

CSDs: TASECH (Israel)

Date: 07 Jul 2008

SMI Markets: Israel

CMIRR Markets: Israel

## Establishment of a REPO Market

The Israeli Capital Market Forum (Ministry of Finance, Bank of Israel, Israeli Securities Authority, Tel Aviv Stock Exchange (TASE) and Institutional Bodies) is working on the establishment of a REPO market.

The main features of the market will be as follows:

### **Trading**

The trading will be done on the MTS Money Market Facility (MMF) and the Tel Aviv Stock Exchange Clearing House (TASECH), who will act as central counterparty for all trades executed on the platform, will provide clearing and settlement services.

### **Eligible Participants**

- Members of the TASE
- Primary dealers
- Israeli and International Institutional Bodies as will be defined by the Capital Market Forum

Institutions wishing to participate in the REPO trading will need to receive approval from TASECH through a TASECH member that will be responsible for its activities.

### **Assets for REPO Trading**

The eligible assets for REPO trading will be government bonds and T-bills (MAKAM) that are settled at the TASECH.

No information on the date of implementation of the market is available at this stage.

## CSD Risk Impact

### TASECH (Israel)

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

The implementation of a repo market will likely increase liquidity and reduce the risk of failed trades in the market. Although this should have a positive impact on liquidity risk, the risk has been placed 'On Watch' as the project is currently at an early stage and no implementation date has been given.

## Market Information Impact

### Israel

This information affects the data contained in the Stock Lending and Repos sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Israel

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = On Watch

The implementation of a repo market will likely increase liquidity and reduce the risk of failed trades in the market. Although this should have a positive impact on liquidity risk, the risk has been placed 'On Watch' as the project is currently at an early stage and no implementation date has been given.

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**For further information contact:**

*Barry Morales - Americas*

*Peter Katz - Asia Pacific, Eastern Europe*

*Jim Micklethwaite - Western Europe, Africa*

*John Woodhouse - Middle East*

Tel: (+44) 20 7830 8300 | Fax: (+44) 20 7287 1549

Email: [cmiqueries@thomasmurray.com](mailto:cmiqueries@thomasmurray.com)

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