

CSDs: **AUSD (Ukraine)**

Date: 14 Nov 2012

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

NBU Recommends AUSD to be Used to Create a Separate Clearing Center

Further to our attached newsflash and in line with the new law of depository system in Ukraine, the council of National Bank of Ukraine (NBU) has recommended to use All Ukrainian Securities Depository (AUSD) as the basis to create a separate Clearing Centre.

According to the law, the Clearing Center will be created in the form of a public joint-stock company with a statutory capital of no less than UAH 100 million, and its shareholders could only be the NBU, professional market participants and international depositories and clearing institutions. NBU's stake on registration date should be at least 75%, and in five years' time it may be reduced to 25% plus 1 share.

As for today NBU together with state banks own 22.8609% of AUSD. In order to follow requirements of the Law NBU should increase its share in the AUSD statutory capital via either additional shares issuance or buy-back of existing AUSD shares from its shareholders. At present, clearing functions are performed by both depositories, AUSD and National Depository of Ukraine (NDU).

CSD Risk Impact

AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = BBB

Flash Impact = On Watch

The introduction of a separate clearing center would guarantee the settlement of trades. The fact that it could be on the basis of AUSD would give confidence to market participants, who support the inclusion of AUSD in the market infrastructure. Although, the impact would be positive for counterparty risk, it has been placed 'On Watch' as the above information is still at a proposal stage.

Market Information Impact

Ukraine

This information affects the data contained in the Local Market Administrative Organisations sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Ukraine

Market Rating: BBB

Market Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = BBB

Flash Impact = On Watch

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Related Flash: [Adoption of Law on CSD and Clearing Center, 10/07/2012 \(click to view\)](#)

For further information contact:

Ana Giraldo - Americas and Eurasia
Barry Morales - Asia Pacific
Guillaume Viteau - Western Europe (incl. EU)
Sinang Chrea - Africa, Middle East

Tel. +44 (0)20 8600 2300 | Fax. +44 (0)20 8741 7468
Email: cmiqueries@thomasmurray.com

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