

CSDs: Strate (South Africa)

Date: 19 Feb 2010

SMI Markets: South Africa

CMIRR Markets: South Africa

Money Market Dematerialisation Process – Update

In an update to our previous newsflash, the Money Market Advisory Committee has officially advised that the Money Market Settlement System (MMSS) will be considered live for all Category Types 1 and 2 instruments on 22 February 2010. Consequently, effective 24 February 2010, the National Treasury and the South African Reserve Bank (SARB) will start to issue the treasury bills and debentures respectively in dematerialised form only.

Furthermore, investors that intend to tender for the dematerialised securities on the SARB MMSS system are required to open a Securities Ownership Account (SOR) with an appointed participant in the MMSS and settle their trades. For banks placing the securities as collateral with the SARB for settlement or repurchase arrangements, a Money Market Custody Mandate will be required to be signed with the SARB.

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, 29/10/2009 \(click to view\)](#)

For further information contact:

Ana Giraldo - Americas and Eurasia
Barry Morales - Asia Pacific
Jim Micklethwaite - Western Europe (incl. EU)
Guillaume Viteau - Africa, Middle East

Tel. +44 (0) 20 8600 2300 | Fax. +44 (0) 20 8741 7468
Email: cmiqueries@thomasmurray.com

Whilst reasonable care has been taken in the compilation of this information, neither Thomas Murray, its affiliates or information contributors shall have any liability for any errors, omissions, delays or inadequacies in the information or for any loss or damage however occasioned (whether arising directly or indirectly), to any person or company relying on this information, or any decision made, action or inaction taken by any party in reliance upon this information (except to the extent permitted by law).

Registered Office: Horatio House, 77-85 Fulham Palace Road, Hammersmith, London W6 8JA
Registration Number: 2964231 Place of Registration: England & Wales.

© Thomas Murray Ltd. 2010

