

SECURITIES MARKET DEVELOPMENTS

RECENT ENHANCEMENTS

- 2014 Segregation of trading and post-trading systems
Introduction of **T+2 settlement cycle**
- 2015 Centralized distribution of dividends
Migration to **T2S Platform** in the first wave
Implementation of two daily net settlement sessions
Gross settlement of BSE trades with variable settlement cycle (T+0, T+1, T+2)
- 2016 New and flexible lending and borrowing service
Introduction of **Indirect Participant** concept
- 2017 Standardization of **Corporate Actions** processing
Settlement in **T2S** of BSE trades concluded in **EUR**



Successful implementation of these projects represents
a major leap forward in the development of the
Romanian capital market



Depozitarul Central migrated to the pan-European settlement platform in the first wave. The connection has gone through several phases, from **GUI to A2A interface**, and, as of September 2017, Depozitarul Central provides to its clients **T2S settlement service for transactions concluded in EUR at Bucharest Stock Exchange for EUR denominated securities**.

BENEFITS

- Depozitarul Central keeps up to date with the **best European practices** that are integrated in this innovative system, aiming to gradually **extend them to the domestic settlements in local currency**.
- Depozitarul Central commitment to migrate to T2S **triggered several major changes on the legislative level**, and consequently, on the **technical level** - in terms of standardization and centralization of dividend payments at the beginning, and to all corporate actions performed by the listed companies.
- Implementation of settlement rules and practices of the T2S platform, significantly contributed to **increasing the trust and attractiveness of our market for foreign investors**, who are already familiar with the T2S procedures.

CORPORATE ACTIONS PROCESSING - 100% STP FOR PARTICIPANTS



ISSUERS

PARTICIPANTS

CA notification

Graphic Interface

Individual accounts

Global accounts

Arena Post-Trading CA Module

Registry consolidation

SWIFT Interface

MT 564, 566, 567

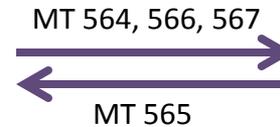
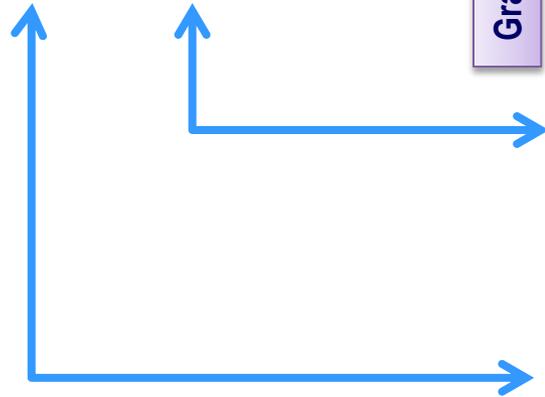
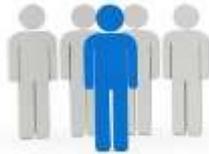
MT 565

Settlement of funds related to corporate events

Cash P/O

NBR - ReGIS

Old process
 New process





BENEFITS

- Transmitting the information related to corporate actions electronically and in a standardized format **eliminates all possible different interpretations, optimizes the operational processes and minimizes risks.**
- Alignment to the European standards **increases the attractiveness of the domestic capital market**, both for Romanian investors and for the foreign investors familiar with these practices.
- Cash dividends and other cash payments are carried out through Depozitarul Central and the market participants on the same day for all participants, therefore **the process is predictable and facilitates a proper management of investors' cash flows.**

