

CSDs: **AUSD (Ukraine)**

Date: 04 Apr 2013

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

NSSMC Issued A Draft On The New Regulation on Depository Activities

The NSSMS has issued a draft on the new regulation on depository services. The draft covers amendments that were introduced to the law on the depository system, under which the CSD and the single clearing centre for servicing of transactions on the financial markets are to be created. It includes provisions which are specified in the regulation on clearing activity.

The amendments in the regulation are:

1. The transfer of securities will be performed on the basis of instruction only without the submission of additional documents (such as a sale and purchase agreement);
2. Specification of details on the account statement.
3. A number of details will be mandatory for client's instructions:
 - Date of instruction completion;
 - Type of transaction (free delivery, versus payment);
 - The underlying document for the transaction (stock exchange contract, sale purchase agreement, pledge agreement);
 - Information about the client;
 - Information about the counterparty;
 - Information about the paper (code, amount, nominal value of first paper, total nominal value);
 - Information about the broker;
 - Other information if required.

In addition, the document contains provisions with details about the work of the future central depository, the procedures for the securities accounts of the state, the future Accumulation Fund (to be created in the course of the pension reform), and norms for the notary deposit of securities.

CSD Risk Impact

AUSD (Ukraine)

CSD Rating: BBB

CSD Flash Impact: Positive

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = Positive

The draft regulation provides a framework for the transfer of securities which must take place based on clients' instructions only. This should decrease some of the risks associated with the establishment of the new CSD and clearing house.

Market Information Impact

Ukraine

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

Infrastructure Risk Ratings Impact

Ukraine

Market Rating: BBB

Market Flash Impact: Positive

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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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