

SEE LINK



SLOVENIA



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Connecting markets

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GENERAL MARKET INFORMATION

MARKET OPERATOR

Ljubljana Stock Exchange (LJSE) Website: <http://www.ljse.si/>

FINANCIAL REGULATOR

Securities Market Agency (ATVP) Website: <http://www.a-tvp.si/Eng/>

LIST OF LICENSED INVESTMENT FIRMS

List of the licensed investment firms can be found on the following website: <http://www.a-tvp.si/Eng/Default.aspx?id=98>

DEPOSITORY INSTITUTION

Central Securities Clearing Corporation (KDD). Website: <https://www-en.kdd.si/>

INVESTOR COMPENSATION FUND

Guarantee Fund of Central Securities Clearing Corporation (KDD). Website: <https://www.kdd.si/> (p.39)

WEB SITES PROVIDING CORPORATE INFO AND FINANCIAL REPORTS

INFOstorage serves as officially appointed mechanism for the central storage of regulated information. Website: <http://www.oam.si/>

SEOnet is an electronic system for provision of other relevant corporate information. Website: <http://seonet.ljse.si>

OTHER MEDIA PROVIDING COUNTRY AND MARKET INFO IN ENGLISH

Slovenian Press Agency (STA). Website: <https://english.sta.si/>



SETTING UP A TRADING ACCOUNT

TYPES OF ACCOUNTS / CONNECTIONS
SEE LINK MEMBERS' RANGE OF SERVICES
USE OF CUSTODY BANK SERVICES
USE OF LOCAL BANK SERVICES
SPECIFIC TAX REGISTRATION

TYPES OF ACCOUNTS / CONNECTIONS

Connection types that are possible for Slovenia are the following:

- Originating Broker – Executing Broker
- Originating Broker – Executing Broker + Custody bank (securities and money)
- Originating Broker – Executing Broker (securities) + Bank (money)

CAN A SEE LINK MEMBER PROVIDE FULL RANGE OF SERVICES IN ORDER TO SET UP A TRADING ACCOUNT?

[Securities Market Agency](#) (ATVP) is obliged by legislation to form and regularly supplement a register of issued licenses to investment firms, banks and management companies which are authorized to provide investment services and activities.

In general, all of the authorized entities can offer services such as order execution, settlement and custody of securities and money, corporate actions, tax issues, etc. If all of the desired services are not being offered by one firm, it is possible to cooperate with another entity that is providing these services.

IS IT OBLIGATORY FOR A SEE LINK MEMBER TO USE CUSTODY BANK SERVICES?

Non-obligatory, it is up to SEE Link participant to choose whether to use custody bank services.

Authorized firms for providing investment services and activities with an appropriate license for custodianship, can offer services for safekeeping and administration of financial instruments, including related services such as cash/collateral management.

IS IT OBLIGATORY FOR A SEE LINK MEMBER TO USE A LOCAL BANK SERVICES IN ORDER TO TRADE ON THE LOCAL STOCK EXCHANGE AND RECEIVE PAYMENTS RELATED WITH CORPORATE ACTIONS (DIVIDENDS, COUPONS, ETC.)?

Non-obligatory. Investment firms conducting trade on the LJSE are obliged to ensure separation of proprietary assets from client's assets.

IS THERE A SPECIFIC TAX REGISTRATION REQUIRED?

A Slovenian tax number for foreign individuals can be obtained completing the form DR-02 (application for entry of the individual into the tax register) for obtaining a tax number for foreign persons.

The person must then attach a copy of their personal identification document. If a tax number is being obtained by an authorised person, the letter of authorisation must also be attached.

The completed form and document copy can be sent to one of the tax administration offices or it can also be submitted in person. If it is submitted in person, a tax number may be assigned immediately and the person will have obtained a Slovenian tax number.

The DR-02 form must also be completed for those wanting to perform activity in Slovenian on a cross-border/temporary basis.

