

# MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form  
version 2.1

Change Proposal reference  
(To be completed by the TP Sec.)

**MCCP164**

Version No.

**D.1**

## PART A — SUBMISSION

### A.1. GENERAL DETAILS

A.1.a. TITLE Changes to Market Assurance Obligations

A.1.b. COMPANY CMA

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED SIGNATURE NAME Gary Craig

A.1.d. CONTACT NAME Gary Craig CONTACT EMAIL; TEL/MOB. Gary.Craig@cmascotland.co.uk

A.1.e. ASSOCIATED MCCP / OCCP

A.1.f. ASSOCIATED DOCS.

A.1.g. PROPOSED URGENCY NON-URGENT

A.1.h. REASONS FOR URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS		
A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)		
<p>Currently, there are no obligations relating to the period between completing Market Assurance Testing and becoming active HVI Users. In a number of instances, new HVI Users have completed Market Assurance Testing, but then some weeks have passed before such Users have actually executed any transactions with the CMA Central Systems via their HVI. In this intervening period, changes could have occurred, either to the CMA Central Systems, or to the HVI Users' own systems and these changes could invalidate the Market Assurance that was previously undertaken. It is not clear that Market Re-Assurance would apply in these cases, since the status of the particular HVI remains new.</p>		
A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)		
General Description		
<p>It is proposed to incorporate an additional discretionary decision for the CMA, which will allow the CMA to require that Market Assurance Testing should be re-executed if an HVI that has completed Market Assurance Testing has not subsequently been used to submit and/or receive transactions with the CMA Central Systems. This will ensure that the impact of any changes to the CMA Central Systems or Licensed Provider systems are captured and addressed prior to the Licensed Provider gaining Central Systems HVI access.</p>		
Principles and Objectives affected		
PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Little or no cost is associated with this change. Whilst potentially requiring an additional step in MAT, this would normally be automated and involve no material overhead.
Transparency	N	
Simplicity, Cost-effectiveness, and Security	Y	As it will be the same MAT tests that are re-executed there are no additional test scenarios for a Licensed Provider to execute.
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	

Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES		

A.2.c. IMPACT Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)		
CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	N	
CSDs	Y	CSD001 will include an additional Obligation in Section 4.4
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	N	
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	N	

A.2.d. DRAFT LEGAL TEXT Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)
<p>CSD0001 Section 4.1 should have the following clause added:</p> <p>If a Licensed Provider does not execute any transactions with the Central Systems, using its HVI, within 20 Business Days of the completion of Market Assurance Testing, the CMA, at its own discretion, may deem that the previously completed Market Assurance Testing is no longer complete and may require the Market Assurance Testing to be re-executed.</p> <p>CSD0001 Section 4.4 should have the following step added:</p> <p><b>Step f. Re-execution of Market Assurance Testing</b></p> <p>If a Licensed Provider has not executed any transactions, via its HVI, within 20 Business Days of the completion of Market Assurance Testing, the CMA can require that Market Assurance Testing is re-executed, in accordance with this CSD.</p>

A.3. IMPLEMENTATION DETAILS
A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.
December 2014
A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION
A.4. ANY OTHER COMMENTS

## PART B — TP ASSESSMENT

### B.1. ASSESSMENT PROCESS

B.1.a. ASSESSMENT START DATE	2014-11-12	ASSESSMENT END DATE	2014-12-11
B.1.b. IMPACT ASSESSMENT REQUIREMENT		IA NOT REQUIRED	
B.1.c. CONSULTATION REQUIREMENT		TP CONSULTATION NOT REQUIRED	
B.1.d. ASSOCIATED DOCUMENTS (to this Part B)			

### B.2. ASSESSMENT DETAILS

#### B.2.a. CHANGE SPECIFICATION AND IMPACT (if different from that originally submitted)

The TP approved this proposal, subject to the decision by the CMA to require re-execution of the MAT if, after 20 Business Days, the HVI has not been used to submit and/or receive any transactions with the CMA CS, being mandatory, instead of being discretionary.

#### B.2.b. DRAFT LEGAL TEXT (if different from that originally submitted)

CSD0001 Section 4.1 should have the following clause added:

If a Licensed Provider does not execute any transactions with the Central Systems, using its HVI, within 20 Business Days of the completion of Market Assurance Testing, the CMA will deem that the previously completed Market Assurance Testing is no longer sufficient and will require the Market Assurance Testing to be re-executed.

CSD0001 Section 4.4 should have the following step added:

#### **Step f. Re-execution of Market Assurance Testing**

If a Licensed Provider has not executed any transactions, via its HVI, within 20 Business Days of the completion of Market Assurance Testing, Market Assurance Testing will be re-executed, in accordance with this CSD.

B.2.c. TP ASSESSMENT  
Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)

Impact on Principles and Objectives (if different from that originally submitted)

Cost Estimate

No material cost is incurred, since the change requires no system development and involves minimal additional effort from the CMA and from LPs, operationally.

Benefit Estimate

The risk of an HVI User creating difficulties that may

(L: < 10k, M: £10k to £100k, H: > £100k)	require work-rounds or remedial effort to resolve is mitigated. Assume: M.
B.3. TP DECISION	TP APPROVED
B.4. FINAL TP VIEWS	Subject to the amendments in this section B.
B.5. PLANNED IMPLEMENTATION DATE	January 2015

WITHDRAWN BY PROPOSER?	No
COMMENTS	
DATE OF WITHDRAWAL	

**PART C — COMMISSION APPROVAL**

C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2014-12-15
C.2. APPROVAL STATUS	APPROVED CHANGE
C.3. DATE OF APPROVAL STATUS	2015-01-21
C.4. COMMISSION RESPONSE REFERENCE	

**PART D — IMPLEMENTATION**

D.1. IMPLEMENTATION DATE	2015-01-27
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	
CSD0001 v3.0	