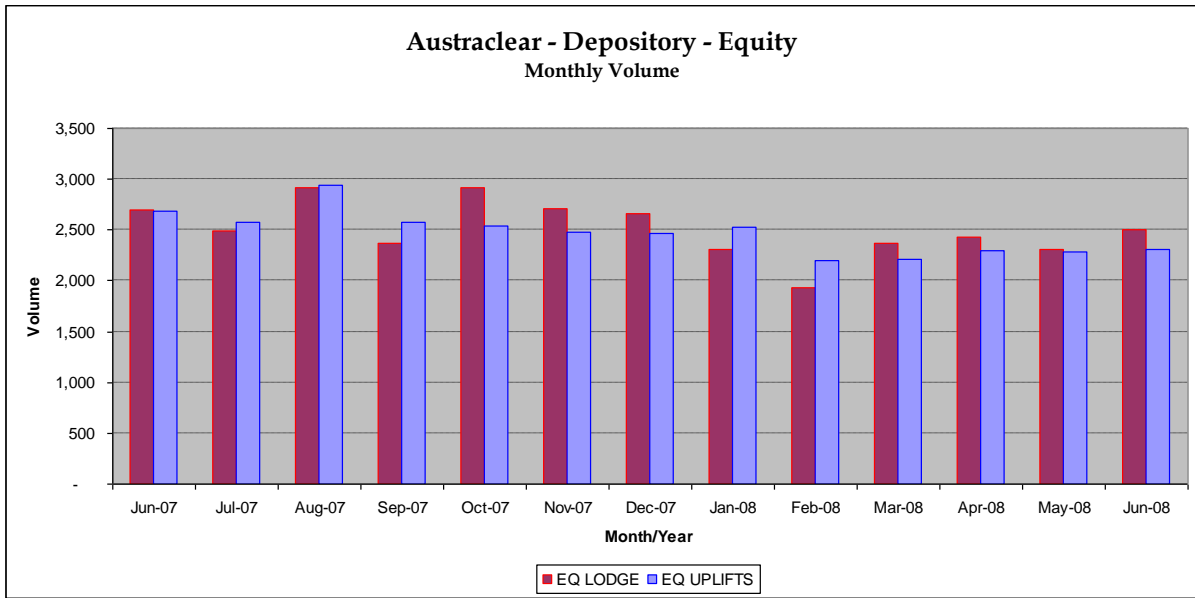
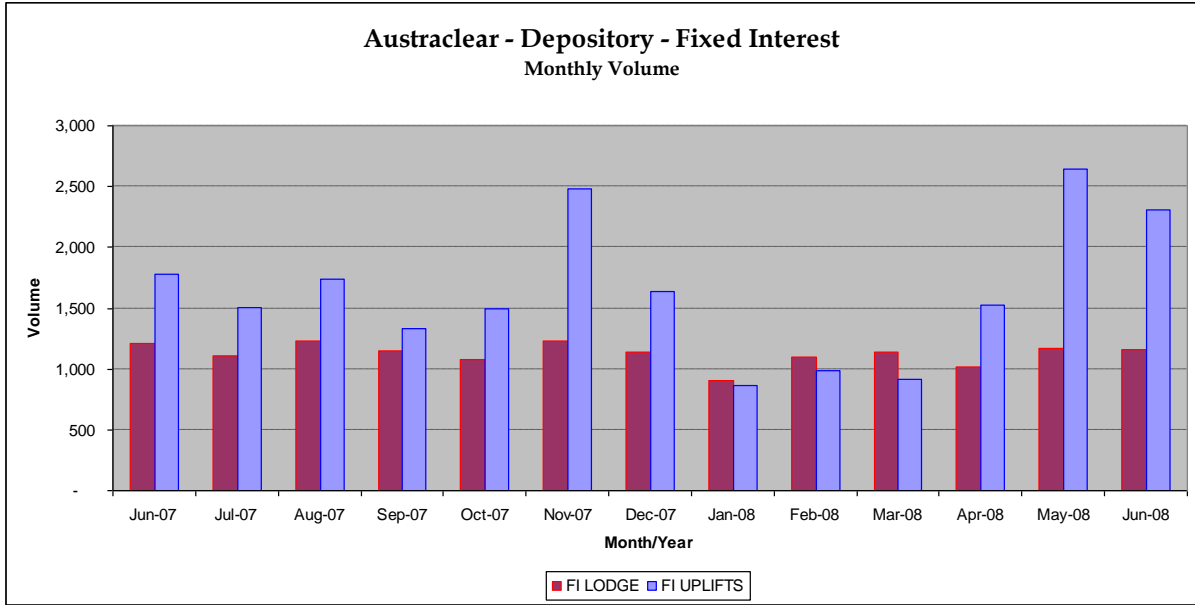


Statistics ESAS



Statistics Austraclear

A significant increase with the Fixed Interest Uplifts is a direct result primary market issues being on sold on the secondary market to the retail sector.



Production and system issues

For the week starting 14 July the response times for the ESAS-Austraclear system have been variable, and at times slow. We apologise for the impact that this is having on processing. Transactions are still being processed accurately, albeit slowly from time to time, and we appreciate that this variability can be frustrating.

