

SMI Markets: Qatar

Date: 30 Dec 2013

CMIRR Markets: Qatar

CSDs: Qatar Exchange (Qatar)

Establishment of Qatar Central Securities Depository

Qatar Exchange (QE) has announced that, effective 2 January 2014, all activities and functions performed by the Central Registration Department (CRD) of QE will be transferred to Qatar Central Security Depository (QCSD), a newly established Qatari private shareholding company owned by both Qatar Central Bank (QCB) and QE.

QCSD functions include safekeeping, clearing and settlement of securities and other financial instruments. QCSD will also provide related financial services, including registration, acceptance and transfer of government bonds and treasury bills (T-bills). Furthermore, QCSD will provide additional services including securities lending and borrowing settlement, management and follow-up of non-Qatari shareholders' equity, registration and authorisation of Exchange-Traded Funds (ETFs) as well as participation in Initial Public Offering (IPOs).

Register of all current shareholders recorded at the CRD will be transferred to QCSD. QE systems will be linked to QCSD systems to enforce transfer of listed companies' shares at QE between sellers and buyers. QCSD will also process all off-market transfers, either by inheritance or by court order. Furthermore, QCSD will be responsible for pledging and un-pledging shares besides other operations that are currently undertaken by the CRD of QE.

The official press release by QE is available here: [Establishment of QCSD](#).

Market Information Impact

Qatar

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

Infrastructure Risk Ratings Impact

Qatar

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

As QCSD will perform all the activities and functions currently carried out by the CRD of QE, it is anticipated that the current clearing and settlement procedures will continue to apply after QCSD becomes operational. However, very little information about the new company's capital structure, liability, insurance policies, board arrangements or risk management has been made public at this stage. Hence, Financial Risk and Governance and Transparency Risk are set "On-Watch".

CSD Risk Impact

Qatar Exchange (Qatar)

CSD Rating: A-

This newsflash is for information only.

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