

CSDs: BSE (Romania)

Date: 05 Dec 2008

SMI Markets: Romania

CMIRR Markets: Romania

## CDSA Development Plans

CDSA, the Romanian central securities depository (CSD), presented its development plans to the capital market community (brokers and custodians) on 18 November 2008. The development plans are focused on the following areas:

- Communication: connection to SWIFT network
- Cash account: opening of a cash account with the National Bank of Romania (NBR)
- Matching system: implementation of a matching system for OTC trading
- Securities borrowing and lending (SBL): widening the type/number of securities eligible for SBL
- Fee structure: review of the CSD fee structure to stimulate settlement volumes by replacing the percentage-fee with a flat fee per trade
- Cross-border settlement: extension of cross-border settlement to more markets
- Cooperation with exchanges: study of co-operation possibilities with exchanges and multilateral trading facilities (MTF)

These development plans which are as part of the Business Plan for 2009 will be submitted to the General Meeting for further approval.

Furthermore, CDSA officials expressed their interest to promote the developments persistently requested by the local custodians:

- Change of the account structure to allow CDSA participants to open omnibus/nominee accounts; as CDSA rules book comprises of specific provisions already in place since February 2008. The date of applying such changes needs to be approved by the National Securities Commission.
- Change of the dividend payment procedures; CDSA aims to improve the services provided to the issuers and investors, centralising dividend payments through a unique, streamlined process (greater efficiency, centralised process, optimised controls and accuracy, prompt credit execution).

## CSD Risk Impact

### BSE (Romania)

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Financial Risk

Current Rating = BBB

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = On Watch

Subject to approval, implementation of these plans will entail technological and development costs, requiring careful planning and management of financial resources. However, upon implementation, CDSA may benefit from additional revenue stemming from increased operation efficiency and larger scope of activities. Accordingly, until the plans are approved and the proposals become more specific, Liquidity Risk, Operational Risk and Financial Risk are on watch.

## Market Information Impact

### Romania

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

## Infrastructure Risk Ratings Impact

## Romania

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = On Watch

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = On Watch

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