OPENING AN ACCOUNT WITH A LOCAL BROKER

**DOCUMENTS REQUIRED FOR ACCOUNT
NOTARIZED AND APOSTILLED DOCUMENTS
ACCOUNT OPENING BY PROXY
OTHER WAYS TO OPEN AN ACCOUNT REMOTELY
DOCUMENT LANGUAGE
SPECIAL TAX REGISTRATION**

DOCUMENTS REQUIRED FOR OPENING AN ACCOUNT FROM THE SEE LINK PARTICIPANT

1. Extract of commercial register of a company (not older than 3 months)
2. Documentation revealing the ownership of a company
3. Transactional account of the company
4. Tax number of the company
5. Valid personal identification document (personal ID or Passport) and tax number of legally appointed representative

WHICH OF THE REQUIRED DOCUMENTS MUST BE NOTARIZED AND APOSTILLED?

All the documents must be an original copy, if not, the transcription must be notarized.

CAN A PROXY OPEN AN ACCOUNT AND, IF YES, BASED ON WHAT ADDITIONAL DOCUMENTS?

Yes, with notarized power of attorney not older than three months.

WHAT ARE OTHER WAYS TO OPEN AN ACCOUNT REMOTELY?

By authorizing a resident or local law firm. It can be done by post as well as in person.

IS IT OBLIGATORY TO PROVIDE ANY DOCUMENTS IN LOCAL (SLOVENIAN) LANGUAGE?

No, the documents can also be accepted in English.

IS THERE A SPECIAL TAX REGISTRATION REQUIRED?

No. Special tax registration is not necessary when opening an account, but it is necessary for dividend payment.

TRADING

**LJSE TRADING HOURS
TYPES OF ORDERS AND VALIDITY
VOLATILITY INTERRUPTIONS
OTHER TRADING LIMITS
DAY TRADING
MARGIN BUYING AND SHORT SELLING
OTC TRADING**

LJSE TRADING HOURS

Continuous trading method

In the continuous trading method, the order book can be in the following statuses:

ORDER BOOK STATUS	TIME PERIOD
Closed	- 8.00 a.m.
Pre-trading phase	8.00 a.m. - 8.15 a.m.
Opening auction	8.15 a.m. - 9.15 a.m.
Open market	9.15 a.m. - 2.20 p.m.
Closing auction	2.20 p.m. - 2.30/2.33/2.35 p.m.*
Post-trading phase	- 4.00 p.m.
Closed	4.00 p.m. -

***Note:** Depending on which market segment security is listed to.

Auction trading method

In the auction trading method, the following order book statuses are possible:

ORDER BOOK STATUS	TIME PERIOD
Closed	- 8.00 a.m.
Pre-trading phase	8.00 a.m. - 11.00 a.m.*
Auction	11.00 a.m.* - 1.10 p.m.*
Post-trading phase	1.10 p.m.* until 4.00 p.m.
Closed	4.00 p.m. -

***Note:** Depending on of the interval for auction groups.

In the auction trading method, the order book opens at different times for separate groups of securities:

GROUP	OPENING OF AUCTION
1.	11:00:00 to 13:00:00
2.	11:10:00 to 13:10:00

Block trading

In block trading, the order book can be in the following statuses:

ORDER BOOK STATUS	TIME PERIOD
Closed	- 8.00 a.m.
Trading phase	8.00 a.m. - 2.30 p.m.
Closed	2.30 p.m. -

TYPES OF ORDERS AND VALIDITY

LJSE supports:

- *Orders with Execution Restrictions*
 - **Immediate-or-cancel order (IOC):** a single entry enables the order to be filled at different prices up to the set limit, whereby any unfilled portions of an IOC order are not entered into the order book but deleted.
 - **Fill-or-kill order (FOK):** a single entry enables the order to be filled at different prices up to the set limit, whereby it is either executed immediately and in full (in either one trade or several trades) or not at all. If its immediate full execution is not possible, a FOK order is rejected.
 - **Book-or-cancel order (BOC):** the order is entered into the order book as a passive order. If partial or full execution is possible upon order entry, a BOC order is rejected.
 - **Stop market order:** when the stop limit is reached, the stop market order is automatically placed in the order book as a market order and may be executed immediately.
 - **Stop limit order:** when the stop limit is reached, the stop limit order is automatically placed in the order book as a limit order and may be executed immediately.
 - **Market-to-limit order:** orders are entered as market orders and executed against the best limit on the opposite side of the order book. If an order cannot be executed in full, a new limit order is entered into the order book for the remaining portion that has the same limit as the part of the order already executed.
 - **Iceberg order:** only the peak is displayed and market participants do not see the overall volume.
 - **TOP and TOP+ order:** entered into the order book as limit orders, whereby their entry into order book is accepted or rejected depending on the overall value of orders with an equal or better limit on the same side of the order book. The value limit determined by the Instructions for TOP and TOP+ orders is defined differently.
- *Orders with Trading Restrictions*
 - **Auction only** – the order is valid only for auctions, except the auction from Chapter 10.6. of the Rules.
 - **Opening auction only** – the order is valid only for opening auctions.
 - **Closing auction only** – the order is valid only for closing auctions.
 - **Accept surplus only** – the order is valid only for the order book balancing phase of an auction.
- *Orders with Validity Restrictions*
 - **Good-for-day** – the order is valid only for the current trading day. After the end of trading, unfilled day orders are automatically deleted by the system.
 - **Good-till-cancelled** – the order is valid until executed or cancelled by the member firm (upon entry the trading system sets the order's validity, which cannot be longer than 360 days after the order was entered).
 - **Good-till-date** – the order is valid until executed or until a specified date (not later than 360 days after it was entered).

