

CSDs: VPS (Norway)

Date: 22 Aug 2008

SMI Markets: Norway

CMIRR Markets: Norway

VPS to Consider Making SBL Programme Mandatory for All Market Participants - Update

In an update to our previous newsflashes, VPS has decided to abolish the plan to make participation in the lending pool scheme mandatory for all participants after a consultation undertaken with its customers. The current voluntary participation arrangement will be continued, and VPS will apply penalties to those not participating in the lending scheme in the event of a settlement failure. This will take effect from 17 November 2008.

Prior to that date, VPS will circulate a consultation paper on the changes to the VPS business rules on 12 September. The consultation period for participants and their representative organisations will be from 15 September - 10 October 2008. The final version will be released on 17 October 2008.

The VPS news release is available at the VPS website (www.vps.no) or via this [link](#).

CSD Risk Impact

VPS (Norway)

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = Positive

Although the plan for the mandatory participation in the lending scheme has been abolished, the voluntary scheme will still be in place. The inclusion of a penalties scheme will definitely improve the fails management programme if the penalties are at a punitive degree. This will have an overall positive impact on the liquidity risk.

Market Information Impact

Norway

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

Infrastructure Risk Ratings Impact

Norway

Market Rating: A

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = Positive

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Related Flash: [VPS to Consider Making SBL Programme Mandatory for All Market Participants - Update, 01/08/2008 \(click to view\)](#)

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