

Central Securities Depository AD Skopje



March, 2016

Your Logo

Background and purpose of the CSD



- Established in 2001 through big bang dematerialization
- Purpose - to establish a central securities register comprising **all** active shares, bonds and other securities.

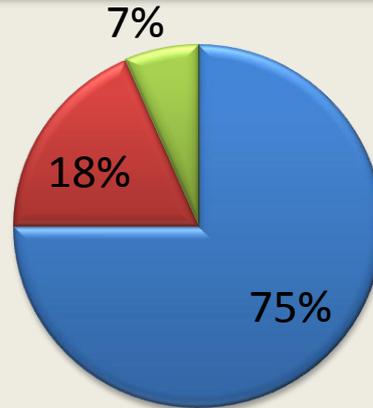


CSD – Company Profile



➤ Shareholders

- 12 Banks
- 6 Brokers
- 2 Insurance companies



➤ Members

- 5 Banks
- 5 Brokerage houses

Shareholders

capital: *786.000 EUR*

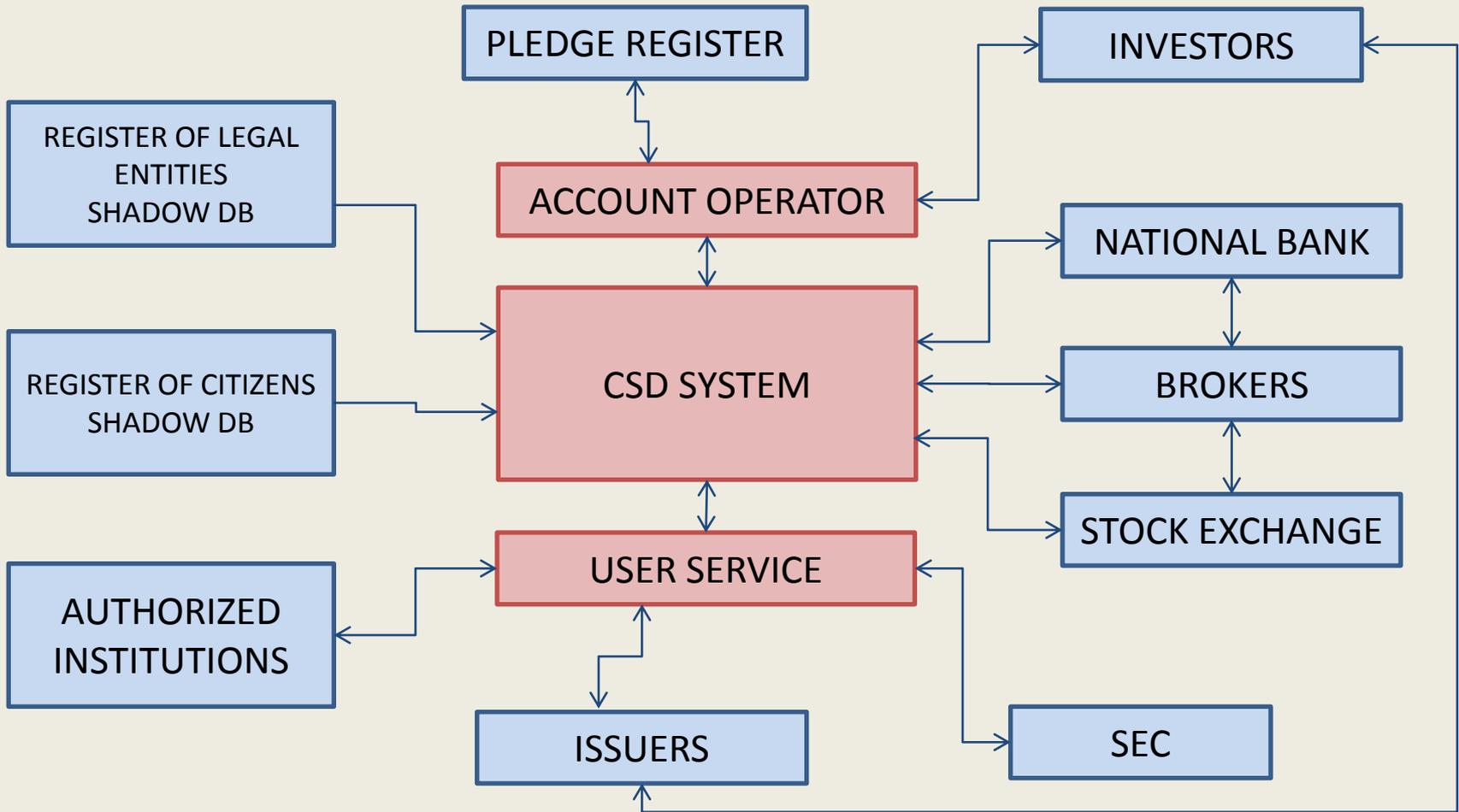
Equity: *1.463.800 EUR*

➤ Board of directors

- 3 banks
- 1 brokerage house
- 3 independent non-executives
- 1 executive



Overview of the main actors connected to the CSD operations



CSD AD Skopje Operations Standards

CSD Information Technology Systems:

1

are materially compliant with global standards

2

require the use of International Securities Identification Numbers (ISINs)

3

utilize SWIFT Messaging Standards for Cash Settlement

4

maintain secure communications connections with the National Bank of Republic of Macedonia and the Macedonian Stock Exchange

5

insure continuity of clearing & settlement by maintaining a back-up facility and data replication processes with secure storage of replicated data



Issuers of securities



- ISIN numbers
- CFI Codes
- Statistics

(as of 31.12.2015)	Number of active ISIN codes	Issued amount of securities	Nominal value (in denars)