VOLATILITY INTERRUPTIONS

Among the 3 automatic safeguards which contribute to the prevention of price jumps and help increase price continuity are *volatility interruption* and *extended volatility interruption* and *market order interruption*.

Volatility interruption in a security is triggered if the trade is concluded at a price outside the following corridors:

- dynamic price corridor – includes prices that deviate from reference price 1 by less than 4 %
- static price corridor – includes prices that deviate from reference price 2
 - by less than 4 per cent in securities traded in auction trading method
 - by less than 6 per cent in securities from the Prime Market
 - by less than 8 per cent in securities from Standard and Entry Markets and the Structures Products Market segment, which are traded in the continuous trading method.
- extended dynamic price corridor = the following % from reference price 1:
 - 12% for securities from the Prime Market and Bond Market segment;
 - 20% for securities from the Standard and Entry Markets and Structured Products Market segment.

Price corridors are not displayed in the trading system, but an initiated volatility interruption is.

A volatility interruption can be triggered both in the continuous and the auction trading procedure.

Volatility interruptions in the main trading phase in continuous trading occur like this:

- incoming orders are executed until the next potential execution price leaves the static or dynamic price corridor (exception: fill-or-kill orders)
- continuous trading is interrupted and auction begins, having the following phases (only orders intended for continuous trading are considered)
 - the call phase lasts 5 minutes
 - the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched.

Volatility interruptions in the opening and closing auctions in continuous trading are manifested in the following manner:

- the call phase is extended by 5 minutes
- the price determination phase lasts max 30 seconds and ends at a random moment when the auction price is determined and orders can be matched
- in case of a surplus of orders and the auction price, the order book balancing phase follows and lasts max 90 seconds

Volatility interruption in an auction:

- it results in a limited prolongation of the call phase,
- min. duration of call phase: 10 mins,

- price determination phase follows (max 30 sec.), which ends with market opening at a random moment,
- in case of surplus, order book balancing phase comes next.

If the indicative trade price persists outside the static or dynamic price corridor after the volatility interruption, auction price is nevertheless determined and trades matched.

Extended volatility interruption is triggered if:

- the price corridor is not displayed in the system
- triggered if a price is to be determined outside the three-fold dynamic price corridor
- market participants are informed of the volatility interruption being extended
- its phases are:
 - call phase in extended by min. 5 mins
 - market opening is conducted in line with the LJSE “operational safeguards”

More info on the subject of volatility interruptions can be found in the [LJSE Trading instructions](#) (article 5 & 7) and [LJSE Rules](#) (article 150 & 152).

OTHER TRADING LIMITS

More info can be found in the [LJSE Trading Instructions](#) (Article 7, paragraph 7&8)

DAY TRADING

Intraday Trading is supported.

MARGIN BUYING AND SHORT SELLING

Not present on the market. It's possible within T+2 settlement cycle.

OTC TRADING

OTC trading is supported. LJSE offers the possibility to report OTC trades via TTR system (Transparent Trade Reporting), although this possibility is available only to LJSE members.

POST-TRADING (SETTLEMENT)

**TYPES OF SETTLEMENT
SETTLEMENT CYCLE
SHORT SETTLEMENT
SETTLEMENT CURRENCY
MULTIPLE CURRENCY SETTLEMENT
CASH NETTING
TRADE PRE-FUNDING
SETTLEMENT INSTRUCTIONS**

TYPES OF SETTLEMENT ALLOWED FOR ON-EXCHANGE TRANSACTIONS

“BIS DvP Model-2” (net cash, gross securities).

