

SMI Markets: Costa Rica

Date: 18 Feb 2014

CMIRR Markets: Costa Rica

CSDs: CEVAL (Costa Rica)

Amendments to Regulation on Securities Ownership Registration

On 14 January 2014, the National Supervisory Council of the Financial System (Consejo Nacional de Supervision del Sistema Financiero – CONASSIF) published for comments amendments to Regulation on Securities Record Keeping (Reglamento del Sistema de Anotacion en Cuenta). The amendments introduce compulsory disclosure of securities ownership at the final beneficiary level in the central register. The information must include the beneficiary's identification number, name and domicile.

The document also amends the requirements that members authorised to be part of the National System of Ownership Registration must stick to. They changes include:

- The technological and functional requirements and the principles they are based on;
- The methodology to calculate the exchanges' stake in the CSD by taking into account their indirect holdings through other companies.
- The minimum paid-up share capital of CSDs providing book-entry form registration services will be reduced from CRC 450 million to CRC 150 million (From USD 885,000 to USD 295,000 approximately). This amount will be updated annually by SUGEVAL (Superintendence of Securities) according to the consumer prices index.

The effective date is yet to be announced. A copy of the proposal is available here (in Spanish): [CONASSIF Communication CNS-1082/08](#).

Market Information Impact

Costa Rica

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

Infrastructure Risk Ratings Impact

Costa Rica

Market Rating: A-

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A-

Flash Impact = Negative

Impacted Risk Type: Operational Risk

Current Rating = A-

Flash Impact = Positive

The requirement to maintain accounts at the beneficial owner level registry will permit participants to identify the assets of each client and fully segregate them from their own assets. Therefore, there should be an enhancement to the record keeping procedures and the protection of assets in the event of insolvency of a third party.

The impact of reducing the paid-up share capital is not expected to have a significant impact in CEVAL's financial strength in the short term. However, it opens up the possibility of reducing the capital in the medium term.

CSD Risk Impact

CEVAL (Costa Rica)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Asset Safety Risk

Current Rating = A-

Flash Impact = Positive

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = Negative

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