

CSDs: **AUSD (Ukraine)**

Date: 26 Jul 2010

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

New Requirements for Professional Market Participants

On 23 July 2010, the president signed the law on amendments to the statutory capital requirements of professional market participants in the Ukrainian capital market. The amendments were prepared by the parliament on 1 July 2010.

According to the new law, the depositories, including the National Depository of Ukraine (NDU) and the All Ukrainian Securities Depository (AUSD), should establish operational links (i.e full-function correspondent relations) with each other within one month.

Furthermore, professional market participants will have one year to comply with the requirements to increase their current minimum level of statutory capital to the following levels:

- Securities traders - UAH 500,000;
- Securities brokers - UAH 1 million;
- Securities underwriters - UAH 7 million;
- Custodians - UAH 7 million;
- Stock exchanges - UAH 15 million;
- Clearing depositories - UAH 35 million.

CSD Risk Impact

AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = B

Flash Impact = Positive

Impacted Risk Type: CSD on CSD Risk

Current Rating = Links Exist

Flash Impact = On Watch

The increase in the minimum capital requirements for market participants will improve the quality of participants in the settlement system, and help lessen the risk of default of participants with a "Positive" impact on Counterparty Risk.

Furthermore, the impact is "On Watch" for CSD on CSD Risk as the information on correspondent relation between NDU and AUSD is not available at this stage.

Market Information Impact

Ukraine

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

Infrastructure Risk Ratings Impact

Ukraine

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = BBB

Flash Impact = Positive

The increase in the minimum capital requirements for market participants will improve the quality of participants in the settlement system, and help lessen the risk of default of participants with a "Positive" impact on Counterparty Risk.

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Registration Number: 2964231 Place of Registration: England & Wales.

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