

CSDs: **AUSD (Ukraine)**

Date: 27 Nov 2009

SMI Markets: **Ukraine**CMIRR Markets: **Ukraine**

Delays in Re-registration of Securities in the Name of AUSD - Update

In an update to our previous newsflash, on 19 November 2009, the State Commission for Securities and Stock Market (SCSSM) issued Decision 1413 on the cancellation of the licence of the Interregional Securities Union (IRSU) for depository and clearing activity, and Decision 1414 on the measures resulting from the cancellation of IRSU's Licence.

The Decisions define the requirements for the IRSU, the All-Ukrainian Securities Depository (AUSD), the registrars and the local custodians, in order to complete the process of AUSD's legal succession of the IRSU. The requirements are as follows:

- IRSU and AUSD to provide the registrars with all required documents to open the nominee account for AUSD and transfer the assets from IRSU to AUSD as the nominee holder;
- AUSD to provide the registrars with the identification documents of AUSD in accordance with the anti-money laundering regulations and financial monitoring requirements;
- The registrars to transfer the assets of IRSU to AUSD's nominee account within 3 working days upon receipt of the required documents from IRSU and AUSD;
- IRSU and AUSD to disseminate the information of assumption by AUSD of all rights and obligations as IRSU's legal successor to market participants within 30 days;
- Local custodians to inform their clients that the transfer of assets from IRSU to AUSD within a month after signing the depository agreements with AUSD;
- AUSD to sign the agreements with the former clients of IRSU;
- IRSU and AUSD to inform the SCSSM on the compliance of the requirements upon completion.

The Decisions provide the clarifications instructing the market participants including the registrars to deal with the merger of the IRSU into AUSD and the relevant transfer of assets from IRSU to AUSD, in order to eliminate the delays in re-registration process.

Further information will be announced in due course.

CSD Risk Impact

AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = On Watch

Impacted Risk Type: Financial Risk

Current Rating = B

Flash Impact = On Watch

The Decisions issued by the regulator clarify the legal issue for the registrars in the market. This should eliminate the delays in re-registration and officially complete the transfer of assets from IRSU to AUSD. Nevertheless, the impacts on Financial and Liquidity Risks are "On Watch" until additional information is disclosed.

Market Information Impact

Ukraine

This information affects the data contained in the Local Market Administrative Organisations, Registration and Settlement sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Ukraine

Market Rating: BBB

Market Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = On Watch

Impacted Risk Type: Financial Risk

Current Rating = B

Flash Impact = On Watch

The Decisions issued by the regulator clarify the legal issue for the registrars in the market. This should eliminate the delays in re-registration and officially complete the transfer of assets from IRSU to AUSD. Nevertheless, the impacts on Financial and Liquidity Risks are "On Watch" until additional information is disclosed.

Related Flash: [Delays in Re-registration of Securities in the Name of AUSD, 03/11/2009 \(click to view\)](#)

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