Exchange trades are settled in a single manner, namely so that the obligations of the transfer of securities from trades executed on the stock exchange market are fulfilled simultaneously with the payment of the purchase price for the respective securities. In this way, no party to a trade is exposed to the risk of a decrease in value of the object of the exchange trade due to the opposite party not meeting its obligations.

SETTLEMENT CYCLE

The settlement day for stock exchange transactions, concluded on a respective trading day, is two business days after relevant trading day (T+2).

In determining the settlement day, the date when the real time gross settlement system is not working is not considered to be a business day.

IS SHORTER SETTLEMENT POSSIBLE

Possible for block trades. Not available for on-exchange transactions.

SETTLEMENT CURRENCY

Settlement currency is in EUR (via ECB's TARGET-2).

IS MULTIPLE CURRENCY SETTLEMENT POSSIBLE?

Not possible at a present time.

CASH NETTING

Yes.

TRADE PRE-FUNDING (BOTH CASH AND STOCK)?

Not possible.

However, clearing member has an obligation to pay the liquidity reserve the next day after the trading day in order for the settlement to be executed in full on settlement day.

IN CASE CUSTODIANS ARE INVOLVED IN TRANSACTION, WHO IS REQUIRED TO SEND SETTLEMENT INSTRUCTIONS?

Only KDD members are allowed to send settlement instructions to central registry operated by KDD.

CASH AND SECURITY GUARANTEE. ANTI-MONEY- LAUNDERING REQUIREMENTS

**CLEARING HOUSE'S DEFAULT WATERFALL
BUY-IN**

TRANSACTIONS MANAGEMENT

SANCTIONS

INVESTOR COMPENSATION FUND

COUNTRY-LEVEL RESTRICTIONS ON CASH TRANSFERS

REQUIRED DOCUMENTS

CLEARING HOUSE'S DEFAULT WATERFALL

As a central securities clearing corporation the KDD shall assume responsibility to meet obligations of buyer or receiver members and seller or deliverer members, but solely from funds ensured by members' contributions, i.e. their payments into guarantee fund, and not from its own capital.

BUY-IN

All clearing members are responsible to settle their transactions in a timely and proper manner.

KDD shall perform a buy-in in debit of the received advance payment, the eventual surplus or in case the settlement member seller has not made an advance payment, in debit of the funds from the guarantee fund.

TRANSACTIONS MANAGEMENT

In terms of transaction management, KDD provides centralised service for execution of transformations and market claims. Transaction management procedures apply to all types of transactions unless agreed otherwise by the parties to it.

KDD detects pending instructions eligible for transformation at the end of record day and during the rest of transformation detection period (i.e. 20 days after record day). Transformations will be applicable to all eligible transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to deviate from the standard transformation procedures.

KDD detects pending instructions eligible for instructing market claims at the end of record day and during the rest of detection period (i.e. 20 days after record day). Market claims should be detected for all transactions. However, counterparties in the underlying transaction may choose to "opt-out" if they want to indicate that no claim at all should be raised on a given transaction or include the ex/cum indicator if they want to deviate from standard market claim procedure.

SANCTIONS

Sanctions and penalties arise from being late in meeting obligations, defaults upon maturity, etc. and range from contractual default penalty, temporary restriction access to the information system to exclusion of a registry or settlement member.

INVESTOR COMPENSATION FUND

A guarantee fund bank account is a bank account held by KDD maintained at the Bank of Slovenia or another ESCB member, to the credit and debit of which payments to and from the guarantee fund are made. In relation to KDD creditors the balance on the guarantee fund bank account and other assets constituting the guarantee fund shall be considered as assets of settlement members.

