

CSDs: SSD (Ukraine)

Date: 13 Feb 2012

SMI Markets: Ukraine

CMIRR Markets: Ukraine

## Enhancements to PFTS Government Bonds Market

The PFTS Stock Exchange will introduce a clearing function for government bonds trading following the latest amendments to the Depository Regulation of Government Bonds by the National Bank of Ukraine (NBU). These regulations will come into force on 20 May 2012, and will result in the following proposed changes discussed at the roundtable organised by the PFTS Stock Exchange:

- Implementation of a centralised clearing at the end of the trading session that will allow settlement to be executed on a net as well as a gross basis. This will include pre-funding of assets (both securities and cash) with the possibility to release them during the trading session;
- Introduction of clearing through a central counterparty (CCP) to accelerate the settlement and simplify risk management for the brokers.

## CSD Risk Impact

### SSD (Ukraine)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A-

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

The implementation of a netting functionality will reduce the settlement liquidity requirements. In addition, a CCP mechanism for government bonds transactions will also facilitate and standardise the post-trade processing and reduce counterparty risk exposures. As a result, the impacts on liquidity and counterparty risks have been placed "Positive" accordingly.

## Market Information Impact

### Ukraine

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

## Infrastructure Risk Ratings Impact

### Ukraine

Market Rating: BBB

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = BBB

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk  
Current Rating = BBB  
Flash Impact = Positive

The implementation of a netting functionality will reduce the settlement liquidity requirements. In addition, a CCP mechanism for government bonds transactions will also facilitate and standardise the post-trade processing and reduce counterparty risk exposures. As a result, the impacts on liquidity and counterparty risks have been placed "Positive" accordingly.

Related Flash: [PFTS Launches CCP, 15/03/2011 \(click to view\)](#)

### For further information contact:

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