

CSDs: SIX SIS (Switzerland)

Date: 04 Nov 2008

SMI Markets: Switzerland

CMIRR Markets: Switzerland

SIX SIS to Introduce New OTC Cancellation Rules

SIX SIS, the Swiss central securities depository, is to change the rules for the automatic cancellation of OTC transactions. At present, pending matched/unmatched OTC instructions are cancelled 20 business days after intended settlement date. From 17 November 2008, only unmatched OTC transactions will be automatically cancelled 20 business days after the settlement date, while matched OTC transactions will continue to remain in the system.

CSD Risk Impact

SIX SIS (Switzerland)

Impacted Risk Type: Liquidity Risk

Current Rating = AA+

Flash Impact = Positive

This measure adopted by SIX SIS may reduce the incidence of failed trades by allowing matched trades to stay in the system, hence increasing their chances of being settled. This change brings SIX SIS into line with ECSDA members who have earlier implemented this change. This will have a 'Positive' impact on Liquidity risk.

Market Information Impact

Switzerland

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

Infrastructure Risk Ratings Impact

Switzerland

Market Rating: AA

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

This measure adopted by SIX SIS may reduce the incidence of failed trades by allowing matched trades to stay in the system, hence increasing their chances of being settled. This change brings SIX SIS into line with ECSDA members who have earlier implemented this change. This will have a 'Positive' impact on Liquidity risk.

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