



Recent developments in the Romanian Interbank Market

**SWIFT Business Forum Romania
“Establishing together Bucharest as a Major Regional Financial Center”**

Bucharest, 3 November 2011

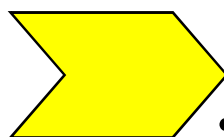
NATIONAL BANK OF ROMANIA

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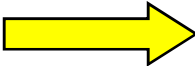
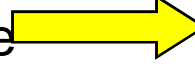
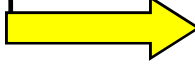
Objectives

IMF (*International Monetary Fund*) recommended to enlarge the range of eligible assets accepted by the central bank for monetary operations.



- euro-denominated government securities deposited with SaFIR
- euro-denominated Eurobonds issued by the MPF (*Ministry of Public Finance*) on foreign markets
- bonds issued by IFIs (*International Financial Institutions*)
 - Bonds deposited with Euroclear
 - Bonds deposited with RoClear

Key issues

- Euro-denominated government securities deposited with SaFIR 
 - Converting their value in Lei
 - Using financial instruments issued in different currencies for the same operation
 - Covering the foreign exchange risk
- Euro-denominated Eurobonds issued by the MPF on foreign markets 
 - Converting their value in Lei
 - Direct connection of SaFIR with Euroclear
- bonds issued by IFIs
 - Bonds deposited with Euroclear 
 - Bonds deposited with RoClear
 - Direct connection with Euroclear
 - Direct connection with RoClear

Benefits for SaFIR participants

- Possibility to use an extended range of assets for central bank operations
- Possibility to trade, between themselves or with their clients, new instruments in SaFIR
- Possibility to use a single account for (SaFIR) participants with an account (direct or indirect) opened with Euroclear
- Comparable or lower custodian fees

Step 1

Accepting euro-denominated government securities deposited with SaFIR as eligible assets for operations with the central bank



- Identification of the solution to allow the use of financial instruments denominated in different currencies for the same operation
- Introduce a haircut in order to cover the foreign exchange risk
- Go live on April 2010

Step 2

Direct connection
of SaFIR with
Euroclear



- designed to use exclusively FoP transfer between SaFIR and Euroclear
- transfer is carried out exclusively by SWIFT instructions (MT540, MT542)
- starting 3 October 2011, eurobonds issued by the MPF on foreign markets and the IFI bonds deposited with Euroclear can be transferred to SaFIR
- once transferred to SaFIR, these assets may be used just like the rest of the domestic securities deposited with SaFIR

Step 3

Direct connection
of SaFIR with
RoClear



- this connection will allow the transfer to SaFIR of IFI bonds issued on the Romanian market
- Designed exclusively for FoP transfer between SaFIR and RoClear
- Transfer is carried out exclusively by SWIFT instructions (MT540, MT542)
- once transferred to SaFIR, these assets will be used only for operations with the central bank, (all transactions between SaFIR participants with these instruments will be restricted)
- the connection has been technically implemented and successfully tested;
- the contractual framework for SaFIR participation in RoClear is still under discussion

Thank you for your attention!



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