

SMI Markets: Botswana

Date: 28 Feb 2012

CMIRR Markets: Botswana

Liquidity Deposit Requirement For CSDB Participants

Effective from 1 March 2012, custodian participants of the Central Securities Depository of Botswana (CSDB) will be required to maintain and operate liquidity accounts at the settlement bank as per the CSDB rules. A liquidity deposit should be at least equal to the participant exposure for purchase and short sale contracts, and payable to the settlement bank on T+1 by 9.00am. The minimum liquidity deposit to be maintained will be determined by the CSDB from time to time.

Market Information Impact

Botswana

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

Infrastructure Risk Ratings Impact

Botswana

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = BB

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = BB

Flash Impact = Positive

The liquidity deposit in the form bank deposit or bank guarantee will be utilised by the CSDB to pay any sum or sums of money (including compensation) due and payable by defaulting participants. Therefore, the requirement for participants to maintain liquidity deposit should have a positive impact on Liquidity Risk and Counterparty Risk.

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