

CSDs: **BM&FBOVESPA CSD (Brazil)**

Date: 19 Sep 2012

SMI Markets: **Brazil**CMIRR Markets: **Brazil**

New Functionality for Settlement of Securities Lending Transactions

BM&FBOVESPA has announced that effective from 17 September 2012, there is a new procedure for the settlement and collateral deposit of securities lending transaction (BCT). Under the new procedure, participants are able to schedule the lending contracts' settlement for the same settlement date as that for the spot purchases.

On SD (T+3 from the date of the spot purchase), if instructed by the participant, the BTC systems for collateral and settlement will use the resources deposited in cash as collateral for the securities lending contracts to compensate the debit for the linked purchase transactions. The securities that are equivalent to the granted cash value cannot be restricted by the participant. After the settlement window, the deposited securities will be blocked for the settlement of the lending contracts. Automatic settlement may be full or partial, depending upon the available values deposited as collateral.

The official announcement can be found here: [BM&FBOVESPA 046-2012-DP-Oficio Circular](#).

CSD Risk Impact

BM&FBOVESPA CSD (Brazil)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

The new functionality will enhance participants' liquidity management by allowing the investor to borrow and use the financial resources deposited as collateral, for the payment of spot market purchases linked to the settlement of lending contracts.

Market Information Impact

Brazil

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

Infrastructure Risk Ratings Impact

Brazil

Market Rating: A+

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

The new functionality will enhance BM&FBOVESPA participants' liquidity management by allowing the investor to borrow and use the financial resources deposited as collateral, for the payment of spot market purchases linked to the settlement of lending contracts.

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