

SMI Markets: Bosnia and Herzegovina

Date: 10 Jan 2014

CSDs: CRS (Srpska) (Bosnia and Herzegovina)

Banja Luka Stock Exchange Introduces Money Markets

The Banja Luka Stock Exchange (BLSE) will launch on 13 January 2014 a new platform for trading Money Market instruments. The main characteristics of this new market are:

- Foreign investors can access the Money Market through domestic brokerage houses.
- Money Market trading schedule will be as follows:
 - Deposits and foreign exchange between 8.00am and 4.00pm.
 - Repurchase agreements and short term securities between 8.30am and 12.00pm.
- Participants may enter into spot and futures contracts with market instruments.
- Settlement cycle will be as follows:
 - Payment of funds must be done between 12.30pm and 1.00pm on T+0 or on the settlement date set for future contracts.
 - Sellers must confirm the reception by 1.45pm after which BLSE will instruct the Central Registry of Securities (CRS) to transfer the securities if the case. The report will be sent at 2.00pm
 - Settlement will take place at the end of the day (4.00pm the latest).
 - If the seller fails to confirm the payment by 1.45pm and the buyer does not provide the evidence of payment to BLSE on settlement date, the transaction will be cancelled at the end of the day.
- Instruments traded in this market are:
 - Cash deposits (in convertible mark – BAM and EUR)
 - Short-term securities
 - Repo agreements, and
 - Foreign exchange for EUR/BAM, USD/BAM, CHF/BAM, RUB/BAM, TRY/BAM, HRK/BAM, RSD/BAM and JPY/BAM.

Regulation on Money Markets came into effect on 17 December 2013. The relevant documents are available here (in Serbian only): [BLSE Money Market Rules](#); [BLSE Money Market Trading Schedule](#); [BLSE Money Market Launch](#).

Market Information Impact

Bosnia and Herzegovina

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

CSD Risk Impact

CRS (Srpska) (Bosnia and Herzegovina)

CSD Rating: A-

CSD Flash Impact: Negative

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Negative

Although the process is totally controlled by BLSE, counterparty risk exposure is high as settlement assurance scheme has not been included and orders will be cancelled if cash funds are not received within the scheduled times.

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