We switched our networks to an alternate operating sites on the evening of 15th July and the system processing times have improved. The issue continues to be worked on by us and Datacom and we will keep you informed of progress.

On 30 June 2008, some users of the ESAS and Austraclear systems experienced interruption to services provided by these systems. This memo provides members and accountholders with an explanation of the scope of the interruption, the cause and what is being done to ensure this does not occur again.

The interruptions had the following service impacts:

- ▣ Some ESAS Accountholders were unable to see their MT950 account statements which are normally automatically available immediately after ESAS Start of Day. These were made available at approximately 1.20pm, although members could submit an MT920 to manually request a statement.
- ▣ For some members who use the Host-to-Host Lite interface to submit transactions to Austraclear, the system correctly received their transactions but the system could not process these. While this issue was being diagnosed and resolved, the Bank manually input and processed transactions on behalf of members impacted. A code "fix" was promoted to production at approximately 10.10 am. This allowed other HTH Lite transactions to be processed. The manual processing of transactions previously sent but not processed was completed by 11:00 a.m.
- ▣ A further interruption was encountered late in the afternoon (approximately 4.20pm) when Host-to-Host Lite cash transactions were again not processed. Subsequent analysis revealed that when the required database "clean-up" was applied to remove the transactions entered by Host-to-Host Lite but not processed from the earlier outage, two events had not fully terminated which resulted in a suspension of processing of Host-to-Host Lite cash transactions. This was resolved by 5pm after Austraclear End of Day had been extended by 25 minutes to 5.10pm.

The underlying source of these issues was the promotion of a software change at the weekend. In particular, a previously released software change was partially overwritten – affecting Host-to-Host Lite users. The change was made without change control procedures being followed correctly. Additionally, the MT950 statements encountered a performance issue which had not been encountered in test, despite several months of testing.

Both the Bank and its software support provider Datacom understand the importance of following procedures and that this is carried out with the requisite level of peer review. We have received assurance that all processes will be fully complied with in order to minimise the chances of reoccurrence. While the fix for the MT950 statement testing issue was relatively straight forward (by applying an index to a table to make the query operate more efficiently), we have asked that any future

changes in the SWIFT area are accompanied by a refresh of the UAT database from production so that meaningful performance testing can be done

We also fully understand the need to keep members and accountholders fully informed of issues and progress being made. While a number of email and HOTIME system messages were made to apprise members of the issue at various times, we have received feedback that advices could have been more timely for those directly impacted. We will ensure that this is the case for the future as the need arises.

We apologise for the inconvenience these outages have caused members and accountholders. While the impact of these matters was contained and manual work-arounds were made available, we appreciate that there are consequential impacts for those members affected as a result of services not being provided either within the usual timeframes or in an automated fashion.

The Bank and Datacom assure you that these matters have the highest level of visibility within our organisations to ensure the learnings from this incident are applied constructively. We will report on all outages at the next Austraclear User Advisory Committee meeting and welcome any feedback from members and accountholders at any time.

On Friday 4 July users of the ESAS and Austraclear systems once again experienced connectivity issues. Our operators took the session management down removing all connectivity at approximately 3.45pm and it was restored by 4.00 pm. Users quickly resumed processing and there was no need to extend end of day.

Analysis performed by Datacom and ourselves reveals that the issue lies in contention between processes in the session management software which governs users' connections. The session management or access layer was affected rather than the core application and the SWIFT interface which continued to work correctly. This problem manifested itself by slow responses in the system and for some users, loss of connection. The session management software was restarted which took about 15 minutes and had the effect of removing the contention that had arisen.

We have asked Datacom to have a detailed review of the session management software to determine whether it is possible to simplify the session management code and reduce the risk of contention arising in the future. We will keep users apprised of developments.

We apologise for the any inconvenience to members and accountholders that was caused by the interruption. Please contact Adrienne Barlow (04) 471-3629 if you wish to discuss this further.

For the week starting 14 July the response times for the ESAS-Austraclear system has been variable, and at times slow. We apologise for the impact that this is having on processing. Transactions are still being processed accurately, albeit slowly from time to time, and we appreciate that this variability can be frustrating.

The issue continues to be worked on by us and Datacom and we will keep you informed of progress.

Business Development

The following enhancements have been scheduled for **release in 2008**:

Uplifts & Lodges – Straight Through Processing (STP)

As we all strive for a paperless environment, the Reserve Bank's Business Development Team (BDT) are currently working with the Registries and the Securities Commission to enhance and allow the Straight Through Processing of the majority of the Uplift and Lodge transactions in Austraclear. Not only does this eliminate the paper process but also reduces the turnaround processing time as the STP will automatically update the Register and release the stock.

We are also working with the NZX in regards to interoperability between Austraclear and the proposed NZX CCP.