Shares	582	390.086.835	225.114.424.108
Bonds	134	1.098.921.877	45.949.865.308
Other securities	35	3.683.877	36.838.770.000

Holders of securities



- Statistics

Investors (on segregated accounts)	31.12.2015
Natural persons – residents	79.502
Legal entities - residents	2.245
Natural persons – non-residents	1.278
Foreign legal entities	202

Clearing and settlement for trade transfers



- DVP principle of settlement
- Central bank money
- Guarantee Fund

- BIS MODEL 2 for trade transactions concluded at Stock Exchange
- T+3 or less for SE transactions

- BIS MODEL 1 for OTC transactions
- RTGS for OTC transactions

Clearing and Settlement



- **Clearing** – pre-clearing procedure starts after receiving trade transactions from MSE everyday at 13:15h. If there are corrections the MSE sends its final data not later than 15:50. After this the clearing procedures run and notify the participants on the needed securities and cash for settlement
- **Settlement cycle** - T+3 (may be agreed on T+1 or T+2) for MSE transactions each working day between 10:00 and 11:00h. Rolling settlement. OTC transactions T+0
- **Cash settlement** – netted, participants hold settlement accounts in the National Bank (for MSE transactions). OTC transactions are settled on gross basis
- **Securities settlement** – securities are settled on gross basis

