

CSDs: KDPW (Poland)

Date: 18 Jan 2013

SMI Markets: Poland

CMIRR Markets: Poland

IT Implementation Schedule for KDPW and KDPW-CCP

The Central Securities Depository, KDPW, and the Central Counterparty, KDPW_CCP, have announced their IT projects, planned to be implemented by Q1 2014.

The projects include testing and implementation of new services such as netting and partial settlement, as well as enhancements to existing services like an improved cash tolerance limit mechanism.

According to the letter sent by KDPW to participants, the projects implementation schedule includes the following items:

New Services

Service	Test Date	Implementation Date
Securities Netting at KDPW_CCP	Q4 2013	2 January 2014
Partial Settlement at KDPW	Q4 2013	2 January 2014
CCP Developments, e.g. segregation of clearing and settlement accounts	Q2 2013	Q2 2013
Repo trades cleared and novated by KDPW_CCP	Q2 2013	Q2 2013
Tri-party Repo Trades	Q4 2013	Q4 2013
Securities Loans intermediated by KDPW	January – February 2013	End-March 2013

Enhancement of Services

Service	Test Date	Implementation Date
Automatic Securities Loans	Q1 2013	Q1 2013
New communication channel between KDPW/KDPW_CCP and participants	n/a	End-March 2013
IT Changes for New Trading System UTP	n/a	15 April 2013
Trade Repository adjustments to comply with ESMA technical standards	June 2013	July 2013
Settlement Messages and Processing, e.g. cash tolerance limit mechanism,	Phase I: May – June 2013	Phase I: May – June 2013

rejection of OTC transactions, new ISO codes for unmatched trades)	Phase II: Q4 2013	Phase II: 2 January 2014
Implementation of notification messages according to ISO20022 standards	August 2013	September2013

CSD Risk Impact

KDPW (Poland)

CSD Rating: A+

CSD Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = Positive

The netting of securities, the introduction of partial settlement, the enhanced cash tolerance mechanism and the improvement on securities loans will have a positive cumulative effect on clearing and settlement processes by facilitating greater settlement efficiency, increasing available liquidity and reducing settlement fails. Consequently, the impact on Liquidity Risk is 'Positive'.

The CCP Developments will provide a clear distinction between clearing and settlement processes and the clearing of repo trades by the CCP will enhance the CCP role. Both of these developments will have a 'Positive' impact on Counterparty Risk.

The establishment of a new communication channel between the CSD/CCP and participants and the implementation of the ISO20022 standards will improve the overall level of communication in the market, making it more efficient and flexible, thus having a 'Positive' impact on Operational Risk.

Market Information Impact

Poland

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

Infrastructure Risk Ratings Impact

Poland

Market Rating: A

Market 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

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = Positive

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Related Flash: [KDPW_CCP to Implement Securities Netting, 16/01/2012 \(click to view\)](#)

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