ESAS Enquiry Screen (ESASENQ)

Modifications are progressing to enhance the ESASENQ screen to incorporate the authorisation function and allow members to delete a transaction if required. This means that the ESASENQ will be a 'one-stop-shop' to perform the daily ESAS functions. The ESASENQ is currently in UAT with the member familiarisation testing scheduled for early August with an expected production release to be mid to late August 2008.

TRANSACT - Screen Consolidation

To improve processing efficiency and reduce the time spent navigating the system, we are incorporating approximately 40 functions into one. This function "TRANSACT" will allow you to enter transactions, enquire, delete, correct and authorise with click and drop menus. The function is currently in the development stage due for UAT release at the end of July, we anticipate a release to members for familiarisation testing early September 2008 with an expected release to production at the end of September 2008.

ASI – Austraclear-SWIFT Interface

The Austraclear-SWIFT interface is proving to be a real success story. In June 25% of all processing of equity and fixed interest trades was submitted via the Austraclear-SWIFT interface. Members who use this facility enjoy high rates of straight through processing, less re-work and reduced operational risk.

Other planned development work is to include changes to the reporting functionality, enquiry enhancements, and system security.

More information about these upgrades will be provided to the market and the Austraclear Advisory Committee. If you require further information please contact the Business Development Team at BDT@RBNZ.govt.nz.

Some tips and reminders from our Austraclear Team...

Who is your Password Administrator?

Each member of the system should have their own internal Password Administrator. It appears that over time the administrative duties have not been delegated when people leave or change roles and as a result we have a large number of calls to reset passwords.

Within an organisation the Password Administrator's role is to –

- manage the status of users profiles
- add new users
- reset password and/or logon access
- add /delete functions for individuals

Our helpdesk should only be used as a backstop for this type of help, therefore if you don't know who or don't have a password administrator contact us and we will assist in organising this. We suggest that you have two so that leave etc is covered.

How do I add a User?

Functions

USERADD – (to add a new user) the system will default to the next available user logon. Enter the details required in the available spaces and commit (F1).

USER – (To add to or change a profile) - select the logon required by clicking on it, enter – this is where you can add or change some of the users' profile (the status must be "A" for active), page down to add functions - Func_type, by typing one of the bulk allocation codes listed below and committing (F1) you will add all the functions assigned to that category.

Bulk allocation of function codes -

CAI	Cash Input and Enquires
CAA	Cash Authorisation and Enquiries
FII	Fixed Interest Input and Enquiries
FIA	Fixed Interest Authorisation and Enquiries
EQI	Equity Input and Enquiries
EQA	Equity Authorisation and Enquiries
PWADM	Password Administration
FXE	Foreign Exchange Module
ESAS	ESAS Module
CA	Corporate Action Functionality

Alternatively, if you enter through the Func_type field, all functions for that user will be listed in the body of the form. You can add individual functions by pressing F6 which will open up a line then type the name of the function. Note; if the 'auth' column is N, then the user will only be able to input using that function, not authorise, if it is Y they can both input and authorise (but not their own input). Status must be A (active) for the user to be able to use that function. Then commit (F1).

Limit Lowering

We often get requests to alter the minimum and multiples parcel amounts for securities held in the Austraclear system. We can only facilitate these requests if the following details are submitted to us;

- The Austraclear Security Code?
- The parcel amount you want to settle?
- Who are the parties to the transaction are? (mnemonics)
- Has the Registry approved the request?

Limits can be lowered in Austraclear for a maximum of half an hour to give members sufficient time to settle their trades. Please also note that limit lowering request is at the discretion of the relevant Registry.

Transfers

Whilst we endeavour to process all transfers within the hour often we receive transfers with insufficient information therefore the turnaround time is greater. The processing time can be significantly reduced by ensuring that you:

- Include the Austraclear Transaction ID on the top of each transfer
- Correction Guarantee and sign any amendments
- Ensure that you provide CSN's
- Ensure Broker Stamps are applied where applicable.

We are happy to receive copies of the transfers via email to RTGSHelpDesk@rbnz.govt.nz, this ensures prompt receipt for actioning and also shows the data a lot clearer than the standard faxed copies.

Trades not settling?

A couple of quick checks.....

1. **EQPFOLIO/FIPFOLIO**– Do you hold the parcel required?
Is there a comment in the 'Comments Field' if yes go to the EQTRANSF/FITRANSF function and delete the comment.
2. Do you have enough cash?
 - PND-CLT** Check your CASHQ balance - you may not have enough cleared funds to facilitate settlement. You can contact your own Clearing Bank to request a temporary increase using the function DEPOWITH or contact your own Clearing Bank.
 - PEND-ESAS** Transaction has passed the Austraclear limit test and is now pending your clearing bank's test/authorisation in ESAS. If you have concerns please contact your Clearing Bank directly.

Member Details?

We are currently updating our member database, if you wish to be on our distribution lists please email the RTGSHelpdesk@rbnz.govt.nz with your details.

Members are reminded that they can also update their details directly into Austraclear via the MEMBER and BRANCH function.

Require other members contact details? Look up functions MEMBERQ or BRANCHQ.

If you need assistance with any of the above please contact the RTGS Help Desk.

BCP Update

We last tested out site during June, when did you?