

CSDs: BSE (Romania)

Date: 01 Aug 2008

SMI Markets: Romania

CMIRR Markets: Romania

CDSA to Undertake Clearing and Settlement of Government Securities - Update

Further to our previous newsflashes, the Bucharest Stock Exchange (BSE) will start trading in government bonds (fixed coupon and benchmark bonds) on 4 August 2008. These bonds will be traded on the secondary market simultaneously on BSE and interbank market.

The clearing and settlement of the transactions will be performed by the Central Depository SA (CDSA) (on RoClear system) for the transactions done on BSE and by the Central Bank (on SaFIR system) for the interbank transactions. The instruments acquired on one market with the intention to be sold on the other market, must be transferred free of payment (FOP) from the Central Bank to CDSA, or vice-versa before the settlement of the trade.

Furthermore, short-selling and securities lending of government bonds will be allowed on BSE. A similar procedure as for the securities listed on BSE International Sector (i.e. Erste Bank Oesterreich Sparkassen AG) will be applied.

CSD Risk Impact

BSE (Romania)

Impacted Risk Type: Asset Commitment Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

The introduction of the securities lending may reduce the likelihood of trades failing, hence improving the liquidity in the market. The connection between SaFIR and RoClear systems may impact the liquidity risk. In addition, the change in the settlement cycle and the passage from a net basis to a gross basis could have an impact on the liquidity and asset commitment risks. As the changes are not implemented yet, the outlook is put "On Watch".

Market Information Impact

Romania

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

Infrastructure Risk Ratings Impact

Romania

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Asset Commitment Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = On Watch

The introduction of the securities lending may reduce the likelihood of trades failing, hence improving the liquidity in the market. The connection

between SaFIR and RoClear systems may impact the liquidity risk. In addition, the change in the settlement cycle and the passage from a net basis to a gross basis could have an impact on the liquidity and asset commitment risks. As the changes are not implemented yet, the outlook is put "On Watch".

Related Flash: [CDSA to Undertake Clearing and Settlement of Government Securities - Update, 28/07/2008 \(click to view\)](#)

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