

CSDs: **Strate (South Africa)**

Date: 20 Jun 2008

SMI Markets: **South Africa**

CMIRR Markets: **South Africa**

## Dematerialisation of Money Market Instruments

Following a recent seminar, Strate, has clarified that its project to dematerialise money market instruments will not dematerialise the existing instruments but to issue, clear and settle the new ones electronically. As money market instruments are short-term in nature, the market would therefore become scripless in a short time.

Furthermore, Strate has also advised that all related money market coupon and maturity payments will be settled electronically.

Before implementing the project, Strate will first conduct tests with participants from July 2008.

## CSD Risk Impact

### Strate (South Africa)

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = Positive

The dematerialisation of money market instruments will reduce the risk related to manual intervention, thus impacting operational risk positively. The move to a scripless system will also enhance straight through processing and improve settlement liquidity accordingly.

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## Market Information Impact

### South Africa

This information affects the data contained in the Safekeeping/Post Settlement sections of the Securities Market Information Service.

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## Infrastructure Risk Ratings Impact

### South Africa

Market Rating: AA-

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA-

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = Positive

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