

LVSS External Test Framework

The table below summarises the proposed LVSS external test framework which has been developed based on discussions at the LVSS Industry Forum held in Sydney on 29 September 2011.

The purpose of the framework is to outline each phase of LVSS external testing to ensure that all test stakeholders have a clear understanding of the scope and objectives of each test phase. As discussed at the Forum, the table now splits industry testing (phase 2 in the LVSS Testing Strategy) into separate phases. The table has been structured with the BECS migration in mind and will be modified as necessary for the other clearing systems.

Phase	Test Scope/Objective	Comments
Phase 1	<p>Testing with RBA – Message Testing</p> <p>Members test their own systems by executing all ‘mandatory’ test cases and those ‘conditional’ tests that are relevant to their operations.</p> <p>Test coverage will include:</p> <ul style="list-style-type: none"> • Creation of valid FSIs • Handling of FSIs generated by RBA as test partner using RBV1 or RBV2 mnemonics • Rejection of invalid FSIs • LVSS transaction management • Settlement of FSIs, including clearing interest • Reconciliation processes • Optional LVSS advice and response usage (if used) • AIF message usage (if used) 	<p>Test data is used.</p> <p>The exchange of clearing files or clearing file data is <u>not</u> required. However members may request to receive clearing files from the RBA.</p> <p>RITS session times will initially mirror production settings but may be compressed to allow members to test during standard office hours those activities that would usually occur in the early morning or at night time.</p> <p>At least one multilateral settlement (9am settlement) will be scheduled each day.</p> <p>The RBA is the main contact point for this phase of testing.</p>
Phase 2	<p>Small Group Testing (BECS) – Clearing Reconciliation</p> <p>Members are formed into groups of 3 or 4 to test all aspects of their solutions. Testing focuses on proving internal reconciliation processes.</p> <p>Test coverage will include:</p> <ul style="list-style-type: none"> • Handling of FSIs generated by test partners • LVSS transaction management • Settlement of FSIs, including clearing interest • Exchange of clearing files/information (as agreed) • Postings and reconciliation of ESA transactions to associated clearing information <p>Some negative test cases will be performed.</p> <p>Westpac will schedule a test of BPAY FSIs with all counterparties during the latter stage of this phase.</p>	<p>Test data is used.</p> <p>Means of exchanging clearing files or related clearing information is to be agreed by each group.</p> <p>Any BCP test scenarios are to be agreed by each group.</p> <p>RITS session times may mirror production settings or may be compressed to allow members to test during standard office hours those activities that would usually occur in the early morning or at night time.</p> <p>At least one multilateral settlement (9am settlement) will be scheduled each day.</p> <p>APCA will coordinate and advise the test schedule.</p>

Phase	Test Scope/Objective	Comments
Phase 3	<p>Industry Wide Testing (BECS) - Production Settlement Reconciliation</p> <p>Settlement reconciliation testing using historical production data. At least two tests will be conducted, based on two separate historical “snapshot” days.</p> <p>All Members will send test FSIs to RITS Pre-Production based on the actual clearing activity that took place with all other participants on the nominated historical day (a week earlier). On the settlement day, settlement obligations in RITS Pre-Production are compared to records from RITS Production on the historical day to ensure that they match.</p>	<p>Production data is used.</p> <p>This testing is of settlement obligations only. It is not an end to end test involving reconciliation to clearing file exchanges. Clearing file exchange does <u>not</u> take place. Members that need to simulate clearing file exchange will need to capture relevant production data and input this into their LVSS processes (including altering the dates in the relevant outward clearing files used to produce FSIs if necessary).</p> <p>RITS will be open during standard hours. However, 9am settlement will be scheduled to run later than normal to allow additional time for transaction management on the settlement day.</p> <p>The test plan will list times by which FSIs must be sent in, compressing the standard BECS file exchange times.</p> <p>APCA will coordinate and advise the test schedule.</p>
Phase 4	<p>Industry Wide Testing (BECS) - Simulated Production Day(s)</p> <p>Full ‘end-to-end’ testing with all other participants. Testing focuses on the LVSS business processes. Test coverage will include:</p> <ul style="list-style-type: none"> • Exchange of test clearing files • Creation of FSIs • Reconciliation of inward clearing files and FSIs • Pre-settlement reconciliation activities • Transaction management in RITS and settlement • Post-settlement postings and reconciliation. <p>At least two full cycles of this test will be conducted.</p> <p>Members will be expected to exchange clearing files and send FSIs at normal exchange times.</p>	<p>Test data is used.</p> <p>Clearing files will be exchanged.</p> <p>RITS session times will mirror production settings.</p> <p>9am settlement will occur at the normal time.</p> <p>APCA will coordinate and advise the test schedule.</p>