



Romanian Capital Market – Standardization and Best Practices in the New European Context

Adriana Tanasoiu, Chef Executive Officer Depozitarul Central

SWIFT Business Forum Romania, 5th Edition October 30, 2014



Summary

- >What the future brings and how we get ready for it
- ≻Moving upstream
- > Our projects
- ➢ Projects implemented
- ➢Projects in progress
- >Strong and reliable partnership with all capital market actors is Key



What the future brings and how we get ready for it

A single market in financial services

- CSD Regulation came into force in September 2014
- The draft Level 2 Standards (technical standards) will be made public in June 2015 and will enter into force in November 2015

• CSDs will need to be compliant with Level 2 Standards (technical standards) by November 2016

A consistent set of **Principles for Financial Market Infrastructures** enforced under the CPMI-IOSCO framework

≻Harmonization and standardization initiatives:

- A single settlement engine for the continent (Target2-Securities)
- Implementation of the **Corporate Actions Standards** defined by the Corporate Actions Joint Working Group (CAJWG) and T2S Corporate Actions Sub Group (T2S CASG)
- Implementation of the **General Meetings Standards** defined by the Joint Working Group on General Meetings (JWGGM)

EU reforms aim to create a harmonized and integrated European market





Moving upstream

National initiatives:



Evolution from a frontier market to an emerging market



Our projects

Segregate trading and post-trading infrastructures







settement period

Improve the existing risk management mechanisms (Guarantee Fund, Settlement Limit)



Flexibility and efficiency for the Romanian Capital Market

2. 4. 4. 11

terreneralistic



Rounding the settlement amount at 2 decimals



Implementation of the European Market Standards for Corporate Actions Processing



TARGET2 Securities adaptation

Success depends on choosing the right model



Projects implemented

- The segregation of trading and post-trading systems is one project which brings us closer to achieving the "Emerging Market" status, while increasing at the same time the efficiency of the trading and post-trading operations.
- The introduction of T+2 settlement cycle for all types of securities, at the same time with other 26 European markets, aiming at supporting the harmonization of securities settlement practices across Europe is another important step for raising efficiency and reducing post-settlement risks, while stimulating the foreign investments in Romania, a common goal for all national economy.

The successful implementation of these 2 major infrastructures projects represents a leap forward in the process of creation of an international capital market in Romania

The "dual implementation" approach on 6 October 2014





Projects in progress

- Rounding of the net settled amount will reduce the fragmentation of orders execution and will increase the market liquidity, as a consequence of the planned closure of the Odd Lot market.
 - the new set of rules is already in place and the technical developments are finalized
 - the next step is community testing
- Implementing the European standards for corporate actions processing in the Romanian capital market, with the view to increase the quality and efficiency of the communication process and to optimize the operational process while reducing risks.
 - the process of aligning the national legislation to the European standards for corporate actions processing is under way
- TARGET2 Securities programme is an important opportunity for the Romanian market to access one of the most modern Euro settlement platforms, together with the Central Securities Depositories of the most developed European capital markets, reducing associated cross-border settlement transaction costs and risks.
- Improving the existing risk management mechanisms (Guarantee Fund and Settlement Limit).

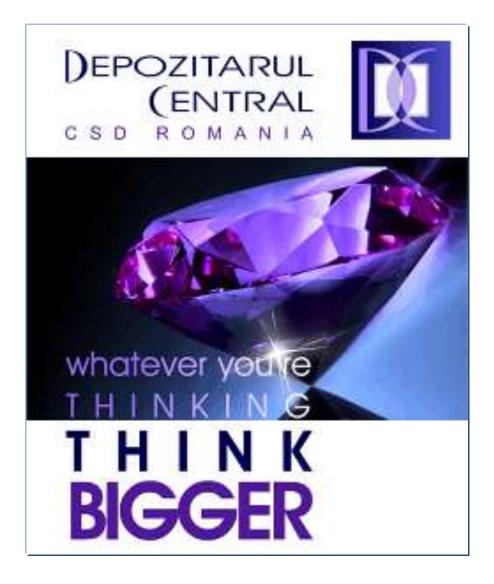
Synergies between challenges and innovation



Strong and reliable partnership with all capital market actors is Key

- Commitment in supporting our clients to achieve their goals with adaptable, innovative and improved services
- Aspire to ensure the continuity of services and the smooth transition to gain the momentum of the New European Context
- Strengthen the communication flow with our clients using improved language, the language of the capital market needs

Strong and reliable partnership with all capital market actors is of essential importance for the continuous growth of a modern financial market in Romania.



Thank You! www.roclear.eu