

CSDs: Strate (South Africa)

Date: 29 Oct 2009

SMI Markets: South Africa

CMIRR Markets: South Africa

Money Market Dematerialisation Process – Update

Further to our previous newsflash, the first dematerialised money market securities have been issued and settled electronically under the Dematerialised Money Market Settlement System (MMSS). The entire South African market, including the South African Reserve Bank, is expected to be live on the new system by 22 February 2010.

The official announcement can be accessed [here](#).

CSD Risk Impact

Strate (South Africa)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = AA-

Flash Impact = Positive

The dematerialisation of money market instruments through MMSS eliminates the need to safekeep physical securities and the risks associated with handling physical money market instruments. As a result, the impact is positive on operational risk. The introduction of dematerialised safekeeping and settlement of these instruments into STRATE should also bring in additional revenues to the depository.

Market Information Impact

South Africa

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

Infrastructure Risk Ratings Impact

South Africa

Market Rating: AA-

Market Flash Impact: Positive

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A+
Flash Impact = Positive

The dematerialisation of money market instruments through MMSS eliminates the need to safekeep physical securities and the risks associated with handling physical money market instruments. As a result, the impact is positive on operational risk. The introduction of dematerialised safekeeping and settlement of these instruments into STRATE should also bring in additional revenues to the depository.

Related Flash: [Money Market Dematerialisation Process – Update, 20/10/2009 \(click to view\)](#)

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