

CSDs: NZCSD (New Zealand)

Date: 20 Aug 2009

SMI Markets: New Zealand

CMIRR Markets: New Zealand

## NZX to Launch New Centralised Clearing House System - Update

Further to our previous market newsflash, the New Zealand Stock Exchange (NZX) has released consultation papers related to the implementation of new clearing and settlement systems and infrastructure for its core trading market. NZX seeks feedback on the following papers:

1. Clearing and Settlement Rules and Clearing and Settlement Procedures
2. Depository Operating Rules and Depository Operating Procedures
3. NZX Participant Rules
4. NZSX/NZDX and NZAX Listing Rules
5. New Zealand Markets Disciplinary Tribunal Rules and Procedures
6. New Derivatives Market

Feedback must be submitted to NZX by 2 September 2009.

The consultation papers are accessible at the following link: [NZX Rule Consultation](#)

## CSD Risk Impact

### NZCSD (New Zealand)

CSD Rating: AA-

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = AAA

Flash Impact = On Watch

The implementation of a second depository would open the competition for depository activities and may impact on NZCSD's revenues.

## Market Information Impact

### New Zealand

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

## Infrastructure Risk Ratings Impact

### New Zealand

Market Rating: AA-

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = AA-

Flash Impact = On Watch

Impacted Risk Type: Financial Risk

Current Rating = AA+

Flash Impact = On Watch

The implementation of a second depository would open the competition for depository activities and may impact on NZCSD's revenues. The introduction of a central counterparty for exchange trades will help minimise risk, provided that risk mitigating mechanisms and procedures are put in place. Moreover, the application of a netting mechanism by the clearing house will ease liquidity pressure on market participants.

The impacts on Financial, Counterparty and Liquidity risks are set 'On Watch', pending further developments.

Related Flash: [NZX to Launch New Centralised Clearing House System, 29/05/2009 \(click to view\)](#)

### For further information contact:

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