PROJECTS IN PROGRESS



Depozitarul Central authorization according to CSDR



Depozitarul Central authorization as LOU



Communication and educational projects



Enhancement of operational efficiency



Improvement of the post-trading technical process



Implementation of General Meetings standards



Partnership with the National Union of Public Notaries



Reducing the dimension of Section I and improving BSE liquidity

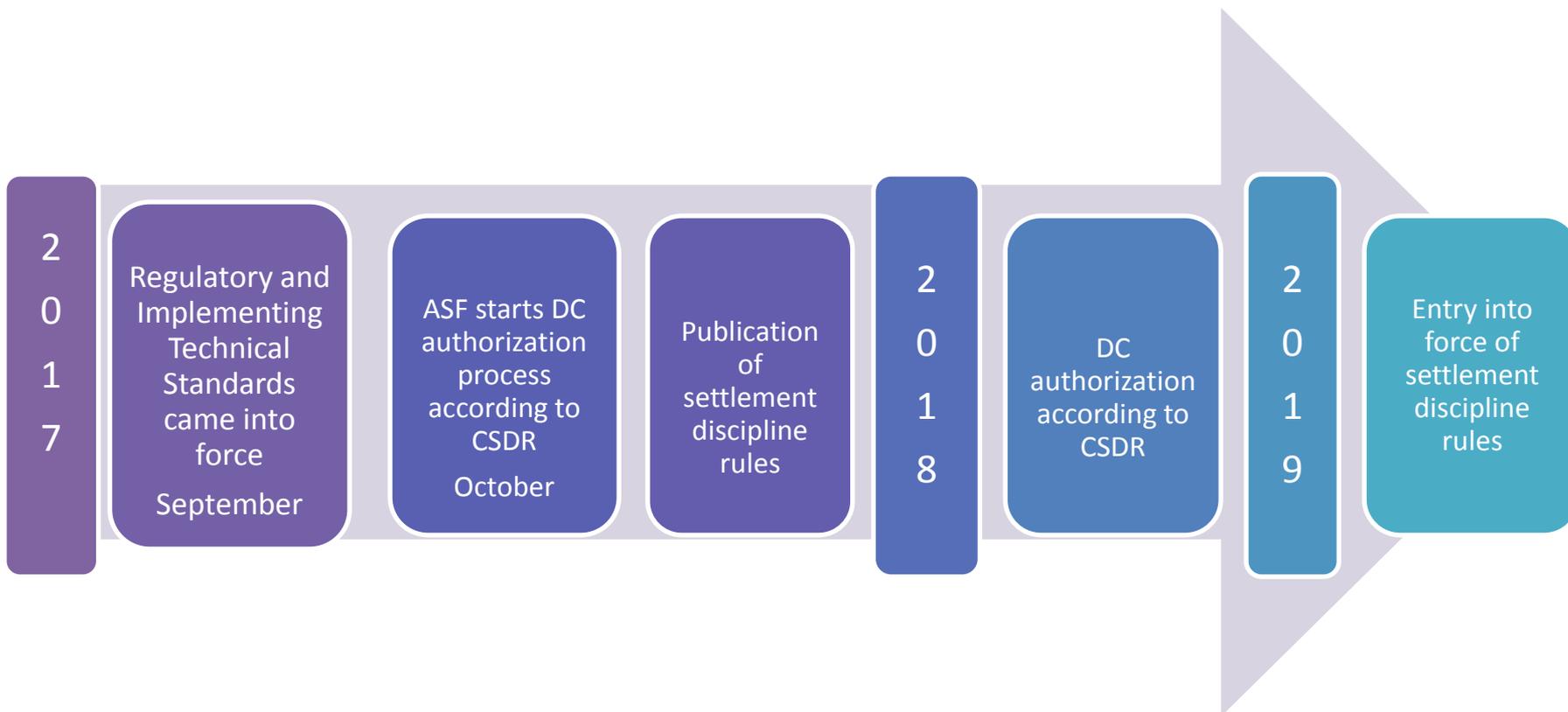


Implementation of specific Risk Management tools



Providing support to BSE related to CCP implementation

CENTRAL SECURITIES DEPOSITORIES REGULATION EU 909/2014





BENEFITS

- EU Regulation has a significant impact in creating a uniform post-trading framework for the member states, by introducing a set of common rules and by reducing the regulations' complexity in the European financial market caused by different national rules.
- The benefits of alignment to the EU regulations will result in the harmonization of the activities, procedures, practices and rules of Depozitarul Central as financial market infrastructure, with the new regulatory framework.
- The new European regulations will lead to increased transparency, safety and efficiency of Depozitarul Central settlement operations and registry services.
- The changes of the European post-trading environment complement the reform project of the local capital market, designed to remove the barriers of the investment process and to facilitate the upgrade to the ***emerging market*** status.

STRONG AND RELIABLE PARTNERSHIP WITH ALL CAPITAL MARKET ACTORS

- 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 capital market needs
- Conceive, design and implement each of our projects according to the requirements of our partners



INTERNATIONAL COOPERATION

- Depozitarul Central is actively involved in ECSDA's ongoing projects through Public Policy Working Group WG2, Settlement Working Group WG3 and Compliance Working Group.
- In 2016 Depozitarul Central became a member of ISSA (International Securities Services Association), sustaining the capital market development process.
- Permanently connected to the domestic and international landmarks, Depozitarul Central is always trying to adapt the local market characteristics to the global trends.



*Thank
you*