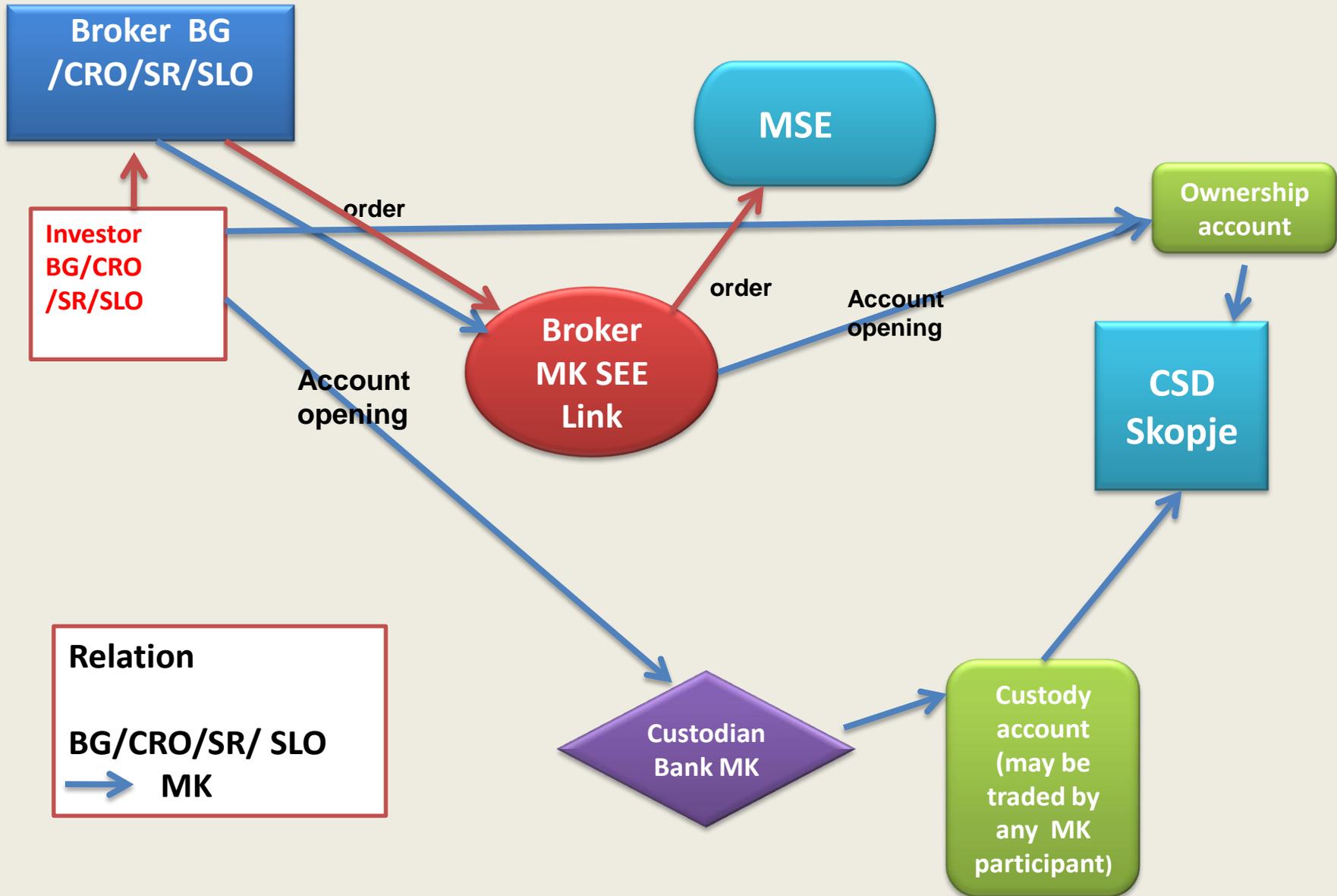
Types of accounts



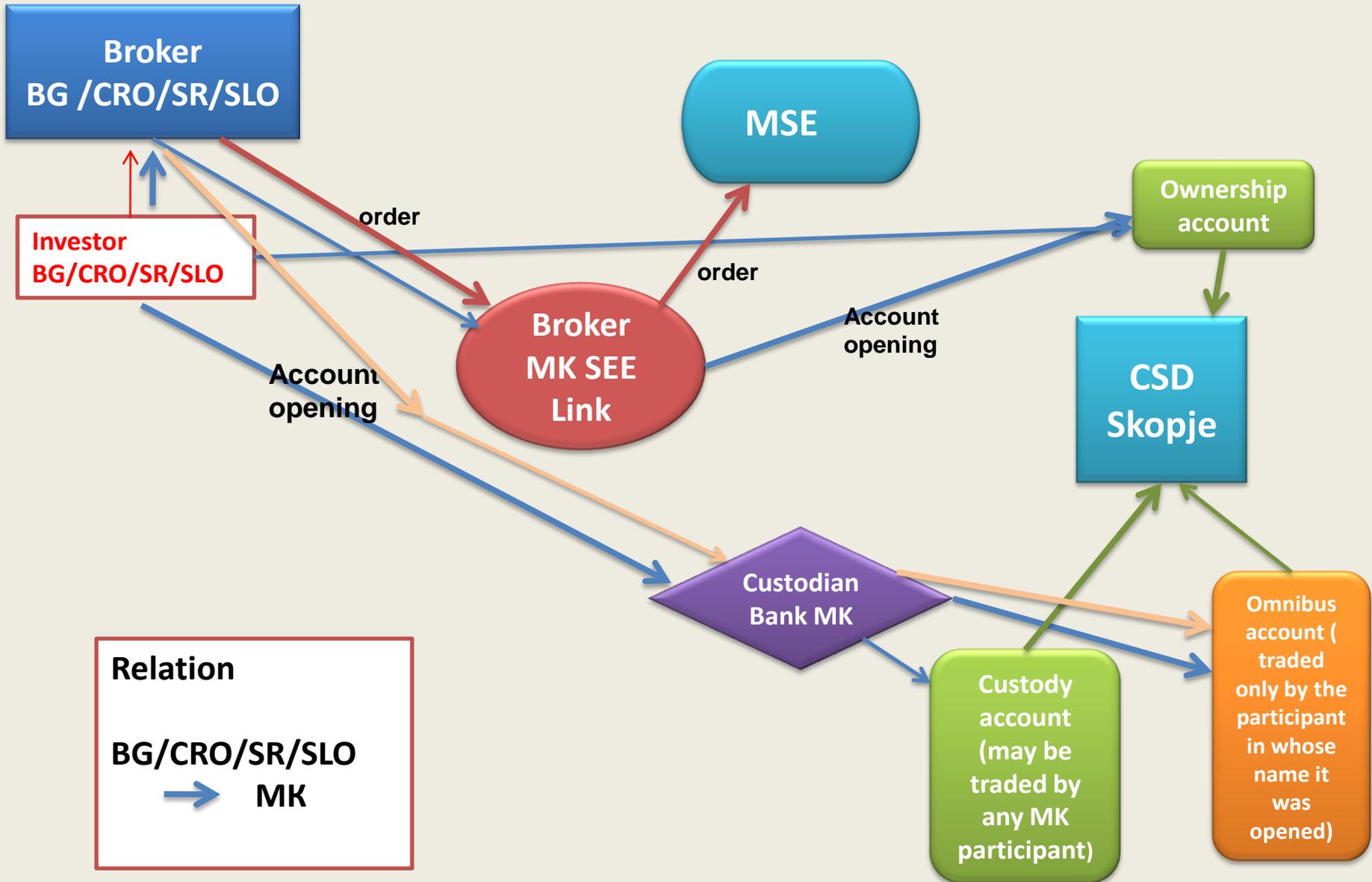
- Ownership account
- Custodian account
- Representative account
- Restricted account
- Co ownership account
- Omnibus account

Beneficial level ownership of securities for all types of accounts except omnibus account

Example of the activities of a Macedonian broker with a “small license”



Example of the activities of a Macedonian broker with a “big license”



Important Laws and thresholds



- Law on Banks - persons that intend to acquire shares that equals or exceeds 5%, 10%, 20%, 33%, 50% and 75% from the total number of the issued voting shares of a Bank must apply for a previous consent from the National Bank of RM
- Law on insurance supervision - persons that intend to acquire shares that equals or exceeds 10%, 20%, 33%, 50% or 75% from the total number of the issued voting shares from the insurance company, the insurance brokerage company and insurance representative company must apply for a previous consent from the Agency for insurance supervision of RM
- Law on investment funds - persons that intend to acquire shares that exceeds 10%, 20%, 30% and 50% from the total number of the voting shares issued by the fund management company, must apply for consent from the Securities and exchange Commission of RM.
- Securities Law - - persons that intend to acquire shares that exceeds 10%, 20%, 30% and 50% from the total number of the issued voting shares of a brokerage house, depository or a securities exchange must apply for a previous consent from the SEC

Reporting obligations – Securities Law



If a shareholder acquires more than 5% of the voting shares of a company, the reporting obligations are spread to the :

- Shareholder (which reports to the issuer and the SEC)
- The issuer (which reports to the SEC) and
- The CSD (which reports to the SEC and is also obliged to publish this info on its web site if the company is listed on the stock exchange or if it is a company with special reporting obligations)

Plans ahead and ongoing projects



- Improvement of client services
 - Technical improvements
 - New services and products
- Compliance with international standards
- Catching up with international trends

THANK YOU



www.cdhv.mk