



Service digitalization and development of financial market services on the CSD platform

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RECORDKEEPING OF OWNERSHIP INTERESTS IN COMPANIES BY THE CSD: NEW OPPORTUNITIES

Project objectives

- Implementation of additional mechanisms for protection and exercise of the ownership rights of participants of limited liability companies (OOO) or additional liability companies (ODO), and guaranteeing the performance of obligations under transactions
- Ensuring technological effectiveness and creating new opportunities in connection with corporate actions

Project status

- ❑ Draft Law No. 2493 dated 25 November 2019 was registered with the Verkhovna Rada (Parliament) of Ukraine. The Draft Law proposes to make amendments to the Law "On Additional and Limited Liability Companies" and some other laws to make it possible to record ownership interests in OOO and ODO companies in electronic format, in the recordkeeping system maintained by the CSD

RECORDKEEPING OF OWNERSHIP INTERESTS IN COMPANIES BY THE CSD: KEY ASPECTS

❑ **Principle of voluntariness**

Ownership interests will be recorded in electronic format if so chosen by the company at its absolute discretion. The relevant decision must be taken by the general meeting of participants and recorded in the United State Register.

❑ **Ownership interest recordkeeping system:**

- Is not a depository system
- Is maintained by the CSD in electronic format

❑ **The company may abolish recordkeeping of ownership interests in electronic format**

The relevant decision must be recorded in the United State Register

❑ **Making changes to details recorded in the ownership interest recordkeeping system:** either independently, via the Client Cabinet service, or through an authorized entity (depository institution)

❑ **Advanced services for companies**

- Corporate action services provided in electronic format
- Escrow accounts
- Dividend payments via the CSD

NEW FINANCIAL INSTRUMENTS: BANKS' CERTIFICATES OF DEPOSIT

Project objectives

→ Introduction of a new type of banks' financial instruments in electronic form, which can be issued, purchased, and traded in the secondary market (including through organized trading facilities) conveniently and fast

Project status

→ Draft Law No. 2284 dated 17 October 2019 "On Making Amendments to Certain Laws of Ukraine to Simplify the Investment Raising Process and Introduce New Financial Instruments" was registered with the Verkhovna Rada (Parliament) of Ukraine and passed the first reading on 19 December 2019

Key aspects

- Electronic securities (discount or interest-bearing)
- A securities issue is registered by the CSD and then notified to the National Securities and Stock Market Commission and the National Bank of Ukraine within one day
- Can be traded, inter alia, through organized trading facilities
- Redemption and income payout through the depository system

AGRARIAN RECEIPTS: DIGITALIZATION OF THE FINANCIAL INSTRUMENT

Project objectives

→ Improvement of agricultural producers' access to resources and funding

Project status

→ On 14 February 2020, Draft Law No. 2805 "On Making Amendments to Certain Laws of Ukraine with Respect to the Operation of and Trading in Agrarian Receipts" was registered with the Verkhovna Rada (Parliament) of Ukraine

Changes in the agrarian receipt issuance and trading processes

- Agrarian receipts may be issued in electronic form
- Standardized or customized forms
- Recordkeeping of agrarian e-receipts in the depository system
- Secondary trading through organized trading facilities
- Communications between debtors and creditors through the depository system
- Option to remit payments due under agrarian receipts to the creditor through the depository system

WAREHOUSE RECEIPTS: DIGITALIZATION OF THE FINANCIAL INSTRUMENT

Project objectives

→ Introduction of a new financial instrument in commodities and capital markets with an option of secondary trading through organized trading facilities

Project status

→ The relevant Law is being drafted

Changes in the warehouse receipt issuance and trading processes

- Warehouse receipts may be issued in electronic form
- Recordkeeping of warehouse e-receipts in the depository system
- Secondary trading through organized trading facilities

**Thank you for your
attention!**

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