The guarantee fund is constituted of those assets maintained by KDD in its own name and at its disposal for the account of settlement members, and particularly:

- For the benefit of settlement members, when KDD exercises its rights over these assets or rights in relation to a specific settlement member in default of its obligation from a stock exchange transaction; and

- In debit of settlement members, to meet their obligations which are liable to settle obligations of other settlement members arising from stock exchange transactions

Settlement members ensure the funds necessary to cover their obligations based on their liability by making their basic, additional and supplementary payments into the guarantee fund. The sum of settlement members' basic payment is determined based on the scope and sum of obligations incurred based on all stock exchange transactions entered into by all settlement members, concluded within a specific period, and is the same for all settlement members. The sum of the settlement members' additional payment is determined with respect to the scope and sum of the obligation of the respective settlement member which were incurred based on its stock exchange transactions concluded within a specific period. Settlement members make supplementary payments into the guarantee fund if funds have already been drawn from the guarantee fund based on the liability, or if funds from the guarantee fund are expected to be drawn based on the liability, with the sum of the funds exceeding that set forth by the regulations.

A detailed method of calculation of the sums, accounting periods and balances of these payments, include due dates of payments, is determined by KDD in the regulations.

In case the settlement member is eligible for any payments as per the provisions of KDD regulations for settlement of stock exchange transactions regarding to the guarantee fund, KDD shall be entitled to use the funds earmarked for due payment to said settlement member for cover or security of cover for the member's known liabilities outstanding or set to be pending towards KDD or any other entities relating to KDD membership.

COUNTRY-LEVEL RESTRICTIONS ON CASH TRANSFERS

No limit for cash payments in Slovenia, however the reporting entity shall furnish the office for money laundering prevention with the data on any cash transaction exceeding EUR 15,000 immediately after the transaction is completed and not later than within three working days following its completion

IF YES, WHAT DOCUMENTS ARE REQUIRED?

Bank order form for requesting an outgoing money transfer.

CORPORATE EVENTS

**DIVIDEND RECORD DATE/EX-DATE
DIVIDEND PAYMENTS DISTRIBUTION
PAYMENTS OF DIVIDENDS, COUPONS, UNUSED
RIGHTS ETC.
CAPITAL INCREASE WITH RIGHTS
RECORD DATE/EX-DATE
STOCK SPLITS / REVERSE STOCK SPLITS
TRADE/SETTLEMENT SUSPENSION
AUTOMATIC ORDER DELETION
OTHER CORPORATE EVENTS**

DIVIDEND RECORD DATE/EX-DATE

An issuer whose shares are listed on the LJSE must also provide the information on the proposed and adopted dividend amount; the record date, on which those entitled to dividend payment are established, whereby the ex-dividend date (considering the records in the shareholders' register) cannot be sooner than two (2) business days after the general meeting was held, which decided on the allocation of distributable profits; and the date of payment – as soon as possible.

IS THE CSD RESPONSIBLE FOR DIVIDEND PAYMENTS DISTRIBUTION TO SHAREHOLDERS?

The KDD member-issuer is obliged to inform KDD in a manner set forth in operations rules regarding corporate actions for payments to holders of securities.

KDD is not a mandatory paying agents, it depends on the issuer's decision on using a paying agent.

PAYMENTS OF DIVIDENDS, COUPONS, UNUSED RIGHTS ETC.

KDD offers its members-issuers dividend payments or disbursement of other returns based on their securities.

CAPITAL INCREASE WITH RIGHTS

In a situation when a listed company raises capital, all existing shareholders have a pre-emption right to subscribe for new shares in proportion to their shareholdings.

RECORD DATE/EX-DATE

The ex-dividend date cannot be sooner than two (2) business days after the general meeting was held.

STOCK SPLITS / REVERSE STOCK SPLITS

Procedures are automated and performed by KDD.

IS TRADING/SETTLEMENT SUSPENDED IN CASE OF CORPORATE EVENTS AND IF YES, FOR HOW LONG?

Depends on a nature of corporate action, however max 3 trading days.

IS THERE AN AUTOMATIC ORDER DELETION AT THE END OF DIVIDEND RECORD DATE?

No.

ARE OTHER CORPORATE EVENTS POSSIBLE?

IPOs, other types of capital increases/decreases, M&A deals, spin-offs etc.

TAXATION

**CAPITAL GAINS TAX
DIVIDEND TAX
VAT**

CAPITAL GAINS TAX

Capital gains are taxed at 25% (after first 5 years of holding tax rate decreases by 10 percentage points and then by 5 percentage points). Applicable only to Slovenian tax residents that are physical persons.

DIVIDEND TAX

Dividends are currently taxed at 25%.

VAT

Trading, clearing and settlement services are exempted from VAT.



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