

CSDs: AUDS (Ukraine), SSD (Ukraine)

Date: 14 Jul 2011

SMI Markets: Ukraine

CMIRR Markets: Ukraine

## Bonds to be Issued in Dematerialised Form Only

Further to our previous market newsflash, the Parliament of Ukraine has introduced some amendments to the Law on Securities and Stock Market. According to the amendments, effective from 1 January 2012, all bonds must be issued in dematerialised form only.

The bonds that currently exist in physical form as well as those are to be issued prior to 1 January 2012, will remain in circulation until maturity.

## CSD Risk Impact

### AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = Positive

The new law that requires all bonds to be issued in dematerialised form is expected to reduce the timeframe for the registration of such securities as well as to mitigate the risk surrounding the safekeeping of physical certificates (e.g. loss, theft, damage), and the associated administration costs.

The Liquidity and Operational risk impacts are "Positive" accordingly.

### SSD (Ukraine)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A-

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = BBB

Flash Impact = Positive

The new law that requires all bonds to be issued in dematerialised form is expected to reduce the timeframe for the registration of such securities as well as to mitigate the risk surrounding the safekeeping of physical certificates (e.g. loss, theft, damage), and the associated administration costs.

The Liquidity and Operational risk impacts are "Positive" accordingly.

## Market Information Impact

### Ukraine

This information affects the data contained in the Safekeeping/Post 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 = Positive

Impacted Risk Type: Operational Risk  
Current Rating = BB  
Flash Impact = Positive

The new law that requires all bonds to be issued in dematerialised form is expected to reduce the timeframe for the registration of such securities as well as to mitigate the risk surrounding the safekeeping of physical certificates (e.g. loss, theft, damage), and the associated administration costs.

The Liquidity and Operational risk impacts are "Positive" accordingly.

Related Flash: [SCSSM Issues Joint Stock Companies Law on Dematerialisation Process - Update, 13/01/2011 \(click to view\)](#)

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